

Forty Years On: What's Next for U.S.-China Relations?

A Bipartisan Congressional Dialogue with Rep. Rick Larsen (D-WA) and Rep. Darin LaHood (R-IL)

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Transcript

Nancy Lindborg:

Good morning. My name is Nancy Lindborg. I'm the president here at the U.S. Institute of Peace, and I'm delighted to welcome you for our Bipartisan Congressional Dialogue series. This is a really important platform for members of Congress who are working on critical issues from opposite sides of the aisle to advance their common interest in U.S. national security.

And so we're particularly mindful on this very somber anniversary of 9/11 that throughout history our nation's steepest challenges have really required us to work in a bipartisan manner to advance our common interests. I thank our congressmen for joining us this morning.

You know, I think all of us read the papers, and it seems like unity and consensus are really hard to come by in politics these days, but our experience is in fact that many members of Congress maintain a really deep commitment to the kind of problem solving that requires bipartisan action, and so it's always encouraging to see that in action.

It was this bipartisan spirit that led to the founding of U.S. Institute of Peace in 1984, when Congress founded USIP with the mission of preventing and resolving violent conflict around the world. We do so as an independent, nonpartisan, national institute, and we link research with training with policy analysis, and direct action in some of the toughest places around the world in support of those who are working to prevent and resolve violent conflict.

USIP has a long history of serving as a platform for people with a lot of different views and coming from different sectors to come together and think about what are the best solutions, tackle some of the most challenging foreign policy issues, and that's what brings us here today for a very timely and critical conversation about U.S. and China relations.

We've seen over the past decade the shift in China's actions in the world, and in the U.S.-China relationship, especially as China invests heavily in Africa and Asia. We here at USIP lead a series of bipartisan study groups looking at critical aspects of China's growing engagement of the world, and I invite you to check a couple of them out on our website. One is on China's role in North Korea nuclear and peace negotiations, and the other one is on China's role in Burma's internal conflicts.

We are really honored to have with us here this morning two congressional leaders, Congressman Rick Larsen from Washington, and Congressman Darin LaHood from Illinois to share their experiences and their deep expertise on these issues.

Congressman Larsen and Congressman LaHood are co-chairs of the U.S.-China Working Group, a bipartisan group that was formed in 2005 to enable members of Congress to be more informed about U.S.-China relations. They travel frequently to China, including most recently last March to engage with a variety of leaders in China on elements critical to the U.S.-China relationship.

Congressman Larsen represents Washington's second district, which includes San Juan and island counties, as well as other communities in northeast Washington, and Congressman LaHood represents Illinois' 18th district, which includes the western parts of Illinois and the greater Peoria area. Each of them brings insights that are formed by deep experience. They know firsthand about the China-U.S. relations and broader areas of international affairs, and they've served their constituents in U.S. national security with vision, with commitment, and extraordinary leadership.

Congressman Larsen and Congressman LaHood, thank you so much for joining us. In today's very divisive times your commitment to working on these issues together is really heartening. It stands as, I think, a symbol of how to make things work to tomorrow's foreign policy leaders, and we have quite a few of them in the audience with us today.

So, I want to just acknowledge that it's a real pleasure to have students from the University of Washington Bothell joining us here this morning, and we also have a distinguished group of graduate students from Stanford's Center of International Security and Cooperation here with us today, so we look forward to your all's question. For those following this event online, especially those who are waking up early in Illinois and Washington, I invite you to join the conversation on Twitter @USIP using #bipartisanUSIP.

And so with that, please join me in welcoming our two guests, and each of them will begin our conversation today with opening remarks starting with Congressman Larsen.

Rick Larsen:

Thank you, Nancy, and appreciate it. Who's here from UW Bothell? Yeah. Go Dogs. All right. Good to see all of you here. As well I understand some Stanford folks are here too, so... So, the pack's represented well here today.

I want to thank the U.S. Institute of Peace for inviting Darin and me to speak. Someone in the green room pointed out that bipartisan nature of U.S.-China Working Group, which they said is why Darin and I must have coordinated our suits this morning, make sure we were both wearing gray, but that's just one way we show our bipartisanship in Congress.

So again, for those again who don't know me, I'm Congressman Rick Larsen. I represent Washington's second district, so think north of Seattle, but none of Seattle on the map, if you want to think of it that way. That's how I think of it as well.

I'm pleased to be here with my friend, Darin LaHood from Illinois talking about our work in congress. As noted, the U.S.-China Working Group started in 2005 and Senator and then former Representative Mark Kirk and I created the working group then because there was a dearth, a lack of nuanced conversation about the relationships that exist between the U.S. and China, and that's I guess one theme for everybody. There's not one relationship that we have with China. There are many different kinds of relationships depending upon the issue that the United States has with China, so felt there was a need on Capitol Hill to have a forum to talk about the various issues that the U.S. and China have together.

It's a working group to bring information to members of Congress and staff, and provide a forum for discussion and dialogue. We were there in March. It was personally my 11th trip to China, and one thing I like to say about traveling to China as a member of Congress, is the one thing that you learn when you

go to China is that you need to go back to China. It's not enough to go once. We try to as well get around different areas of the country as well while we're there.

It doesn't just matter to us in this room. It just doesn't matter to Darin and me, it matters to our constituents. In Washington State, 40% of all jobs are directly tied to trade. In my county of Snohomish County, which our friends in Bothell know really well, 60% of jobs are directly tied to trade. That's largely because of the presence of the largest building in the world by volume with the Boeing factory in Everett, Washington. So 60% of all jobs directly tied to trade. So trade with all countries, but certainly China trade's important.

As a result, a lot of my focus has been on trade, and I think you'll hear some of that from Darin as well. We're trying to get some pretty clear goals established for trade with China right now. These are the issues that we brought up in March. We showed a bipartisan approach to this. This is, I think, an important point in March while we were there. We focused on trade. There were two Democrats and four Republicans who went on this trip.

We focused on talking about the consensus that exists in Congress on what those issues are that we have in the United States with China's trade and economic policies. In order to buttress the administration's efforts to try to get a resolution to the current trade war, one increase market access for U.S. competitors and enforce tech transfers, stronger intellectual property protections, eliminating trade barriers, and then as well dealing with the force joint venture issue.

There is a bipartisan support for this trade agenda, although there are differences in how to approach that, but we did not get into that discussion with the Chinese. That's a discussion that we have to have in the United States about approaches, but there is in fact this consensus on what the problems are with trade. I would note though because of this trade war, I would argue it's not really working for us right now.

Since the trade war began, think about this in early March of last year before the first tariffs really went into place, the average tariff on goods according to Peterson Institute's study, sorry USIP, citing other think tanks, according to Peterson Institute study the average tariff of a non-Chinese good going into China was about 8%. It didn't matter where it was coming from. It was about 8%. Now, the average tariff of a U.S. good going into China, if the next round of tariffs and retaliatory tariffs go into place in December will be about 23-24% of a U.S. good. A non-U.S. good going into China will be about 6.7% tariff. So that doesn't seem to be working for us, at least according to the Peterson Institute numbers.

I always argue that we need a new and different strategy, and this is my personal views on this. I'm not going to make anyone own them, but where we agree we'll agree. So, I put out a white paper, provides a pretty comprehensive view of how we ought to change our strategies towards China that would, I think, remove it from a current moniker of a strategic competitor, but still recognize there are areas where we do compete directly. The United States and China do compete directly with China, but there are areas where the U.S. and China need to cooperate as well.

I think we're in this world right now where we don't know if we're cooperative competitors or competitive cooperators, really. That's my view of it. I would note in conclusion, and when we get to Q&A we can get in more detail about where those issues are where we cooperate and compete. I would note in conclusion from a congressional perspective, I speak for myself on this, I might be in a minority in Congress. I think in 2005 I might have been the majority in Congress in terms of engagement, but the ground has shifted in Congress.

If you want to split up members of Congress into three groups on China, there are economic hawks, those who look at the trade and economic policies and are frustrated with them. National security hawks, those who look at China as a national security competitor, and human rights hawks, those who look at China's terrible human rights record, especially looking at what they do in Xinjiang with the Uyghurs.

Those hawks flew separately for the longest time. So long as they flew separately, there was not a broad base consensus in Congress to confront China. Those three groups, flocks of hawks have come together. They have found each other. And that has shifted, this is my analysis, that has shifted the foundation in Congress. It is a bipartisan foundation I would note, but it's shifted the foundation of Congress to take a more competitive and more confrontational approach than we've had in the past. Not confrontational with time, but certainly more so than it has in the past. That's, I think, the current state of play in Congress, and then we'll have a chance to flush that out maybe through Q&A, but do want to thank USIP for inviting us here today. Appreciate it. Thanks.

Darin LaHood:

You might have noticed, Rick and I are also members of the tall caucus. Let me thank the U.S. Institute for Peace for putting on this seminar here today, and thank all of you for coming out today for your interest in the subject of China, and look forward to your questions and dialogue and conversation. I think it's important that we have forums like this to engage on the important issues, and there are plenty of them as Rick just talked about. But I'm honored to serve with Rick as the co-chair of the U.S.-China Working Group.

Little bit about the district that I represent, Central-West Central Illinois. My hometown is Peoria. My district, I border Iowa and Missouri on my western boundary. I have the Mississippi River, that is my western portion of my district. My district's a heavy agriculture district, so of the 435 congressional districts, ours is the eighth largest in terms of corn and soybean production, so we've got some of the most fertile farmland in the entire world in our district.

Illinois has led the nation for the last five years in soybean production. 25% of our soybeans every year go to China. Much of that is not for human consumption but goes to protein to feed animals, but it's a market that my district is heavily reliant on for trade.

Also, little known fact. We produce 98% of the pumpkins in the world come from my district. The growing climate for pumpkins 100 miles north of Peoria, and 100 miles south of Peoria is perfect, so anybody wants to come for some pumpkin pie, we'd love to entertain you in central Illinois.

I also love to tell people a little bit, the district that I represent is the Abraham Lincoln congressional district, so Lincoln served one term in Congress 1847 to 1849, and he represented nine counties that one term. I represent all nine of those. He's buried in my district in Oak Ridge Cemetery, and so proud to represent the Lincoln district.

I have a colleague to the south of me, Congressman Rodney Davis, and he has the Lincoln home in his district, so we get in this argument about who represents, but I have the body, so I take credit for representing the Abraham Lincoln district, but proud of the heritage and history. Everett Dirksen, famous senator served in this district. Ronald Reagan was our only president born in Illinois. He was

born in Tampico, Illinois which is about 30 minutes from where I live in Peoria, so anyway, a lot of heritage in the district that I represent.

I've been in Congress for about four years, and representing the district that I do, and some people might ask, "Well, what's your interest in China?" Well, I just explained a little bit of that, right, having a heavy agriculture district. I also... Caterpillar, which makes a lot of earth moving products, I have the largest concentration of Caterpillar workers anywhere in the world in my district. We make a lot of mining equipment, D10 tractors, excavators, and of course Caterpillar has a big footprint in China. They have 29 manufacturing plants in China. They have four R&D facilities, and so trade, and particularly the relationship with China is important for my district.

I'll also tell you I represent Pekin, Illinois, and you may want to know what that... Pekin got its name because if you go through the middle of the earth, you'll be in Peking, China, is the origin of that. I know you guys are getting a lot of facts you weren't aware of before, but anyway, I'm really proud and honored to be part of the working group. There is a whole plethora of issues that are going on right now, but it's been good for me parochially for my district to be engaged on these issues, and I've had the opportunity with Rick to do two bipartisan trips to China.

The most recent one that we did in March was obviously right before the trade war really went to another level, but we were in Hong Kong, spent a couple days there, which was very interesting. We were in Hangzhou, got to visit Alibaba and a number of other companies, and then we spent a lot of time in Beijing. It was a very worthwhile trip.

I would just say this: When we think about the trade war, it is a trade war. I really think about it as an economic war. When you look at the economics of who's going to lead the world when it comes to technology, which is a big part of this economic war we're in, and then lots of other ancillary issues that are out there, whether it's North Korea, whether it's Hong Kong, whether it's Taiwan, whether it's the human rights issues. Huawei is a big issue. The One Belt, One Road. Obviously there are many ancillary issues that as the working group, Rick and I work with our colleagues to educate them, to get feedback, and to try to navigate many of these issues that we deal with in China.

From the standpoint is we have the two largest economies in the world, and we are intertwined in so many ways. So from an economic standpoint and from a national security standpoint, trying to figure out how you navigate those issues has really been worthwhile for me, as we from a public policy standpoint try to figure out the right approach moving forward in the Congress. Again, I've enjoyed that opportunity to do that, and will continue to do that.

I would just comment just for a second, you know, obviously the approach that this administration has taken when it comes to China is much different in some respects than what we've had in previous administrations. Listen, I'm not a fan of tariffs. Tariffs are taxes. They're taxes on consumers. They're taxes on businesses. But this administration has taken approach with tariffs that particularly with China that's much different, right. I think if you listen to them what they'll tell you is lots of administrations and presidents over the last 25 years have dealt with China, but they never got that systemic change that we need.

Some of the origins of this go back to when we brought China into the World Trade Organization, 2001, 2002. The argument at the time was bring them in, they're going to abide by all the same economic standards that every other industrialized country does or will do that. Clearly that hasn't happened on the technology front, the intellectual property front, and so this administration has taken a hard line on that specifically on how you get that change that we have not been able to get in the past. And so that's

why we're in this trade war that we're in right now, and does that affect my farmers? Sure. Does it affect lots of industries in this country? Yes.

So how does this all end? I mean, I think we're in kind of unknown territory right now on how this trade war, this economic war ends. Obviously there's a lot of argument that the Chinese are going to wait us out until after the election, but drilling down a little bit on the tariff issue, what we're trying to get is if you look at the cases we've had in the World Trade Organization against China, we've had lots of them. I think 18, 19 over the last 15 or 16 years. We've won every one of them, but it takes two to four years to win those, right? So it's a very frustrating process.

By the way, we're not the only ones that have these issues with China. The Europeans do. The Japanese do. The Koreans do. So people are watching very closely. In some respects do I wish we would partner with some of our allies and go after China? Yeah, I think that would have been a better approach, but clearly that's not what this administration has done.

It's a bit of a risky strategy, but in some respects, it may help get the ultimate resolution that we need, so anyway, lots of issues to talk about today. Happy to be here. I'll just mention one other thing, Rick and I work a lot on China, but we're also the co-chairs of the soccer caucus, so we enjoy soccer together too along with China. So anyway, thank you all.

Nancy Lindborg:

Thank you both for such knowledgeable and thoughtful presentations. I will add one fact to yours, and that is when the USIP legislation was signed in 1984 in the White House, it was President Reagan who signed it, so I'm sure your district was cheering with excitement. I'm also glad that we're seated, because I am not a member of the tall caucus.

But you know, given that you both talked a lot about your districts as agricultural, some manufacturing, the potential impact of the whole trade situation with China, I want to dive right in and ask, we're seeing that the trade talks are meant to resume in October, do you see a pathway forward and a future in which this will be resolved in a way that has lesser impact, or greater success for the United States and for trade partnership?

Rick Larsen:

I'm personally pessimistic. I think this is the continual story of Charlie Brown and Lucy van Pelt, where Lucy is holding the football and Charlie Brown says, "This time I'm going to be able to kick it," and at that time Lucy picks it up and Charlie Brown goes flying and lands on his back. That is what we've seen. Every time there's an announcement that Chinese interlocutors are coming to the U.S. or U.S. interlocutors are going to China. That hasn't changed. I've seen nothing at all that indicates that anything is any different.

It is important that we keep talking. That's a positive, but I haven't seen anything that has changed to ensure that something would be different. I think that the problem that the two countries are facing, and this again, this will be my assessment, is that the U.S. wants an enforcement mechanism, which is a great thing, but only wants it for China, and China wants an enforcement mechanism that applies to

both countries. We heard this in March as one of the... It wasn't necessarily a sticking point. They didn't say it was a sticking point, but the Chinese leaders did say that basically enforcement has to be for everybody, not just on China. And unless there's an acceptance, again, I'm only reflecting here, unless there's an acceptance of that point, it's going to be very hard to get an agreement.

I would say it'll be, you use the word resolution. This will not be a trade deal. It will not be a trade agreement. It'll be a resolution to the problem that we have together. That's about as much as I'm expecting.

Nancy Lindborg:

Are you pessimistic about the potential at all, or just about the current strategy?

Rick Larsen:

I have my own issues with the current strategy, and I've got a long list of things we ought to do differently, but it's a list that I've basically borrowed from other folks too, so I'm not alone in that, but I think that's not right now as important as trying to find a way out of the damage that tariffs are doing to the businesses, to consumers, to moms and dads who according to a Forbes study saying we're going to be paying \$1,000 more out of pocket directly due to tariffs, that American consumers are. Trying to find a way out of that. I think we've got to try and tackle that problem.

Nancy Lindborg:

Congressman LaHood?

Darin LaHood:

A couple points. As I mentioned in my comments, I think China probably at this point waits us out until after the election, but there's a couple factors to think about. If you back up, if you go back to earlier this year, January, I think Ambassador Lighthizer, who I have immense respect for. I think he's an extremely capable negotiator. He's been around a long time. He understands China. I think we were 90% there with working on finding a resolution. Of course, the last 10% is always the most difficult part.

I mentioned, you know, that enforcement mechanism that Rick talked about, or what I call the hammer over their head that we've never had in the past, putting something in there, for instance they've talked about a snapback tariff provision, which would be once you sign the agreement in four months from now when China violates it, that instead of going through the World Trade Organization, we would be

able to snap a tariff on, so that's controversial, never been done before. They don't want to agree to that.

So what could change in terms of these negotiations? I mean, listen, I think this administration one thing they follow and listen to is the stock market, right? I think if you continue to see the economy slide, if that's in fact, and I don't think that's happening now, but there's some signs, but if trade directly affects the economy, I think giving up on the snapback tariff provision, trying to get an agreement, but remember I think we could have a year ago done a purchase agreement, right, which lots of other administrations have done. Buy more goods. Buy more products. Buy more agriculture. But not have that systemic change.

Again, I think the likelihood is probably not good that we get a resolution, but if there is a triggering mechanism, something in the economy, I think that could force the administration to try to cut a deal. I think this president would be willing to do that.

Rick Larsen:

Can I make another note about that?

Nancy Lindborg:

Of course.

Rick Larsen:

As Darin mentioned, Ambassador Lighthizer, as a Democrat, I think I can accurately say that there's a lot of respect for Ambassador Lighthizer both in the USMCA negotiations and in trying to work out these trade problems with China. He has respect from both sides of the aisle. Again, I want to be supportive. We all want to be supportive. It's just at some point there is a discussion about is this particular approach working or not.

Nancy Lindborg:

Right, which is a matter of strategy as opposed to politics per se. You were present at the creation of the caucus, right?

Rick Larsen:

Sure, yeah. Makes it sound like it was that long ago. 14 years ago now.

Nancy Lindborg:

In 14 years the ground has shifted substantially in terms of the nature of the relationship, how people view the relationship. You characterize some of that in your opening comments, but you characterized also a little more nuanced view of the relationship. How broadly shared is that, and what do you see as the most successful way forward for approaching a very complicated, very important relationship?

Rick Larsen:

Yeah, I think that... So going back to 2016 before the election, and talking with some Democratic foreign policy people who were involved with the Clinton campaign, and who were in the Obama administration, there was going to be a tougher tact taken on China relations, even by a new Democratic administration. Probably not this particular approach that the Trump administration's taking, but tougher in some respects on some issues, mainly national security issues.

Rick Larsen:

So the ground was shifting anyway, and I think that with the current administration has given permission, if you will, for members to say what they really think about China if you will. I also think that ends up not being a very nuanced approach, because again, we're not going away. China's not going away. We have to think a little bit more long term in where we want to be in relationship to China on any number of issues, and we might be giving up some of those opportunities as a result of a confrontation first approach on some things.

Rick Larsen:

It's an interesting dynamic because the president himself says that he wants to be personal friends with President Xi, while at the same time the administration has a much more confrontational approach with China, and those two don't really match up all the time.

Rick Larsen:

But I think that maybe the most recent and best way to describe it, and I'll conclude on this point with your question, in talking with the chairman of National People's Congress, this was one of our last meetings. In their system, that person's about number three in their hierarchy in the Chinese Communist Party. Our relationship over time has been one of a roller coaster. A roller coaster goes up and it goes down, it goes up and it goes down. I said, "Frankly right now I think we're in a down. We're in a trough in this relationship." His response was that he understands that so long as the roller coaster doesn't go flying off the tracks, we'll be okay, so let's just keep the thing on the track and work from there.

Nancy Lindborg:

That's a very wise metaphor. And you, Congressman LaHood, did you join upon your election to the House?

Darin LaHood:

I did not. It took a little while. There was, obviously I mentioned the interest in my district with China and the connection. Mark Kirk, who's a friend and served in the House, and he's from Illinois, he had encouraged me to get involved, and so that's when I did. I got engaged on it. Again, as I mentioned I've learned an awful lot in the space and it's been very, very rewarding being part of the working group. It serves, I think, a very, very good purpose in Congress.

I would just mention, you talked about how things have changed over time. On the economic side of things, you know, when we look at what's different now in the relationship economically in this economy war we're in. I think particularly on the technology side and intellectual property side, we are in a different era now.

We lead the world in technology, right, whether it's Amazon or Apple or Google or Microsoft or Facebook, we lead the world, and China wants to beat us in that. I mentioned earlier there's two sets of standards, but it is really, really palpable now I think in the tech space on where we're at today.

You know we visited, I mentioned Alibaba when we were in China, but you look at a company like Alibaba that comes to the U.S., they're treated like any other company, right? They engage in the free market system. We don't ask how you built your cloud services or what your trademarks are, your patents, but when technology companies go to China, and this is really the core of what's different now, they can't operate, right, because they want to know how you built your cloud services, what went into that. You have to partner with a Chinese company and they have to own 51%. This is stuff that's unheard of anywhere else in the world. That has really caused a lot of pain and a frustration.

Does China want to beat us in technology? Of course they do. Do they want to replicate, or in some ways steal many of our technologies? Absolutely. That has caused a lot of friction in this relationship, and balancing those needs, I think they cross political boundaries and ideological boundaries in that space. I think that has been, again, this relationship with China 40 years today talks about has been ups and downs, but I think right now that is a real core principle about what is causing a lot of the friction.

Nancy Lindborg:

It's often hard to keep the nuances of a big complicated relationship in focus. Do you think that within the caucus we're able to do that?

Rick Larsen:

I think we give it our best shot. I think if you've heard nothing today, understand members of Congress represent the districts they come from, and how that relates to your question is that we are all individually going to think about what is happening in my district, how should it impact my outlook because it will impact how I can best represent the people that live in my district. That's going to be different for members, and for every member.

Mark Kirk had a great saying about the U.S.-China Working Group. He said that, "We'll take anybody. We'll take panda huggers. We'll take dragon slayers. And we'll take panda slayers."

Nancy Lindborg:

Never popular.

Rick Larsen:

Never popular. But his point was we were ecumenical or agnostic when it came to what a member of Congress brought to the table, because this was a forum about education, and opening up minds and learning from each other. It wasn't about we're doing it this way, and if you don't like that then you can't participate. There have been some ad hoc groups in Congress on China that have taken more of that approach. We're doing it this way or not a different way.

Darin LaHood:

I would just add in many ways our policy is... Like, other things in our government is dictated by our participatory democracy. What members are feeling, whether it's what they're hearing back home or how this relationship with China's affecting them drives policy, right? I think that reflects our district. We've got to go back and get elected every two years, and you've got to back and talk to folks. I think that political pressure, which of course China doesn't have, right? They can play the long game a lot better from us. They don't have an upcoming election or any elections. They're not going to have constituencies that press on them the way that ours do, and so you know, in some ways they, again, have the long term strategy, but in our democracy I think that helps drive a lot of how we react and what we do.

Darin LaHood:

I think you've seen that with the Trump administration. I mean, there is really on trade in general and on China, you have two different views within the White House. You have the real China hawks there, and you have the more trade-oriented folks in there. I mean, these are battles and ideological discussions that go on often, and I would say the president has sided with the hawks on most of this instead of with the more free traders in there. I think that's been reflective about where we're at right now.

Nancy Lindborg:

So one final question, and I want to open it up and get questions from all of you. You alluded to this in your opening comments, Congressman Larsen. We are seeing the rising concerns about the rights of the Uyghurs. Everyone's watched the marches that have gone on in Hong Kong. How do we factor in those human rights concerns against a variety of priorities in the relationship?

Rick Larsen:

Well I think to start broadly, we need to decide if in fact the tradition of democracy's promotion and human rights promotion is part of our foreign policy or not. If it is, then it is an issue for us. It doesn't matter if it's in China or if it's Saudi Arabia or anywhere else, it's either part of our foreign policy tradition that we're going to put resources and rhetoric behind or we're not going to do that. I happen to think that it is, and it is an issue that this particular issue of the China government treatment of the Uyghurs is an issue that we brought up in meeting with Chinese leaders.

The response we got is the response that you can all read about. It's the same one. The talking points are really clear from the Chinese. These are reeducation camps. They're just trying to help people with workforce development. I didn't realize that a million people needed help with workforce development or reeducation, but according to Chinese that's the case. I don't believe them. I don't believe the Chinese leadership on that.

And then Hong Kong we met with young people involved with the Umbrella movement as well, young people that you're reading about in the paper today. Again, our response ought to be consistent with what our response has been. I will say this that Chinese leadership doesn't like that when we say that, but you don't have a relationship between countries because the other country gets to dictate what your views should be. You get to dictate what your views are and communicate them and find ways to promote them.

That's the principal that I think we need to continue to stand behind. I will say in going to Hong Kong we had quite a bit of negotiation about meeting with some of these folks. Our staffs did a masterful job of making sure that we stayed on the straight and narrow in talking with the Chinese leaders to emphasize the fact that this was an important part of our trip, and a necessary part of our trip.

Nancy Lindborg:

Great. Anything to add?

Darin LaHood:

I would just, you know, again, I go back to the issues that in the last administration, there was a real emphasis on South China Sea, more on Taiwan, and on human rights I think. In some ways those have kind of evaporated in terms of the economic issues here that have kind of come front and center. Again, it's a reflection of our elections have changes, right? They have policy differences. You see that from administration to administration on this, but there is not... And Rick's correct. Much of our foreign policy has been premised on human rights all around the world, and that has gone from administration to administration, but putting a priority on that, I don't think has been part of this administration on that, and I think that's reflective with the Uyghurs.

I would also say with the Uyghurs too, you know, it's kind of amazing to me that these other Muslim countries in the world, whether it's Saudi Arabia or others don't seem to have any sympathy for the Uyghurs, right? That may be because of their relationship with China, but you know, it's a bit disappointing not to see the consistency that we've seen in the past.

Nancy Lindborg:

Yeah. I'd like to open it up. I'm going to take three questions in a row, and take those and you all can answer both of them. Actually, I want to start with one of the University of Washington students. Any questions from that group?

Student:

Hi. I'm Fran Lawrence.

Rick Larsen:

Prove it.

Nancy Lindborg:

Microphone.

Rick Larsen:

Prove it. Where do you live?

Student:

Everett, Washington.

Rick Larsen:

Yeah, right. My district.

Student:

Yes. And my two children, like your two children, are also fifth generation for our county. They're also fellow Huskies. So I'm a student as well. I'm currently researching for the protection of the human rights of the protestors in Hong Kong. I'm interested to know your position on the bill that's been reintroduced, the bipartisan bill for the human rights for the Hong Kong protestors, 3289.

Rick Larsen:

I don't have the details on 3289.

Student:

Okay.

Rick Larsen:

Don't give me bill numbers. Tell me what the bill does. I've got a lot of stuff in my head. If you just kind of remind me.

Student:

Absolutely. It's to annually review the special sanction, or the special authority that's been given to them annually so that we can be monitoring them.

Rick Larsen:

So, thanks. Yes. We have a mechanism currently in U.S. law to evaluate human rights progress in maintenance, in democracy progress and maintenance in Hong Kong. There's an effort through this bill, I believe this is the particular bill, this effort to actually more deliberately connect U.S. economic and trade policy to Hong Kong with that progress.

Rick Larsen:

That is, we treat Hong Kong like it's... It is a special administrative region to China, but it is also generally a free market. Currency exchange is important, an important stock exchange in the region, and the question is whether we should treat Hong Kong more aggressively, negatively, because of lack of progress in human rights. This is where this conflict of human rights and the economy come into play.

My current thinking on 3289 is that we ought not to do it, that we ought to be better about our position, about our rhetoric, about how we view the protests in Hong Kong. Right now the message is coming out of the United States, they're not negative or they're not supportive. Right now we're trading off the relationship with Beijing for the Hong Kong protestors. If we want to, I think we need to first start to say that the Hong Kong administration needs to be responsive to the concerns that the protestors are bringing up. I'm not going to say they should accept all the demands. That's not my job to say, but

pulling back, withdrawing the extradition bill when Executive Lam did was a good thing, and it was way too late, because the demands have built up behind that. Other legitimate demands have built up behind that.

We need to be saying that, and we're really not pushing that point at all. I think before we get to legislation, like 3289, it's not that we don't have a mechanism in place in the law, we do have a mechanism of review in place in the law, but we're also not backing that up as I said with resources and with rhetoric, especially with the rhetoric. What is coming out of our State Department, or mainly out of the administration.

Nancy Lindborg:

And I promised to take a question then from the Stanford group. Is there... Yeah? Go ahead.

Rick Larsen:

Is there a Stanford student from Illinois?

Nancy Lindborg:

Seriously?

Student:

Yeah.

Nancy Lindborg:

Okay, you're next.

Rick Larsen:

So all vote your members of Congress. We're just all local all the time.

Student:

My name's Antigynique Sonopolous, and I'm from the CSAC cohort. I'm planning to write my thesis about why the U.S. allowed itself to become economically dependent on China for some critical dual-use industries. My question is earlier on in your opening remarks, Representative Larsen, you mentioned that there are sort of three camps of concern regarding China, economic, national security, and human rights.

I was wondering if either of you could A) characterize some of the shared concerns between the economic hawks and the national security hawks, and B) try to explain perhaps why it took so long for those two camps to come together, and to realize that their concerns vis-à-vis China were interlinked?

Nancy Lindborg:

Okay, before you answer that we're going to take the Illinois point of view as well.

Darin LaHood:

All right.

Student:

I'm Jonathan Contravin, I'm from the ninth district.

Darin LaHood:

Okay.

Jonathan Contra:

Big Illinois fan.

Darin LaHood:

Yeah.

Jonathan Contra:

It's a great state. I'm wondering whether you think there's any chance for any arms control with China, whether it's in hypersonics or new missiles, nuclear, and what would your strategy be to get them involved in some kind of effort?

Nancy Lindborg:

Okay, two small little questions.

Darin LaHood:

Oh yeah. Well, I'll take... Rick serves on armed services, so I may have him take the defense question, but on your question as it related to the three different groups, you know, politically all of these groups have kind of come together in an adversarial approach towards China. I think they're willing to put aside some of our political differences, maybe party differences because they know the broader, I think, approach towards China, I think to achieve what we want to do... I mean, listen China hasn't had a very good record on human rights. We haven't got them to change that.

Whether again, it's conservative Republicans that believe in human rights and religious freedoms, they're willing to partner with the more tradition human rights activists. I think you've seen that in the Senate and in the House, again, to achieve the broader goals of bringing change to China on that, putting the pressure on there.

Again, I think that crosses lines when you talk about the economic hawks and the national security hawks. We've been dealing with China, it's a communist country, and I think the other thing that's been impactful, I mentioned the One Belt One Road, but you look at China's influence whether it's in Africa, whether it's in Pakistan, whether it's in Myanmar, we haven't talked a lot about that, but they're pushing out around the world, right, to be an alternative to us and what we've done, I think has affected a lot of members of Congress too.

There is a... I think there's security fears on that, and them pushing their agenda. Now, I tend to think, I mean, a lot of people have been scared and worried about that approach. We had a conversation earlier on this. You know, if you look at what China's done particularly in Africa, much of the fear that was there that, oh, they're going to establish places there, and they're going to take over and have natural resources, much of the work they've done there has been in some ways inferior. It hasn't been what it

was supposed to be. There was a lot of talk about African laborers being involved with it, but they've brought in a lot of Chinese labor.

I don't know that their original goal and their intent has come to fruition on that, but clearly in Southeast Asia, they have been very, very aggressive on this, and we have not. So, having an approach, whether it's through Congress or the administration that focuses on that, I think is important, but I think that's affected those three groups coming together is their continued outward push in the region, and how that affects them.

Rick Larsen:

Right. So let me... I think in two sentences I can give you my view on this, because Darin's really covered a lot of it. I just would ask you, I have a white paper and anyone can have it, while you're looking at everything China is doing, look at the things that the United States is not doing. Okay. We're playing defense, and we're playing very little offense. I don't mean offense against China, I'm like what are we doing to take care of ourselves? Spending all this time stopping China will not do enough to promote the United States, so just as a theme.

Nancy Lindborg:

Or invest in certain key sectors.

Rick Larsen:

Yeah, it's all in the white papers. Small font. Very long. I can't read it anymore. My eyes are bad.

I'll be brief. Other areas to cooperate on the defense side or security side of things, well where does this go? I think there's three areas where there's... I don't think we're going to get an arms control agreement with China on hypersonics. Let me say that. But on cyberattacks, on artificial intelligence, and on space are three areas that might offer some level of time to make it worth exploring.

How is artificial intelligence going to be used in national security, and are there rules of the road that ought to be applied on how we use AI in the military and warfare and decision making? On cybersecurity and cyberattacks, in the last years of the Obama administration, Congress passed and the administration implemented a law on industrialized espionage, cyberattacks, and it did actually decrease the number of attacks for espionage purposes. It required continual attention for implementation and that hasn't occurred in this administration.

There was a response to China that we wanted to see. There was a decrease. I think we need to look at cybersecurity and cyberattacks from a military perspective or defense perspective understanding what some of the rules of the road are, and whether or not we're willing to attribute attacks, so if we're attacked in the cyber realm, if we're willing to attribute those attacks, that is to say, "Well we know who

did it," that has a deterrence effect itself, and having that discussion with China and Russia and other countries that you read about would be valuable.

In space, space is a final frontier. Space is area that is probably the quintessentially most important part of our economy, China's economy, Russia's economy, everyone's economy how we use space, and so having rules of the road in space is important too. They're just areas to explore. There may be different mechanisms people want to choose, but those are the areas to look at.

Nancy Lindborg:

Great. We're going to take two final questions. Please be short, and then we'll need to wrap. So I'm going to go here, and... Are you...

Rick Larsen:

Go ahead. Just start talking while she's deciding.

Nancy Lindborg:

... and there.

Student:

Hi, my name is Lana Cresbo, and I'm here with the Stanford group as well. Would either of you mind speaking to how the success of our domestic policy impacts our relationship with China, particularly around educational exchange?

Nancy Lindborg:

Okay, and then middle of the back row. Raise your hand again. Oh, no, no, no. Right in front of you. Yeah.

Student:

Thank you. My question is from a human rights-

Rick Larsen:

Your name first, please.

Student:

I'm Phillip Rudlidge. From a humans rights' perspective, would it ever be in the United States' interests to consider gently helping or guiding the Belt and Road initiative instead of opposing or dismissing it?

Nancy Lindborg:

Okay.

Darin LaHood:

I would just, on your question about America's domestic policy and about education, you know, you look at the numbers of Chinese that come to American educational institutions. University of Illinois, our flagship university in the state of Illinois, I think we're up to 14% of our students are from China. It's one of the highest percentages anywhere in the country. It's one of the biggest demands of our university is Chinese that students that come here.

Many of them are so proud to be here and engage in our educational system and want to stay. I think that's very powerful for the relationship, and the more exchanges we can have with young people, culturally, educationally, I think is really fundamental to the relationship to learn. I wish we reciprocated that more in China. I mean, we're starting to do that a little bit, and there's some organizations that are very involved with that and good people that want to do that, but the more understanding on our side I think can be very, very helpful.

The more people can see our country and engage in what our country offers, and see how our democracy and freedoms and all those things work, doesn't mean we don't have challenges and problems and difficulties, but I think when you have that, I think there's tremendous benefit that comes out of that long term. Again, I'm a strong proponent of promoting those. I think that helps us long term when we get to these public policy issues that can be thorny and difficult long term, but that fundamental understanding of the two countries is vitally important.

You know, one thing that Rick and I have done on a number of our trips, we meet with the Schwarzman Scholars over there, which is a tremendous program. It's small, but it's kind of like the Rhodes Scholarship of China, right? Top quality young men and women that go over to China and spend a year

or two years there and engage, and you look at the ramifications of that positive, I think can be really, really helpful. The more we can do that will help us long term.

Nancy Lindborg:

Excellent. Pass over to you.

Rick Larsen:

Yeah, on the BRI, Belt and Road Initiative, here's an area where we're playing a lot of defense, and we're not playing a lot of offense. We passed the bill back last year, which was expanded to accredited new initial plans development corporation, expanded OPIC capabilities, but we're still sort of taking a rifle shot to this issue instead of playing big in the larger development space.

I'll give you an example. I was in Rwanda in August and we met with President Kagame there. I won't mention the country he had visited, but he had visited a European country, and of course he was there to talk about investment in Rwanda with the Chamber of Commerce group in this particular country. Well, then he met with the leader of that particular country who was literally on that leader's way to China the next day, right?

That leader of that European country was lecturing Kagame about China's investment in Rwanda. He pointed out to this leader, "Well, why are you lecturing me about Chinese investment in Rwanda when you're headed to China tomorrow to get the Chinese to invest in your country?" His point being is like, "Don't lecture us." This is just one data point, right?

"Don't lecture us about Chinese investment in Africa when you're going to China yourself to deal with investment in your own country. We get to play in this too." I think his broader point is they're kind of agnostic, and I don't know if every country involved in BRI has received that investment is agnostic. I'm not going to make that point, but there are some that are, so what can we offer? What can the U.S. offer? Both in competition, so they give a choice, choice presumably gets you better price, as well as a direct U.S. foreign policy initiative to say the U.S. is here too. That's what I mean by going on offense, and not just playing defense all the time. It just drives me crazy.

Nancy Lindborg:

Congressman Larsen, Congressman LaHood, thank you for taking time out of very busy schedules to join us for this conversation. We appreciate it. I think this has been a terrific, very thoughtful conversation. Thank you for your bipartisan spirit to work on tough issues. Please join me in thanking our congressmen.