

THE BROOKINGS INSTITUTION

WEBINAR

ASSESSING CHINA POLICY FROM CITY HALLS, GOVERNOR'S MANSIONS  
AND CAPITOL HILL

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**Introduction:**

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**Conversation:**

THE HON. ASA HUTCHISON  
Governor  
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THE HON. RICK LARSEN  
(D-Wash)  
U.S. House of Representatives

THE HON. NAN WHALEY  
Mayor  
Dayton, Ohio

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## P R O C E E D I N G S

GENERAL ALLEN: Good afternoon ladies and gentlemen. My name is John Allen, and I'm the president of the Brookings Institution. It's with great pleasure that I welcome everyone to this policy event today by our Foreign Policy program at the Brookings Institution. It's entitled "Assessing China Policy from City Halls, Governors' Mansions, and Capitol Hill."

Now on behalf of the Brookings John L. Thornton China Center, I would like to offer my profound thanks to distinguished leaders and policymakers who are joining us today from across our country. Governor Hutchison from Arkansas, Representative Larsen of Washington State, and Mayor Whaley of Dayton, Ohio. And, Mayor, I'll just briefly mention that my family settled Centerville, Ohio, so I feel a kinship to you.

And during the many challenges, both shared and unique that we face today, and that you and your constituents are facing on a moment to moment basis, please know that we are so grateful you were able to find the time in the busy schedules to engage with us for an hour on this important topic.

Today's event is part of Brookings Policy 2020 Series, and Brookings Policy 2020 was started with the intent to empower voters with fact-based, data-driven non-partisan information so they can better understand the policy matters discussed by candidates running for office this year. I have little doubt that today's event will be truly exceptional in that regard as it will be an examination of the critical role of U.S. policy towards China in our national discourse.

Be it through technology or education or immigration or trade, U.S./China relations have a powerful and lasting impact on American lives. Indeed, I think we all know that Chinese blood runs in the veins of the American people, and waves of Chinese immigrants have made this country immeasurably better.

But relations with China today are very complex and under enormous stress. And I'll note that President Xi Jinping on Tuesday in the Guangdong Province, which is adjacent both to Hong Kong and Taiwan, told an elite military force that they need to turn their minds to preparing for war. Now nearly four decades in the Marine Corps, I'll note that those were marines he was talking to, who will be the assault echelons of any military action against Taiwan. So, this is really a difficult moment between our two countries.

So, with that in mind we are very pleased to have assembled today this unique panel of esteemed public policy leaders so we can better understand how China factors into local, state, and national policies. I'm confident because we have a panel of different echelons of our government, that we'll be able to provide genuine tangible answers to questions on the holistic impact of China's discourse on our respective communities and the influence on their constituents' perceptions of Beijing. I have little doubt as well that today's panel will seek to identify practical, actionable recommendations that can assist American leaders in improving their own ability to understand and express and address the challenges and seize the opportunities that are presented by China in the 21st Century.

With that I'd like to remind everyone that we're very much on the record today. We're streaming this event live. And should viewers like to submit questions they're welcome to submit those questions by email to [Events.Brookings@Brookings.edu](mailto:Events.Brookings@Brookings.edu). That's [Events.Brookings@Brookings.edu](mailto:Events.Brookings@Brookings.edu) or via Twitter at Policy 2020.

So, let me now turn over the floor once again to our Brookings Fellow, Ryan Hass, with my sincere thanks to our guests who are joining us to enrich this moment in Brookings Policy 2020 Series. Ryan, the floor is yours, please.

MR. HASS: Thank you very much, John. I'm grateful that you could kick us off today. And I couldn't be more pleased with the group of leaders that we have assembled to help us make sense of how China is intersecting with our policy and our politics at the local, state, and national level.

Our goal is to explore a few questions at the heart of the national debate on China. And hopefully through this discussion we'll be able to develop insights and advice that will be helpful not only for our citizens, but also for mayors, governors, and Congress people in their dealings with China.

But before we dive into this discussion I would like to briefly introduce our three speakers. I'm going to be brutally efficient so that we can preserve time for our conversation.

Mayor Whaley has led Dayton, Ohio since January of 2014. She's been an energetic advocate of local manufacturing and has also attracted investment to her city. One such investment by Fuyao Glass became the subject of a documentary, "American Factory," which won an Oscar Award. She is also vice president of the U.S. Conference of Mayors. Thank you for being with us.

Governor Hutchinson has been serving since 2015 as the 46th governor of the State of

Arkansas. He leads one of the most internationalized states in terms of trade and business operations, and has been successful at attracting new found investments to create jobs in his state. He is also the vice chair of the National Governor's Association. Thank you, Governor, for being with us today.

And Congressman Larsen has been a member of Congress since 2000. He represents Washington's Second District, which is a district which is near and dear to my heart, having grown up in his district. He also serves as co-chair along with Congressman LaHood of the Bipartisan U.S. China Working Group in Congress. Thank you, Congressman, for being with us as well.

So now turning to our conversation. I plan to divide our time into three parts. We'll spend 10 or 15 minutes on each part. The first is really setting the scene, the second is exploring the balance between risks and opportunities as they relate to China, and then the third will be to develop advice for current and future leaders on dealing with China. And as time permits we will also weave in questions from our audience which is tuning in both across the country and from around the world.

So, Mayor Whaley, if we could begin with you. How and in what ways does China or China related issues intersect with your responsibilities in office? How do you typically come into contact with China?

MAYOR WHALEY: Well thank you, Ryan, for this opportunity. And I'm certainly excited, General Allen is a Daytonian, as he mentioned, and even shows up sometimes for our Dayton Rotary, so we feel very special that we get good attention from Brookings from their leadership. And it's great to be on with such esteemed panelists.

I think that local governments, and local governments like Dayton really encounter China-related issues in three direct ways. Investment, engagement, and politics.

In terms of investment, as you mentioned, we have a pretty significant Chinese investment in Dayton called Fuyao Glass that has I think encouraged other Chinese, smaller Chinese investment as well. And if you watched American Factory you can see that that is a complex relationship, right? Both from the excitement of reusing a plant, but also the challenges around OSHA regulations and wage, and just a real different view of how we view workers versus China compared to Dayton, Ohio.

So, working through that and having honest conversations around the investment is something that locally we do as they're constantly looking for more workers too. And so, this connection

is really important to us that they're successful and that we're successful as a community and that the people that work there are successful in our community as well.

As an elected leader, I have engaged with Chinese officials both in my role as Mayor of Dayton and also as Chair of the International Committee for the U.S. Conference of Mayors. In the context of the Conference we have a positive relationship with both the Chinese Association of Mayors and the Chinese People's Association for Friendship in Foreign Countries.

While Dayton doesn't personally have a sister city, there is discussion with our relationship with Fuyao about moving that forward. We are in constant conversations about other cities and their relationships with China on both a friendship level and also this investment level.

And then finally, I think you cannot be in Ohio 19 days before the election and not say that politics isn't part of this discussion. President Trump has made China and trade with China, and now the pandemic, political issues, and I'm sure in the next hour we will discuss the status of the relationship and what U.S. policy should be going forward.

Personally, I do think that China is a competitor, and we have to be mindful of how we interact and how we compete and how we collaborate. But whichever policy you think is best, whether you are on the left or the right, the fact is that the U.S./China relationship has been politicalized by the administration, making it very difficult to engage in a nuanced approach to dealing with economic and geopolitical rise of China.

So, I look forward to this conversation with gentlemen I am sure much smarter than me on international issues, but super grateful for the chance to give the local perspective today.

MR. HASS: Well, Mayor, thank you for putting that on the table. I think you've launched us in a productive direction.

Congressman, as Mayor Whaley just noted, the U.S./China relationship has evolved considerably in recent years. How do you see the change in U.S./China relationship affecting your constituents, either for good or ill?

REPRESENTATIVE LARSEN: Yeah. Thanks so much for the chance to join you today. And I want to assure Mayor Whaley, at least I'll speak for myself, having the title Representative or U.S. Member of Congress doesn't automatically make me an expert in anything, much less international

politics. So.

Being a former Snohomish County Council Member, a local elected official, I appreciate the work that the Mayor and other local electives do, bringing investment and create jobs and serve people much more directly than at times we get a chance to in the U.S. House of Representatives.

But I do want to talk about this impact a little bit, the U.S./China relationship on constituents, and think through this, just think through the tariff war, the trade war of the last four years or so. Got some numbers here.

Just in Washington State we've had the longest running state-based China relations council of any state in the country. So, the Washington State China Relations Council was first established many moons ago, and that was based upon an economic relationship. It goes back before the founding of the PRC so it's been around quite some time. But I think when you look at what impact the trade war has been, this relates directly to jobs.

We're a strong fish in fisheries state, and the exports to China have dropped 33 percent. We grow a lot of potatoes in our state, we've very proud of our potatoes, maybe just as proud as Idaho is of their potatoes. The exports of frozen French fries has dropped a little over 19 percent to China.

I have a shoe assembler in my district, and we don't make shoes from scratch here because we have this little one company in the country that does that, I think it's in the New England area. But they import material from China and assemble the shoes. And they've been hit by the tariff war as well. And it's a small company in my district, but again, it's resulted in them having to raise prices, which has an impact on their bottom line.

And I haven't even touched on aviation and aerospace and the impact the trade war has had on the largest manufacturer in the state, that's Boeing Company, or in Everett, Washington, where I'm from, they build the Triple 7X, the 737 Max is built south of Seattle. That'll probably be flying, I'd have to say sometime soon, again.

But the problems with the trade war have a direct impact on jobs. And I want to underscore this and conclude my opening comments, and I just want to underscore that the impact on constituents largely ends up being in economic and jobs impact. When the U.S./China relationship sneezes, Washington State gets a cold, as they say, from a jobs perspective.

I'll quickly pivot, one line on Congress, because I think it will set the scene for some future discussion. I used to say that there were three types of hawks in the U.S. Congress when it came to China. Economic hawks, folks on trade, national security hawks, self-evident, and human rights hawks, folks who focus on the human rights problems in China.

I'd have to say that consensus has changed. There's still three groups, but they're the punishers, folks who want to punish China with any, you know, more tariffs or anything. There are the decouplers, folks want to decouple the economic relationship. And then there's the salvagers. And I think I probably fit along with Darin LaHood from Illinois, in the salvaging role, trying to salvage something out of this relationship, which is still very important, as the Mayor has said. But still has strong elements of a competition. And that's kind of where things are headed, I think, in the future, right?

MR. HASS: Thank you, Congressman. It's a very interesting dichotomy of views on the Hill. Governor Hutchinson, I want to turn to you. And I have a question that I will pose to you, but I also welcome you to pick up and address anything that has already been raised by our colleagues.

The question that I wanted to raise is one relating to public opinion. It's no secret that public attitudes in the United States toward China have darkened in recent years. One recent Pew poll showed that 73 percent of adults in the United States have an unfavorable view of China right now.

The question specifically to you is what factors do you think are driving that downward trend in public attitudes toward China, and how, if at all, does this shift in public views affect how you approach policy or political issues relating to China.

GOVERNOR HUTCHINSON: Well thank you, John, and I've already enjoyed the conversation and I appreciate the Mayor, the Congressman, for their perspective and for participating in this dialogue. Thanks to the Brookings Institution for giving us this opportunity.

You know, as Governor, let me come back and I think this illustrates how complicated everything gets. I got elected in 2014, I took office in 2015. One of my first international trips was to China. I've been there four times since then building relationships, seeing that as an opportunity to bring manufacturing back from China to the United States, very similar I think to some of the experience that the Mayor has had.

We were successful in having some major investments being made in Arkansas from a

\$1.3 billion paper mill to other manufacturing facilities here in the State. And then all of a sudden, and to put it in perspective, this was well received in Arkansas. This was an opportunity for small communities to have major investments and to utilize our timber resources and to create jobs. So that effort was well received and we had a significant number of Chinese students at our universities that added to the cultural exchange.

We have, of course, in Arkansas, WalMart, and we have Tysons that are major investors in China. That relationship has always been strong. We have our agricultural products, and I love saying that Arkansas produces 50 percent of all the rice made in the United State of America. And so obviously that market for rice and poultry was critical to us.

And then everything changed. And it changed because of the national dialogue, it changed because of mistakes that China made, it changed because of the trade war. And all of a sudden those investments are at risk. Some of them have been put on hold, some have been cancelled. The exchanges have been totally ended simply because of COVID and the chilled relationship now that's being created with China.

So that's where we are right now. If you look at the public opinion it's interesting that the group that's been hurt the most has been our farmers here in Arkansas. And yet they have been consistently supportive of a tough trade stance. And it goes to show that there was fundamentally an understanding that we were being taken advantage of, we had unfair trade relationships with China, and those needed to be corrected. And so, it was inherent public opinion because their own understanding of the unfairness of the relationship. And then it was the national messaging and the fight over trade that impacted public opinion. And then it was a political campaign.

And all of that together, it's not any surprise that you've got a majority of Americans that do not believe that our relationship with China is good and that they don't have a favorable view of that nation.

That is where we are today. Now I look forward to this conversation because I think it's very timely as to where we go from here. And I think there's some fundamental questions that we need to ask, and I look forward to addressing those.

MR. HASS: Thank you, Governor. I'd like to pick up where you left off and start out with



Mayor Whaley, but also bring you into this conversation. Which is a question about decoupling. All three of you, in your own way, have raised the economic relationship between the United States and China and the direct impact it has on Americans' livelihoods. And in recent years this term has grown in prominence in discussion of U.S./China relations. The basic idea of decoupling is that the United States and Chinese economies have grown too interdependent in the past and now need to decouple or separate from each other so that the United States can better protect itself from China.

Now on the other hand, there have been people who have argued that China is the leading growth engine in the world economy, China's middle class is rapidly expanding, the Chinese economy's demand for American products and services is growing, and it would be unwise for the United States to cut itself off from such a large source of demand for American goods and services.

So first, Mayor Whaley, and then I'll ask you, Governor, to share your perspective as well, as well as the Congressman. Where do you fall on this debate? What is the best way for the United States to think about striking a balance between risk and opportunity in its economic interactions with China?

MAYOR WHALEY: Well what a complicated issue, right? I think, you know, it's always good to diversify, to have multiple customers and multiple suppliers. So, in principle we should always strive to have economic relationships that are balanced and with as many partners as possible.

I'm not sure if decoupling is a realistic objective in the near future, but I do think we need to take a tough stand on trade and ensure that the Chinese are abiding by their commitment. I also think we need to invest in rebuilding our manufacturing base in this country in places like Dayton.

If the pandemic has shown us anything, it has made it clear that we need to maintain a minimum level of manufacturing knowhow that in any crisis can ramp up to deal with international supply chain stocks like we experienced at the beginning of the pandemic.

And we need to think about how to make America competitive and resilient. Part of that is managing our relationship with China and with other trading partners. But most of it is related to policies and programs here at home.

One issue I think it is important to highlight that has not been mentioned so far is climate change. Decouple or not, China is a major producer of greenhouse gases and you can't decouple the

atmosphere. So, we need to deal with China's growth not only because of our economic interests, but because our environment here in America depends on it as well.

We need to work with all countries and use all our tools to shape an international response to climate change. The Paris Agreement was a start, but we need more binding commitment and environmental standards from everyone, especially China. And I fail to see what leverage we would have with the Chinese without our trading relationships, so decoupling would be really problematic there.

MR. HASS: Thank you, Mayor. Governor, how do you think about this issue?

GOVERNOR HUTCHINSON: Well I think you've got to ask some fundamental questions. And one of them is do we want access to China's market? And whenever you have the world's second leading economy in the world, it's hard to say we are not going to have an interchange with them.

And of course, from an Arkansas perspective, we love access to that market from the standpoint of our agriculture to our retail with Walmart's investment there, that market is essential regardless of what type of business really you're in.

The second question is, will we give them access to our market? And that's probably a tougher question with their utilization of the fact just in Arkansas we've had two Chinese that have been arrested for theft of intellectual property. And so, there's the risk that's there giving them access to our market, and you have to determine what parameters are there.

Another question is, can we have that kind of global trading relationship with them consistent with our values. And I come down on the side that ever since I was in Congress and I voted for a trading relationship with China, that if we have an exchange with them, then we are better able to influence the direction of that country in the future through the minds that are developed and the population there in China understanding democratic values.

It doesn't mean it's going to change overnight, it might not change, but simply the fact that they have embraced capitalism shows that they are looking at the West. And I think that we can push our values, we can support our values consistent with that trade.

And then when it comes to global security, I look back and I see China as having been beneficial to us early on in terms of our relationship with North Korea, their development of a nuclear

device. And can we work with China for global security? And that's a fundamental question.

And the answer to all of those is if possible let's work towards those ends. But we have to be mindful of the abuses of the past, of the danger that they impose, whether it's the South China Sea or whether it's theft of intellectual property, and we want to bring them into the rule of law where we have our trading rules in which they abide by and we enforce.

And so that's the starting point in that relationship. I don't think it leads to decoupling, it leads to better rules enforcement of what we're trying to accomplish.

MR. HASS: Thank you. That's very clear. Congressman, would you like to weigh in at all on the great decoupling debate?

REPRESENTATIVE LARSEN: Yeah. I'm putting myself on mute because there's 28,500 dump trucks outside my window. I'm doing a brownfield redevelopment at the Port of Everett, so I don't want everyone to hear all that work. But it's good paying jobs, and I love to see people working.

So first off I want to thank Asa for recognizing this heritage in the U.S. House of Representatives. Not just a governor, but a former member of the House of Representatives.

And second, I want to correct myself that the Washington State China Relations Council started with PRC recognition in '79, so I just wanted to clarify that point. Still the longest and oldest in America.

But, yeah, the decoupling debate is an interesting one from a national perspective and directional perspective because I think it's fair. My assessment is that you won't see a lot of companies decoupling from China. The decoupling debate is really about technology more than it is about manufacturing, more than it is about services. And the term "decoupling" gets a broader definition that really then makes it not a very useful word to use in terms of trying to create policy.

And when I say decoupling is not really going to happen, you know, but the Boeing Company is not going to move manufacturing out of China. John Deere is not moving manufacturing, Caterpillar is not moving manufacturing out of China. Some of these companies are in China for China, or in China for an Asian market, a larger Asian market, but mainly for China.

So, I think it really, from a national policy perspective, we need to be much more nuanced, as the Mayor said earlier, much more nuanced about what the problems are. And they are very

real problems. As the Governor mentioned, the IP, the charges on IP that have been brought to folks in Arkansas. I recall on one of my trips to China we were driving up to see the Great Wall, and we passed this line of big box stores in China. And one of them was literally called Wumart. And it was blue and yellow and it wasn't Walmart, it was Wumart. Speaking of IP theft. And some of these issues. Starbucks has had that same problem, (inaudible) has had that same problem in China as well where Chinese companies are basically taking the brand, the color scheme, the model, and just basically just stealing it and using it in China.

So, there are serious issues in the U.S./China economic relationship that do require us to be stronger, to be active. The consensus in Congress has shifted to be looked at much more as a competition. But I would note there's a consensus about the challenge. I don't think yet in Congress that there's a consensus on the package deal, of how do you approach this, how do you implement these, what are the policy proposals to implement in order to address this challenge?

The administration has certainly one way they want to do it. I don't think it's working. But I also note I don't think that is the consensus approach. I don't think it's going back to what we had, but I don't think we're there yet.

MR. HASS: Well, thank you. If I could just draw you out a little bit further on this. Because there has been a fair bit of discussion about the notion of a hardening bipartisan consensus in the United States toward China.

If I hear what you're saying correctly, you are raising a bit of skepticism about whether or not that consensus applies to the solution set, even if there is consensus, perhaps hardening on the problem set.

And earlier you talked about punishers, decouplers and salvagers as sort of three big groups. Where do you see this going? Do you think that the trends are going to lead us in the direction of deeper bipartisan consensus on China, or once we get on the other side of this election cycle do you see stress on the notion of a bipartisan consensus?

REPRESENTATIVE LARSEN: I'll start by saying this. One area where there's clear bipartisan consensus and bipartisan approach to implement that consensus, is on human rights. The Governor mentioned earlier about our values and how are values should be part of, and frankly should

lead on foreign policy, on economic policy and so on. So, you've seen the U.S. House of Representatives and very strong bipartisan votes take votes on Hong Kong human rights, on human rights in Xinjiang as it applies to the leaders as well.

So, there is a consensus both on that human rights as an issue and on the approach we should take. I think that the campaign in certain areas, as the Mayor pointed out, is really playing out strongly to the voters, but not everywhere. Certainly, not in our State. We're not a ballot run state however, so it's probably that's why.

But I think that there's still room on this debate about economic policy. And I also think that silently there's a national security consensus, being on the Armed Services Committee, I think there's a national security consensus that China provides this problems but also we need China has to deal with North Korea, transnational terrorism, and some other issues despite some of the national security concerns we have in China.

MR. HASS: Thank you, Congressman. Governor, Mayor, do you have any thoughts on this issue of bipartisan consensus, where it applies and how durable it is?

GOVERNOR HUTCHINSON: You know, I think there is a possibility of a bipartisan approach to China. I think fundamentally it starts with having a tougher approach. And I'm not saying tougher than what Trump, President Trump has offered, but I think there has been a recognition and it's bipartisan, that we have to have a more level playing field. I agree with the Congressman that human rights is a big part of this discussion, great concern with the how China handled the protest in Hong Kong and that relationship. And so, I think there's a bipartisan approach that our values have to be a part of that conversation.

And then to me the rest of it comes from leadership. And just like public opinion today which is against China, has been shaped by the public debate by our national leadership, I think after the election is over with whoever is elected, I would hope that one of the first things on their agenda is to try to reengage, at least in conversations with China leadership, trying to reengage on some of the trading negotiation and not have that chill being moved to a frozen state on our relationship. And that takes national leadership and bipartisanship can follow that.

So, there is a ton of work to do, it is a complicated relationship with a lot of different

nuances to it. But we have an interconnected economy, and while we need to make sure that we can produce pharmaceuticals here in the United States, that we move essential manufacturing here, we still want access to that economy and not simply try to freeze them out.

MR. HASS: Thank you. Mayor, would you like to come in on this?

MAYOR WHALEY: Yeah. I would just add I think, you know, that President Trump's rhetoric, it was something that was just prime for the picking in a lot of places. And so, he just exposed something that was felt particularly in places where the loss of manufacturing has been felt so enormously.

And so, I think that one of the challenges we have in the China relationship is that it was based on capitalism and capitalism only and there wasn't any discussion about the real depths around human rights or the depths around what does this do to our environment.

And so, I think that's been shown and it's exposed. It's exposed in a pretty tough way now because there isn't strong defense on it. And so, I think that, you know, that exposure, as crass as it is politically, I think is showing some of those issues pretty loudly.

MR. HASS: Thank you. In 2016 when President Trump was running for office, he really aimed a lot of his messaging to the upper Midwest and particularly at Ohio as it related to China. And, you know, it appears that his rhetoric had traction in 2016. Do you think the arguments that the President is making now are gaining the same type of traction in Ohio during this election cycle as they did in the last?

MAYOR WHALEY: I think it's very different now just because of the failure of his leadership around COVID. And so, the number one top of mind issue in Ohio, like it is across the country, is we're experiencing this week the highest numbers we've experienced ever during COVID. It's become a very real issue both for health and then for the COVID recession.

And so, while we're seeing manufacturing actually hold its own much better than other industries during this recession, I think it's just a completely different situation in this election.

I'll be clear though, I think trade issues are very tough in the Midwest and, you know, as someone who has been against TPP, you know, against NAFTA because of the issues around the worker, and you can't just have a zero sum gain where places in the middle of the country are going to

lose while other areas are going to win and not have a real solve for that.

And that's what we've continued to do around these trade issues. And so, then that's when you see this hostility and a political opportunity that can be exposed. If we could really do real investment around trade that's around worker centric I think you'd be a lot better off in the Midwest.

MR. HASS: Thank you. If I could I'd like to turn our questions to sort of the looking ahead and offering advice portion of the conversation. And I'd like to start out with the Governor and the Mayor if I could.

Over the past decade, and perhaps longer, there has been a trend of governors and mayors becoming more involved in international affairs. And we've seen this with governors and mayors traveling the world looking to open up trade opportunities and attract investment. We've seen governors and mayors working hard to build partnerships with their counterparts around the world, around climate and emissions issues. And as Mayor Whaley was referring to a moment ago, we've also seen it with governors and mayors working actively to secure medical supplies for their states and cities during COVID-19.

So, do you accept that proposition that there has been a trend of growing activism by governors and mayors? And if so, what advice do you have for your peers that are thinking about taking on a more active role in international affairs, where would you encourage them to focus their efforts, and do you have, you know, any tricks of the trade from your own experiences that you would like to share?

GOVERNOR HUTCHINSON: Well I guess I'll go ahead and start. And first, as I traveled globally, I've recognized that foreign policy starts with the President, it starts with the Congress of the United States, and the governors and sub-national leaders play a supplemental role. And so, I was very careful as I've traveled overseas not to undermine our country and our state and policy.

What we can do though as governors and as mayors, is build relationships, build understanding, and also really influence the trading relationships that we have. So, I think it's very beneficial, I encourage it. And of course, for me it's not just been to China, but also India last year, and enormous opportunities in the relationships you build.

One of the, to me, tragedies of our chilled relationship is the reduction of international students that are coming to the United States of America. That has been a hallmark of our higher

education is that we always take some international students, a good percent of international students because they go back home, some of them stay here and provide great talent to us. But they are able to go back home, and they understand our democracy. And that is true all over the globe. And that has been diminished significantly because of the chilled relationships, and that's going to hurt us over the long term.

And so, I'm worried about where we are right now, that we improve it because if you wish and talk about them as your enemy, they become your enemy. And I don't think that is necessary with China at this point. They are a competitor, as the Mayor has said. I view them as a competitor. But we got competitors all over the globe. But I think China is in a unique position that we can either make them an enemy or we can build a relationship that recognizes our differences. We can influence policy there that reflect our values here in the United States.

MR. HASS: Thank you.

MAYOR WHALEY: I would just echo the Governor's comments on this and suggest that mayors and governors concentrate on areas of international collaboration where it makes sense for their community.

So, for Dayton, for example, peace is a really big issue, and so we are, you know, 25th anniversary of the Dayton Peace Accords that was signed here between Bosnia and Herzegovina. So that is really key for us and having a peace museum. That whole peace around that is really important for Dayton.

The University of Dayton, my alma mater, has a Peace and Global Security Program so we're involved in the peace in our city's initiative, which calls for reducing violence by 50 percent in cities across the world in 2030. And we're also engaged in Mayors for Peace, which is led by Hiroshima, working towards a world free of nuclear weapons.

So, peace works for Dayton, but other communities may have other issues. Houston leads a network of resource for cities that are hubs for the resource and extraction industry. New York is very focused on CDGs, so it makes sense for them, they're the host of United Nations, and so I think you look for your city and then see what are those opportunities for growth but also for the values and culture of your community.



For mayors, it may seem a bit, especially like mid-size mayors like me that doesn't have an international staff, I really encourage them to use the U.S. Conference of Mayors to assist them in that effort. The Conference is a huge resource that's worth exploring for these kind of cities. And so, I'd really suggest they do that.

And then finally, I would just say climate change, as I've mentioned multiple times through this, is an issue that we all have competency and we all need to get involved with. My friend, Los Angeles Mayor Eric Garcetti, is leading the C40 in the Climate Leaders Group, which is comprised of 91 of the largest cities in the world, including several Chinese cities. And they are working on a new agenda for a green and fair recovery.

Trying to implement policies at the city level will lead to mitigating climate change and to improve social outcomes. There are 1.3 billion Chinese and they are moving into cities. So, if we want to deal with climate change, we need to deal with the Chinese. And so, if you want to get active there, there are several networks you can join as mayors are super active and recognize again how we are connected via the world in this effort.

MR. HASS: Thank you, Mayor. Congressman, you sit in Washington when you're not in your home district, and you have a leading role in the U.S./China Working Group on Capitol Hill, that's bipartisan, along with Representative LaHood and others. How do you think about the role of mayors and governors in America's foreign policy, how they can be additive, and where does the U.S./China Working Group fit in to the overall firmaments to efforts, either on Capitol Hill or nationally relating to China?

REPRESENTATIVE LARSEN: Yeah. Thanks, Ryan. I feel being from Washington State, where we're known for our rain, I kind of feel like I'm going to rain on a parade right now. Although what the Mayor and Governor said, I totally agree with.

But then they run into things like CFIUS, Committee on Foreign Investment in the U.S., or the law we passed a couple years ago, FIRMA, which adds additional layers of investment regulation that the federal government places upon investment coming into the United States. Largely focused on investment in China lately, that is investment from China lately.

And so, they're out there trying to do the right things for the people they represent, bringing investment into the communities that creates jobs. And the federal government has this entirely

different layer that doesn't consider the needs and the roles of governors and mayors in this job, to make it more difficult.

And Asa mentioned students, you know, international students issue, I think is all over the country. Where we're currently creating, basically created a dam to stop students from coming in when it's probably more appropriate to create a way to regulate the flow of students as opposed to just cut it all off.

You know, thinking through this, it just gets back to this term nuance. And people may think oh, that's just a different way to say open the doors. It's not. There is a competitive, true competitive nature of this relationship between the United States and China around the world about what our values are versus what a Chinese Communist Party led government would bring. What we could offer in terms of technical assistance around the world in developing countries versus what a Chinese Communist Party led government would offer.

There are things that we can be doing that we are not doing around the world, and things we're not doing internally. The Mayor mentioned earlier about supporting manufacturing in the U.S. Part of our strategy needs to be thinking about are we investing in our roads for highway transit? Are we investing in world broadband? Are we investing in a pumped-up workforce training system state by state with support from the federal government in order to ensure that that next generation workforce can be competitive in the world? What are we doing with our basic research universities? How are we helping them create that next generation of innovators and next generators of innovation that keeps us on the cutting edge?

I kind of feel like I'm talking like a Whig, you know, a Whig from the Whig Party from the 1850s, talk about internal improvements. But for those people who loved boring political science. But it really is a lot about what do we need to do internally to be competitive while I think reestablishing ourselves externally, establishing ourselves internationally.

So that's kind of where I'm headed, and I think that's where, you know, perhaps when we're thinking about solutions or what the world might look like differently in the next four years, in the next year, maybe that's the direction we'll be taking.

MR. HASS: Excellent. Well, Governor, we've been wrestling with a lot of issues and now

it's time to start to try to put it all together. We've talked about domestic renewal, we've talked about climate change, we've talked about values, we've talked about economic competition, we've talked about the risk of military conflict. What is it, when you step back and think about the U.S./China relationship, what is it that we most need to achieve with China, and what do we most need to avoid?

GOVERNOR HUTCHINSON: The most important issue to me is that we can work together on global security. And the last thing we need is to have a confrontation. We need to build a relationship in which we can have exchanges again, even within the military. We need to understand that better. We need to resolve the issues in the South China Seas so that's not a thorn that leads to a greater confrontation. I think that is the number one priority.

Secondly, it is the economic fairness that combined with trying to, we can't change China. China comes from a totally different direction. But we do want to fight for the individual freedoms that are important to their political dissidents. And we don't want to engage in trade to the extent that we just simply ignore every other hardship that's in that country. And, we can speak out on that with more vigorous voice.

So, to me those are the fundamental priorities that we should have as we look to the future.

MR. HASS: Thank you, Governor. Mayor, would you like to add anything?

MAYOR WHALEY: Sure. And I think the overall goal, as the Governor said, should be a positive relationship that works towards resolving the issues that exist today and that can come up in the future. You know, right now the administration has made trade the central battle ground of the relationship, so we need to follow up with an agreement that is beneficial both to the U.S. and China. Once we have something in place, that's been around for a year or two and is observed by both sides, once we have a new normal, we can talk about next steps.

I think both China and the U.S. should work hard to prevent the current competitive relationship from turning into something that is confrontational. We should not try to make an enemy out of China, and we should work to keep the Chinese relationship positive.

Now as you know, this doesn't mean acquiescence to the Chinese, it means standing on our American principles, being predictable, being transparent, and building a coalition of like-minded

countries that can enforce international norms through that collaboration. That is really difficult work, but I think it is necessary for something as important as the U.S./China relation.

MR. HASS: Congressman, I have another question for you, but before I turn to it I just wanted to ask if you would like to jump in on this issue of what we should most be focused on achieving or avoiding?

REPRESENTATIVE LARSEN: Yeah, I think I can add something just briefly. I mentioned you used the term domestic renewal, but I mention what we need to do internally, but I think that needs to be combined with the United States reestablishing firmer more positive relationships with allies, partners, and friends around the world. Because when you do that, you can better create leverage points to perhaps influence choices that the Chinese government makes about trade, about national security. Maybe about human rights, maybe. But I think that we have, I guess I'll put it kindly, those relationships are frayed right now and they can be better improved.

And I think countries, there's still opportunity, we haven't totally thrown out those relationships, there's plenty of opportunity to rebuild and re-strengthen those relationships that are going to be needed in order to achieve a lot of what we need to do.

China, we look at the relationship I think right now between the U.S. and China as strictly bilateral, and it isn't. We have a bilateral relationship but China knows it can go other places for other things. And we're not playing like that, I think, my idea of it. And we need to play like that too.

We need to understand it is a multilateral world and there are plenty of folks who would like the U.S. to, I'll say it, would like us to lead again. I don't think we're doing that right now.

MR. HASS: Well you've talked about the need for the United States to up its game, so to speak, in its competition with China. My impression is that Chinese leaders typically evaluate the seriousness of American strategy towards China based upon whether or not it reflects the pain tolerance and priorities of the American people and whether or not it is aligned with the priorities of America's allies and partners.

So, based upon what you've just said, my sense is you think that we're a little bit, you know, out of place on that. Looking ahead to January 2021 and beyond, without prejudice for the outcome of the election, where would you like to see us most sort of adapt and evolve in our approach?

REPRESENTATIVE LARSEN: As someone who's three weeks out, or two and half weeks out from an election, it's hard to sort of separate things right now. So, I'll do a really good job of trying to do that.

I think that, I've been to China 11 times and one thing I have learned every time is I don't know enough about the Chinese government and role of the Communist Party and how they make decisions. And I learn more every time. And since 2003 when I went the first time, and that's been 17 years, you know, that country itself has changed a lot. The Chinese leadership, people haven't changed all that much but their leadership style has changed a lot and Xi Jinping is much more of an authoritarian leader, not a consensus leader within the politburo. He's really a one person calling the shots instead of seven, eight, or nine people calling the shots.

And that is I think changed China's ability to turn a little bit on a dime, to look at what's happening in the United States and at least communicate changes internally. And we're seeing some of that take place right now within China where Xi Jinping talks about this dual cycle or dual circulation concept with their economy.

Basically, he's saying we need to grow our own economy, we need to invest in our own economy and grow that economy. Meanwhile, we're going to trade too, but we gotta be, you know, we gotta be sure we're taking care of ourselves. It's kind a few of the things we ought to be doing a little bit more of.

But I think that they look at, I think the Chinese government looks more at the international relationships. I don't know that they look so much at whether or not I have the support of my voters. It's my job to go to my voters and demonstrate to them why we need to be doing certain things. And if they disagree, I assure you, American voters will tell you. But I think it's more they look at what the U.S., what's the U.S. role and place in the world. And they try to take more advantage of that, and I think they're doing that right now.

MR. HASS: Thank you. We've received a flurry of questions from around the world based upon your comments. If I could, I'd like to just spend the last couple of minutes we have together to share a few of those with you so that we can get your reactions.

One of them is from a professor at the University of Louisville named Yong Chao, who

asked how would U.S./China policy effect the Chinese Americans? Government Hutchinson, you've talked about the benefits that come from having Chinese students in the United States, that the trend line has reversed in the recent year or years, it's gone flat and now negative, in terms of a reduction in Chinese students studying in American universities and schools.

How do you see that going forward, and what role do you all and other leaders have in trying to create more hospitable environment to attract the best and brightest minds going forward?

GOVERNOR HUTCHINSON: Well it's a very good question because we have so many wonderful patriotic Chinese Americans who are citizens of our country who have embraced our values and we want to make sure that we don't change that fabric that we've woven with so many of our different countries that are part of the fabric of America.

You know, how do you do that? It's, again, it is reflecting a balance of you can be tough with China in terms of their trade policy or the other errors they may make, but at the same time you can continue to embrace the exchanges and you cannot castigate those that are coming from China here to the United States, and recognize the value they bring.

And so it's a balance in terms of the rhetoric that we use that's very, very important. And then recognize the contributions they make. You know, we're much better off whenever we have that talent that's here, whenever we have those exchanges and we learn from each other. So that's how we do it.

You know, if you look at your question before about the pain tolerance of America, I know we're trying to get to some other questions, we've proven that America was willing to support a tough stance. I think that that puts us in good position to restore better relationships after the election.

MR. HASS: Thank you. We received another question from one Representative Larsen's constituents about manufacturing --

REPRESENTATIVE LARSEN: Is this about the pothole on Cook Street?

MR. HASS: Yeah, where do we need to re-shore for national security purposes either to protect intellectual property or to protect the supply chains that are critical to the United States? So, if you could also give the Mayor a chance to offer any perspective she would like.

REPRESENTATIVE LARSEN: Yeah, I'd love to hear what the Mayor has to say about

this. In fact, I'll have my constituent call her.

I think, briefly, I think the pandemic certainly showed the faults in our supply chains on some issues, and we're taking action on pharmaceutical supply chains. We're taking action on personal protective equipment supply chains. I think the focus, a real focus though, beyond the pandemic here, the real focus has been on technology. And fundamental technology, the guts of technology that makes other technology go.

So, think about semi-conductors as a for instance. There's a strong effort within DARPA, one of the defense agencies, defense research agencies, called Electronic Resurgence Initiative, and it's been ongoing but the idea, the fundamental idea behind it is to ensure continued U.S. leadership in this fundamental foundational technology of electronics and electronic semi-conductors. We don't want to lose that. So that's an example of what we can do.

The other thing I can note in the defense bill that we're hopefully bringing at the lame duck, is that there's a strong 5G investment title within that, both for private sector and 5G as it applies to the use by our military. So, there's another aspect of what we need to be thinking about, what is fundamental. Certainly, to keep in the U.S., but certainly to partner with, again, like-minded allies, partners, and friends in a way that there are alternatives the reflect openness and transparency in our values.

MR. HASS: Thank you. Mayor, the final word goes to you.

MAYOR WHALEY: Well it's been a pleasure, and thank you all for letting me join you today on this I think really important discussion.

I just echo what the Congressman said about it's about values and what we value. And I think a lot of times in these discussions we can actually look to some of the mistakes we made in the manufacturing industry with other countries that we got in the situation we did with COVID, for example. And so, when we're thinking about technology and we're thinking about how we really control, which is very important, super important both for our position in companies but also just for our protection as a country. We can say like we really didn't do the best when we're thinking about how we did supply chains to manufacturing. And so, making sure that these efforts are worker centered and not stock market centered I think is really, really important in this discussion, and then making sure that the whole

agreement has some sunshine in I think is really, really important too. Because that's an American value that is really important not just for business, but for our collective government.

MR. HASS: Governor Hutchinson, Congressman Larsen, Mayor Whaley, it's been an honor to be with you. I've learned a lot, and I think that our viewers have as well. Thank you very much for your time. And God speed.

MAYOR WHALEY: Thank you.

REPRESENTATIVE LARSEN: Thank you very much.

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