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HOW WILL CONGRESS APPROACH US-CHINA RELATIONS?  
A CONVERSATION WITH REPS. JOHN MOOLENAAR AND RAJA KRISHNAMOORTHY

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INTRODUCTION

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DISCUSSION

RAJA KRISHNAMOORTHY, Ranking Member, Select Committee on Strategic Competition between the United States and the Chinese Communist Party, Representative, D-III. 8th District, U.S. House of Representatives

JOHN MOOLENAAR, Chair, Select Committee on Strategic Competition between the United States and the Chinese Communist Party, Representative, R-Mich. 2nd District, U.S. House of Representatives

MODERATOR: RYAN HASS, Chen-Fu and Cecilia Yen Koo Chair in Taiwan Studies, Senior Fellow and Director, John L. Thornton China Center, Brookings

MODERATOR: PATRICIA M. KIM, Fellow, Center for Asia Policy Studies, Brookings

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**MALONEY:** Good morning. I'm Suzanne Maloney, vice president and director of Foreign Policy here at the Brookings Institution, and I'm delighted and honored to welcome you to today's event featuring a fireside chat with Chairman John Moolenaar and Ranking Member Raja Krishnamoorthi of the House Select Committee on Strategic Competition between the United States and the Chinese Communist Party. Chairman Moolenaar and Ranking Member Krishnamoorthi play key roles in determining how Congress will bolster America's competitiveness with China on the world stage.

Before we begin the discussion, I'd like to begin with just a very brief introduction of Representatives Moolenaar and Krishnamoorthi. Congressman John Moolenaar represents Michigan's second congressional district. He also serves on the House Committee of Appropriations. Prior to serving in Congress, Representative Moolenaar served in the Michigan House of Representatives and in the Michigan State Senate. Congressman Raja Krishnamoorthi represents the 8th District of Illinois. He also serves on the House Permanent Select Committee on Intelligence. Prior to serving in Congress, Representative Krishnamoorthi served as special assistant attorney general in Illinois and Illinois deputy treasurer.

In addition, let me briefly introduce my colleagues who will be moderating this fireside chat. Ryan Hass, who is the director of our John L. Thornton China Center, and the Chen-Fu and Cecilia Yen Koo Chair of Taiwan Studies here at the Brookings Institution. From 2013 to 2017, he served as director for China, Taiwan, and Mongolia on the National Security Council. He's also authored several books on China and U.S. policy toward China. Patricia Kim is a fellow in Brookings China Center and our Center for Asia Policy Studies. She is an expert on Chinese foreign policy and U.S.-China relations, and together with Ryan, she co-leads our Global China project.

Before our discussion gets fully underway, I'd like to thank the Ford Foundation, who has made this event and our long-standing Global China project possible. They have always shown respect for our research independence, and this event, as always at Brookings, reflects only the views of the speakers themselves. A final reminder that we are live and on the record today. Please send your questions via email to events at Brookings.edu or on social media using the hashtag globalchina. A question and answer session will conclude the event, and staff will come around for those in the audience here in person with microphones. Thank you so much for being here today, Representatives Moolenaar and Krishnamoorthi. I'm so pleased to turn the floor over to my colleagues, Ryan and Pattie.

**HASS:** Thank you, Suzanne, and thank you all for being with us this morning. A special thanks to you two for coming to share your perspective from Capitol Hill on the future trajectory of U.S.-China relations and the role of Congress in it. I want to start with a question about public opinion in the United States as it relates to China. According to polling from the Chicago Council on World Affairs, America's top three priorities are to avoid military conflict between the United States and China, maintain the United States' technological edge, and limit China's rise as a global power. I know that you're ready to talk about this, congressman, so I will start with you. But do you think that the American people broadly have their priorities right as they think about China?

**KRISHNAMOORTHY:** I do, and can you hear me? Okay, great. Thank you so much, Ryan. Thank you, Pattie. Thank you to Brookings for hosting us, and chairman, it's a pleasure to be with you. Chairman Moolenaar has just been an excellent chairman, and he's continuing the bipartisan tradition of this committee, started by former Chair Mike Gallagher, and he's also from Detroit, from Michigan, which is an NFC North territory, so we're all good. Look, this is something that I and I think the chairman and others track very closely, which is where is American public sentiment with regard to China? Where are they with the topic of our committee, which is the strategic competition with China? And so I brought a couple of visuals, and it's very interesting that you brought up that statistic. If I could share for a second, and the chairman...

**MOOLENAAR:** Can I help you?

**KRISHNAMOORTHY:** This is bipartisanship in action. Can you hold that?

**HASS:** I can hold it if you want.

**KRISHNAMOORTHY:** Basically, the long and the short is that in a nationwide poll of American voters, basically they asked, you know, what is your opinion with regard to the competition with China? What do you want to see happen? And what they said is basically, we want you to win the competition with China, but, and this is a big issue, among Republicans, Democrats, and independents, uniformly, 80% of voters say, do everything you can to avoid conflict or war or open hostilities with China. So that, to me, is a crystal-clear mission of this committee, but what does that mean? It means essentially increasing our deterrence so that the Chinese don't pursue aggressive moves that could lead to conflict, either in the Indo-Pacific or elsewhere, but I take that also with regard to economics and technology. We have to do everything we can to increase our deterrence to prevent aggression technologically and economically, and it's so interesting you brought up my hometown survey, because I brought a visual on that, too, and this is the... Sorry, guys. But basically...

**HASS:** You also have it behind you.

**KRISHNAMOORTHY:** Oh, excellent. So this is the visual from the Chicago Council on Global Affairs. You know, almost 70% said, you know, avoid military conflict with China, so it's consistent with the last poster that we showed, but then they said 60% of voters said, maintain the U.S.' technological edge with regard to high tech, and then work with China where you can and protect human rights and democracy in China. So to me, those are certain priorities, and the chairman and I have worked hard on all of these, and I think it helps to provide a little bit of a roadmap for where we need to go, in my humble opinion, with China policy.

**HASS:** Thank you. Mr. Chairman, before we move on, is there anything that you would like to add to this question?

**MOOLENAAR:** Sure. Well, I think the American people want to have an authentic relationship with China. I think there's a love for the Chinese people, a tremendous distrust of the Chinese Communist Party, and balancing that out is going to be very important in the years to come. And whether it's trade policy, national security policy, all those things factor in, and so I think, you know, President Kennedy talked about never tempting an adversary with weakness, so I think people recognize the importance of a strong national security posture relative to China, deterring aggression. And at the same time with trade policy, people want to know that, you know, our intellectual property is protected, that there are rules that are being followed, and that there's an effort to make sure that China is not working against our national interests, and so that will be the focus of winning this competition.

**KIM:** Great. Great. Well, chairman and ranking member, thank you so much for being with us here today. Maybe we could start the discussion right there. So based on sort of these priorities that we talked about, what role do you think the Select Committee and Congress in general should play in shaping China policy in the months to come? And how would you characterize the current level of coordination between Congress and the White House in shaping China policy?

**MOOLENAAR:** Well, we have a new administration. Fortunately, I feel that there's good communication with our committee, which is a very bipartisan committee, and I think worked well with the previous administration. I think we'll work well with this administration. A number of individuals who either in some way had an affiliation with the committee are now serving in the administration, so I think there's a good relationship there. A number of our committee members have, too, have gone to the U.S. Senate, so I think we'll have an opportunity to collaborate even more with the U.S. Senate. So I think it's going to be important that we work together in a bipartisan way. The members on our committee have expressed to both Raja and I, you know, just how meaningful this has been to work in a bipartisan way, looking at our national interests and how

we can work together to advance that. So I'm very optimistic. I think you've already seen some indications through some of the executive, you know, policy directives that have built on the work of the committee, whether it's outbound investment, CFIUS reform, a number of the recommendations -- we had 150 recommendations in our economic report. Many of those have been incorporated in some of the early initiation from the Trump administration.

**KRISHNAMOORTHY:** Well, I echo the chairman's sentiments, and I think that I feel that our committee has become kind of an honest clearinghouse or broker for a lot of the best ideas in Congress on both sides with regard to the technological, economic, and security competition, so to speak. You know, quite frankly, we were sometimes tough on the Biden administration with regard to certain issues, whether it was, you know, speeding up deliveries of equipment to Taiwan to improve their deterrence. It was way too slow. And that's something that we on a bipartisan basis said to the Biden administration, hey, we got to hustle. We got to speed up. 2027 is on its way. That's the date by which Chairman Xi Jinping has tasked the PLA with being ready to successfully invade Taiwan. Similarly now, I think we're going to play probably a similar role with the Trump administration. I know that they are interested in having talks with regard to trade, and John and I have talked about trade quite a bit. My only humble observation and request of the Trump administration is don't let the CCP involve all kinds of other issues under the guise of trade that could end up somehow compromising our security position. Uppermost in my mind is Taiwan. That, to me, that should not be on the table with regard to trade. And I think the CCP will constantly try to put it on the table. They'll be like, okay, you want to see us buy more agricultural products from Illinois or Michigan or Ohio or Iowa? Well, let's talk about Taiwan. And I think that will be an issue that I think hopefully on a bipartisan basis, we will tell the Trump administration, please do not engage on that particular topic in trade talks.

**KIM:** Following up on the Select Committee's work, so what metrics will you be using to evaluate the Select Committee's work? How would you measure success or progress over the year?

**KRISHNAMOORTHY:** Me?

**KIM:** You both.

**KRISHNAMOORTHY:** Well, I'm going to be trying to do five things every week. This is one of them. I'll be reporting to DOGE later. No, on a more serious note, I think that we, in terms of our progress, in terms of our success, I think the chairman had a very aggressive agenda last Congress, along with Chairman Gallagher, for passing legislation. And we got very close on certain matters, especially towards the end of the year, as you know. And I hope that we kind of push, just as we did the last time. So that will be one metric. I think another metric of success is, you know, where do we end up in the relationship with the CCP? Where is the competition going to be at the end of this Congress and at the end of this year? And I, like in the Biden administration, I definitely think that there were different camps with regard to the discussion of China policy. Some people were more hawkish, some people were more dovish. I think the same is true in this administration. And so we're going to be engaging them, and we want to make sure that we end up in the right place with regard to China-U.S. relations. And I think that would ultimately be the best measure. And remember what the voters have instructed us. We, in my opinion, have to meet those kind of minimal kind of objectives and put us in a better kind of economic position above all.

**KIM:** Chairman?

**MOOLENAAR:** Yeah, I think what Raj has said is really important. I think what our committee can do is be a force multiplier for other committees in Congress and really shine a spotlight on this relationship. I think our goal will be to influence public policy. We've already seen that with the administration, both administrations actually, where I think our work has influenced what the executive branch has done. At the end of the day, we want to get things signed into law, because ultimately you want the continuity of what Congress does, putting it into law, be the

benchmark. But I think also bringing to the attention of the American people the truth about the relationship and for people to understand this is where things are and have an authentic relationship with China. And I think we've seen over the last 30 years, I can remember our businesses, our business leaders, very optimistic about the future of doing business in China. I think that's changed dramatically, and my hope is that the American people would recognize and have the opportunity to join with us in this to say, okay, what can we do as Americans to deter aggression, to promote a climate where there is free trade with free nations, allied nations that want to participate in this global order that respects private property, human dignity, doesn't want to be aggressive towards neighbors. To me, that would be a worthwhile goal.

**HASS:** Mr. Chairman, as I follow the work of the House Select Committee, I notice that economic competition is really sort of central to a lot of the work that is being done. Can you share with our audience how you are thinking about the House Select Committee playing a role on AI, semiconductors, clean energy, these new and emerging technologies? What guideposts should members of the business community be following?

**MOOLENAAR:** Well, that's gonna be really important in the months and years to come is to give the business community a clear direction on what is appropriate, what isn't appropriate. The problem we've had is that many of our investments, whether it's private sector dollars or even taxpayer dollars have gone to benefit technology development in China that often has dual uses, used in military applications that actually could be used against American men and women in our armed forces. And so we need to give clear guidance on outbound investments as well as evaluating incoming investments based on those criteria. And that's not an easy thing to do because you have to look at different strategic sectors, like you mentioned, semiconductors, energy, land use, AI. We think of AI and there are some tremendous benefits to mankind because of AI. But if you look at the dual use military-civil fusion of what China does, these military applications could be very threatening to the United States. So we're working through that process with legislation, Andy Barr and Raja and others have been working on making sure that we give clear guidance in this area. But it's not an easy one because you have a lot of different factors to consider. But I feel like we've made a lot of progress in this last session and we'll build on that in this session.

**HASS:** One of the issues that you both have been very outspoken on in the past is TikTok. TikTok is an issue that continues to be in the news. How do you see this issue progressing? What role do you see for Congress in the future trajectory of TikTok?

**MOOLENAAR:** Well, Congress did its work and we have a law in place. There is a runway to come to an agreement. And to me, TikTok's future, you know, President Trump has said he wants TikTok available to the American people, but without the Chinese ownership direction involvement. And it's going to be up to the parent company of TikTok to decide whether they want TikTok to continue to operate in the United States or whether they don't because ultimately they're required by law to divest. And there are different proposals to buy TikTok. We've, you know, had a chance to, you know, at least talk and learn more about some of those proposals. But ultimately ByteDance has to come to the conclusion that it's in their interest to divest. If they don't, then TikTok shuts down in the United States.

**KRISHNAMOORTHY:** I'm okay with a short period of deferred enforcement, which is what we're in right now. But I strongly urge the Trump administration to move toward a deal. And, you know, we have to use whatever leverage we have, which is the law, to get the CCP to comply. Because ultimately the CCP is controlling the shots. If anybody had any question mark in their mind about who really controls ByteDance, this period explains who controls them, which is the CCP, because they will not allow ByteDance to sell. And so I think that right now, again, we were talking about trade talks and stuff like that, I sense that the CCP is potentially playing games. You know, shock. I think that they may want this to be on the table as well, along with everything else. And again, I just urge the Trump administration, you know, your best leverage is the law. The American people have spoken. And I think that, you know, there are a lot of Republicans and

Democrats who believe that there's an ongoing threat right now as we sit here, with regard to the CCP's access to that data. That is why the Supreme Court in a unanimous decision, unanimous, that never happens anymore, unanimously upheld the law because they said it was entirely reasonable to infer that this particular threat exists and that it would manifest itself in bad things. And that's why we have this law.

**MOOLENAAR:** And why is this important? You know, you think of TikTok dance videos. Why is this important? It's because in 2017 there is a national security law that says basically that whatever the CCP requires, requests of a private entity, it's part of the national security to adhere to that. And so when you have the CEO of TikTok or others saying, well, we would never allow the Chinese Communist Party access to Americans' data, what he's basically saying there is, yes, I will go to prison to protect Americans' data. I don't think that's the case because, you know, the reality is even with the new developments in AI, you know, where they're talking about data being, you know, accessed in China, and that's right front and center. So we aren't, I mean, TikTok is just one example of a much bigger problem, and that is that the national security laws that China has in place basically make everything subservient to the Chinese Communist Party's interests.

**HASS:** One other quick question on while we're on the economic topic, outbound and inbound investments. Are you comfortable with where we are in terms of the rules and regulations on outbound and inbound, or do you think that Congress needs to take further action to tighten restrictions?

**MOOLENAAR:** I think Congress needs to take further actions, but I will say the presidential national security memorandum that came out on Friday is a step in the right direction. It actually built upon the Chinese, our work at the, you know, our bipartisan recommendations. So it's moving in a good direction, but I do think Congress needs to continue to develop this so that there is more clarity and then more continuity between administrations.

**KRISHNAMOORTHY:** I agree. I think that we need a law. We can't keep bouncing from one executive order to another, and we were, as I said before, we were like this close in December to having that law in the form of that COINS Act, and that would have been a real meaningful step in the right direction. With regard to inbound, this is a very interesting topic, right? I think that President Trump is willing to entertain potentially significant investments by Chinese controlled, Chinese companies in the United States for certain purposes, and I think that there's going to be an interesting discussion on this because I, for one, am not totally opposed to President Trump's initiative on that particular issue, so long as we are cognizant of any national security implications. Like, let's not build something right next to, you know, Scott Air Force Base that's controlled by the CCP. Just hypothetically speaking. Yeah, that might be a bad idea to allow that, but on the other hand, you know, there are other places where I think potentially licensing their technology can enable us to catch up and then overtake them, just as they have with regard to our technology in China. And so let's have that discussion.

**MOOLENAAR:** One thing I would say that on Friday night's memo, it talked about expanding CFIUS in terms of green spaces and other areas, and to me, I think that's a move in the right direction. You know, in my own district, we have a situation where a Chinese battery plant is wanting to locate, and it was within 100 miles from Camp Grayling military, and we've actually had Chinese nationals that have been caught spying at Camp Grayling. And so when you consider that CFIUS did nothing about that investment and now under this new directive would have further authority to review these investments, I think that's a step in the right direction.

**KIM:** So President Trump has expressed an interest in meeting with Chinese President Xi Jinping in the first 100 days while in office. And we know that rebalancing the U.S.-China trade relationship is very much a priority of this White House. But President Trump has also expressed an interest in potentially pursuing an arms control deal, maybe trilaterally with Moscow. And so I'm wondering if you have any thoughts on this and sort of more broadly speaking, what could be

achieved in Trump-Xi summit and what should the White House be guarding against? To you both, please.

**KRISHNAMOORTHY:** Should I go first?

**MOOLENAAR:** Sure.

**KRISHNAMOORTHY:** Okay. Well, look, I welcome that type of summit. I think it's a good idea. I think that leader-to-leader talks make a lot of sense. And I know that some of my colleagues may disagree with that. But I think that that type of engagement is crucial for lowering the possibility of misunderstandings, miscalculations, and it opens up the possibility for potentially some deal-making. Again, we go back to what I said before, which is if you're going to do deal-making, let's, for instance, focus on trade, but let's not necessarily put Taiwan on the table with regard to trade. My concern is a summit is going to bring everything on the table. It's going to be like a smorgasbord of issues. And the CCP is very eager to put everything. They're going to say, okay, you know, let's put Uighur and human rights on the table. Let's put Tibet on the table. Let's put Taiwan on the table. Let's put South China Sea on the table. Let's put trade. Oh, you want to talk about nuclear? Yeah, let's put that on the table. And we can't be in a situation where we end up selling out on certain principles or partners, friendships, or alliances to get a deal. On the nuclear issue, yes, we should enter into trilateral talks. I think that makes sense because, you know, the Chinese are undergoing perhaps the most aggressive expansion of any country's nuclear arsenal in the last 20, 30 years at this point. I'm also concerned that they're going to start testing nuclear weapons. Apparently, there's been some moves to prepare sites to have nuclear explosions. And so we want to definitely address that. And if we can get to a treaty among the three or others, I think that's not a bad thing.

**MOOLENAAR:** Well, let me first say I have tremendous confidence when it comes to Mike Waltz, Marco Rubio, some of the team that President Trump has that will be advising him on this. And I would advise that he take a page out of President Reagan's handbook in terms of the Cold War strengthening our military posture, making sure we're deterring aggression as well as winning this economic challenge. I have limited hopes for what an outcome might be of meetings like that, simply because, you know, as Xi Jinping was meeting with President Biden and talking about fentanyl and pledging to help with America's drug problem and fentanyl, they were also subsidizing the manufacture of fentanyl precursors in China by giving a direct rebate to Chinese manufacturers of these precursors. And so I think whatever agreements are made, you have to look at it and say, how, what is China's record been on agreements in the past? And I'm pleased that the Trump administration is reviewing the trade violations and looking at the ways that China has or has not lived up to previous promises. And I think that's going to be very important. So I'm all for meeting, as Raja said, you know, eliminate sort of the miscommunications, but at the same time have really realistic expectations and recognize, you know, peace through strength is the right approach on this. And our strongest negotiating posture is when we win this competition.

**KIM:** Well, chairman, there's growing unease in Taipei and other Asian capitals that perhaps, you know, in the summit, the president might strike a deal with Beijing that could send the wrong signals on the United States' long-standing commitment to peace and stability in the Taiwan Strait. And so how concerned are you about this possibility and what steps can Congress take to reinforce deterrence, not just in the Taiwan Strait, but in the broader Indo-Pacific region?

**MOOLENAAR:** Well, I think, you know, I think we've seen, you know, Congress stepping forward, even the last Congress supplying, you know, resources for Taiwan and as Raja had mentioned, speeding up the delivery of already the commitments that we've made. I think it's going to be very important for Taiwan to step up and support their own defense. You know, it concerns me when they send a message and decrease military spending or at least that debate is happening in Taiwan. I think that sends the wrong signal. So I believe President Trump is a good negotiator and one of his negotiating goals will be to have Taiwan step up its commitment to its

own defense. And I think that's an important message for them to hear. You can't have a division within Taiwan about the importance of their own national security.

At the same time, I believe that Taiwan, you know, is a tremendous example of a democratic island that has shown the importance of freedom and how that improves economic well-being as well as human rights. You contrast that with what's happening in Hong Kong right now where, you know, China had promised one nation, two systems. They haven't followed through on that. And so if you want to see an example of what would happen, that would happen if the CCP ends up growing in its influence in Taiwan. So I think on multiple fronts we want to see more investment by Taiwan in their own military capabilities and national security. And I think we ought to look at ways that we can partner with like-minded allies, Japan, South Korea, the Philippines, because they see this increasingly aggressive action on the part of China threatening the entire region and we need to work together with our allies.

**KIM:** Congressman, did you want to add anything?

**KRISHNAMOORTHY:** Yeah, look, I think we should not step away from our, I think we give six assurances to the Taiwanese at some point during the normalization of ties with the CCP. I think there's like, you know, obviously the One China policy which we follow, which makes sense, but we also made these assurances to the island with regard to, for instance, you know, not consulting with the CCP before we make defense sales to them. I could easily see the CCP try to chip away at those assurances in these talks. And that's why I think National Security Advisor Waltz and Secretary Rubio, who are very familiar with these concepts, should, you know, continue to make sure that we protect those assurances because at the end of the day, we have to be very careful that in reducing Taiwan's deterrence or their position or their defense, their ability to defend themselves, we are harming our own national security. We can't enter into a situation where, you know, the likelihood of conflict in the Indo-Pacific increases because we reduced our deterrence posture.

**HASS:** So moving from one war and peace issue to another: Ukraine. There's a lot of attention on trying to reach a resolution that allows for a cessation of conflict in Ukraine right now. What role, if any, do you think China should play in this process, Mr. Chairman?

**MOOLENAAR:** Well, they've been playing a pretty important role, really funding Russia's aggression. And, you know, when you look at this no-limits partnership, that's a tremendous concern. So in my view, they're already playing a role by completely being on Russia's side in this. So they are not a neutral party or even a party that, to me, would offer a lot in terms of, you know, any negotiations. You know, they've profited tremendously from this war.

**KRISHNAMOORTHY:** Well, okay. How can China help here? They can help in so many ways. They have tremendous leverage with regard to Russia right now. They are the senior partner in that relationship between the Russians and the Chinese now. And so they buy a lot of Russian oil. They provide all of their semiconductors for their war effort. And they kind of look the other way when the North Koreans send troops and send missiles and get other technology in return. So they absolutely are helping to enable the Russian war effort and they can exert their leverage to bring Moscow to the table.

However, what gets agreed to is crucial for, again, going back to Taiwan and going back to the Indo-Pacific, our deterrence and the Taiwanese deterrence posture. If a deal is cut that ends up looking like we are walking away from our friends, partners, and allies, walking away from Ukrainian democracy, guess what? That is an absolute message to the CCP to pursue a more aggressive posture with regard to Taiwan. And so we cannot show any kind of weakness in the resolution of the Ukrainian conflict because that would only invite aggression by the Chinese in the Indo-Pacific. So while I am glad that we are talking about talks, the substantive outcome matters and also the manner in which we conduct the talks matters. I don't think that we should be doing



anything to undercut the Ukrainians negotiating posture because again, that sends a powerful message to Beijing and they are watching this like hawks right now.

**KIM:** So, congressman, we got a lot of pre-questions from members of the audience who had registered and they had a lot of questions for you all. And it was hard to select just one, but I tried to choose one that reflected a lot of the concerns that we saw in these questions and it was about the Trump administration pulling down USAID. So a specific question that came from Mr. John Wallner, who is a retired former pharmaceutical executive, is, "is China likely to work to fill the strategic void that the Trump administration is creating by pulling back aid and resources around the world, especially in Africa and South America?"

**MOOLENAAR:** You know, I think right now you're seeing a disruption in terms of obviously USAID and foreign aid. I have tremendous confidence in Marco Rubio. You know, he's now leading this effort to reform. And to me, it's, it's appropriate. Now, where it ends up is going to be the question. And how do we compete with the Belt and Road Initiative? I believe there are tremendous resources available with our capital markets, engaging the private sector, investing in different countries, and building partnerships throughout the world. And foreign aid is going to be a part of that but maybe constituted differently than it has been under USAID. Focusing a lot on what our strengths are, because we're never going to compete dollar for dollar with China. You know, they're creating this debt trap for all these nations investing in this infrastructure. I think what we need to do is be very strategic with every dollar that we use, and then build upon our strengths of investment, engaging the private sector in these things. And I think that's something that, you know, sort of rebuilding it from the ground up will be helpful. But I recognize there is a disruption right now and a lot of concern. And, you know, my hope is we can develop that strategy quickly so that it communicates to the rest of the world, you know, our approach on this.

**KRISHNAMOORTHY:** So we actually had a hearing about the Belt and Road Initiative that John presided over, and I thought it was really eye-opening because we talked about how the Belt and Road Initiative is so flawed. It really is debt trap diplomacy. You know, basically it's the CCP going around the world offering basically debt, loans, to basically build stuff where they get to sell more of their materials to build that stuff. And oh, by the way, they bring the people from China to build that stuff. And oh, did I say that these things crumble and are oftentimes flawed in their design and their construction? And that's why these countries are constantly looking elsewhere now for development assistance. And one of those places looking is to the United States. And they're looking to us and our allies and we've made some progress there, especially through the DFC, the Development Finance Corporation, which Donald Trump actually signed into law and created during his first term, which I have on a bipartisan basis tried to push reforms to, to make it even more successful than it is today. But all along the way, we assumed that USAID would be a partner to the DFC. And now we see that's not the case.

And while I hope you're right, John, that at the end of this process that USAID gets stood up in some other form that is as effective or more than it is right now. I think at this moment to a lot of people it looks like there's a vacuum. And my concern is that we're going to cede the field to the Chinese. Already they are moving into various parts of the world and saying, hey, I noticed that, you know, USAID no longer provides this assistance to you. Why don't you, why don't you take our assistance instead? And oh, by the way, there's some strings attached. And here's some little something for your family too on the side. And so, you know, when you have that kind of offering from the CCP, we should always have an alternative. We should have an option. We have something on the table and we have so many thousands of employees of USAID right now who are kind of on the sidelines. They're on the bench. They're not being utilized. And I'm concerned about also losing their experience, their talents, their wisdom to help us win the competition.

**MOOLENAAR:** You know, one thing I would just say, Marco Rubio's trip to South and Central America. I thought it was really significant that Panama decided to no longer participate in the Belt and Road Initiative. And to me that's I think more and more as we reach out, again, we've got to be strategic on how we do that but to expose the downside of the Belt and Road Initiative

and what a positive engagement with the United States looks like. To me, I think there's real opportunities to continue to build these relationships with like-minded countries.

**HASS:** I'm going to close with a strategy question for you before we bring our audience in. Your predecessor, Mr. Chairman, Mike Gallagher, argued that the United States should have an end state, an end goal in its approach to China of basically hastening the demise of the Chinese Communist Party. The Biden administration did not subscribe to that view. They said that they should pursue a steady state of managed competition but not declare an end goal. President Trump himself has been, he has not said anything that would suggest a desire for an end goal. He has demonstrated a lot of respect for his counterpart President Xi Jinping. How do you think about this? I want to ask both of you. Should the United States have an end goal or an end state that we seek? And if so, what do you think it should be?

**MOOLENAAR:** Well, the end goal that I would focus on, and it's aspirational, is for the Chinese people to have a government that serves them and protects their rights and that helps them support their families. And it's going to be up to them to decide who leads. And so I think as you look at Xi Jinping over the last decade, been more controlling, more authoritarian, more aggressive. Ultimately, the Chinese people are going to have to decide whether that's the future they want for their people. And I think in our goal, as Americans, should be to do everything we can to strengthen our resolve, to protect and promote the values that we have and and win this competition both economically, technologically, militarily, as well as aspirationally. And to me, that's the focus. I wouldn't predict what the outcome, you know, if you look at, you know, Reagan wanted to meet with his Soviet counterparts and as he said, they kept dying on him, right? And it wasn't until Mikhail Gorbachev came to power that they actually were able to do some constructive meetings. I don't know, you know, most of us look at Mikhail Gorbachev and say, what an amazing person at that time in history for the world. I'm not convinced Xi Jinping is that kind of person. In fact, my gut feeling is he probably views Mikhail Gorbachev in a negative light. So, who is it in China that may think differently than the current situation?

**KRISHNAMOORTHY:** Well, I'm a Chicago Bears and a Chicago Cubs fan. So, I'm hopelessly optimistic. And so, as a Detroit Lions guy, you're probably chuckling. I too would like to see a day where the CCP reduces its aggression, especially on the military front. But that day is not coming soon. We have to be very honest with ourselves. Xi Jinping is some, I think he's in his 70s, early 70s. I think his father lived into his 90s. He expects to live as long or longer. And he, I don't think he's going anywhere. We could have Xi Jinping in power for quite some time. And he has made it very clear through speech, after speech, after speech, what he aspires for the CCP and for the PRC, People's Republic of China, to be. He wants it to be the leading power in the world in terms of comprehensive national power, which means economically, militarily, and technologically. And he has a goal. By the 100th anniversary, he wants that to happen. 100th anniversary being 2049. Okay? He is not going to diverge from that goal. He's not. So, in light of that, we must deter. We must deter military aggression. We must deter economic aggression. We have to protect ourselves and deter technological aggression. And above all, we have to avoid this. We have to avoid war. Unfortunately, we are in an unstable position at this moment. I respectfully submit we are in an unstable position because we are sliding into situations, especially in the South, in the South China Sea and around Taiwan, where I think that there are people more hawkish than Xi Jinping within the PLA and within the CCP who think he's not going fast enough in trying to achieve his 2049 goal. So, that is why we have to, we have to put the brakes on their ambitions, take advantage of their current situation, and then move forward.

**HASS:** Thank you.

**KIM:** Great. Well, we are now going to open it up to audience Q & A. And so I believe we have a microphone and we're going to take two questions at a time. If you could just briefly identify yourself, your name and your where you're coming from and then ask a brief question. Yes, the lady in the front here and then we'll do the gentleman in the front here.

**AUDIENCE QUESTION:** Thank you very much, Mr. Chairman, Mr. Ranking Member, and thank you to all Brookings staff. My name is Yujin Kim. I do equity research from Jefferies, a global investment bank. So, the U.S. has had export controls and trade tariff measures against China for now about a decade. And it seems like China is only developing their technology, economic and military power even more compared to a decade ago. So, in your eyes, how effective do you think these measures have been?

**MOOLENAAR:** Well, I would...

**KIM:** We're going to just slip in one more question if that's okay. I think it was the gentleman in the front, please.

**AUDIENCE QUESTION:** When it comes to negotiations or making deals, I think the Chinese regime has...oh, sorry, Jan Jekielek with the Epoch Times, yeah, senior editor -- has a 40-year record of not being true to its word. So, I guess the big question always is when entering negotiations, how to actually hold them to their side because as far as I can tell, it's very rarely happened, if ever. I mean, maybe once.

**KIM:** Thank you.

**MOOLENAAR:** So, answer them both?

**KIM:** You can choose.

**MOOLENAAR:** Okay, well, let me... Yeah, just quickly, I think your point is right. There have to be accountability measures in place for any kind of agreement. And then a follow-up to enforce. And so, I'm not overly optimistic on that front, but I think you're absolutely right. You know, the investment restrictions or you know, export controls, I would say they're the right thing to do, but we need to do a better job and we need to have more participation and agreement with other countries because what's happening is other countries maybe don't see it the same way. And I think one of our jobs is to build coalitions that are willing to do that. I think the Netherlands has been a good example of restricting technologies. But even they, I mean, you know, there are examples of different technologies that have gotten through and that China has. So so I think, I don't think it's time to abandon the approach. I think it's the right approach. We just need to do a better job of it.

**KRISHNAMOORTHY:** You want me to jump in? Okay. Well, I think the Dutch are good people. They settled in Michigan to such a great number. Look, I think that I echo the chairman's sentiments. I would just point out that you know, I respectfully disagree. I think that with regard to certain certain tariffs, certain export controls, they have been effective. I think the technology export controls under the Biden administration have been very effective. And we can talk about their recent AI advances in China. However, even the founder of the company who's been in the news quite a bit said that the number one issue that he has to contend with are the technology export controls on the highest end semiconductor chips. All that being said, I think that we, as John said, we should engage in deeper trade relations with our friends, partners, and allies, trusted partners, people who are going to observe the international rules of the road. That gives more incentive for others to do so as well.

**HASS:** We will take another question. No, no, it's -- no, sir, please sit down. The lady right here.

**AUDIENCE QUESTION:** Thank you. Emily Feng, well, former foreign correspondent, but I've just moved back home, for NPR. Frankly speaking, I'm curious. I was covering China in China during Trump's first term. How important do you think China is in his second term? I mean, just given how euphemistically fluid American foreign policy has been in the last couple of weeks. Are

you concerned that there might be inconsistencies in the administration's approach to China the second time around?

**HASS:** This gentleman here.

**AUDIENCE QUESTION:** I have a question related to that. Joshua Keating from Vox. I've a similar question, specifically on Elon Musk. I'm interested if either of you have concerns about his role in the administration, given Tesla's activities in China and his financial links, and whether Congress has a role in ensuring that the CCP doesn't attempt to leverage Musk's interests in China in any negotiations going forward? Thank you.

**HASS:** So Mr. Chairman, we'll begin with you.

**MOOLENAAR:** So I think China and the relationship is going to be very important to the Trump administration. I think from day one, you know, again through their executive orders, they charged every agency to evaluate, you know, China's trade policy violations and other areas. You're seeing expansion of CFIUS, outbound investment restrictions. So I think it's going to be very important. They put tariffs, 10% tariffs from day one due to the fentanyl. So there was that recognition that China is directly contributing to the fentanyl problem in the United States. I think their approach and President Trump's approach is going to be, he is a personal diplomacy kind of person. He will want to meet with Xi Jinping rather than kind of going through all the different government channels that maybe typically we do. So I think that'll be his effort. But I think he will be pushing very hard for fair treatment with the United States in China. And I think he'll be very interested in making sure that our national security interests are protected. But he does have a different style in that sense.

To the question of Elon Musk, I do believe that the CCP will try and, you know, they will try and leverage any opportunity. You know, we've seen it across the board. Business leaders who are afraid to speak out. You see, you know, Hollywood directors who will not put a CCP villain in a film because not only are they afraid that the film won't be shown in China, they're afraid that they will never be able to have another film shown in China. So will they try and do that? Yes. Are people going to be looking for that? And make sure that his lane is one that is not influencing China policy? I believe that is the case. But I think we have to be mindful that they will try and leverage every business leader, students who come here in the United States. I mean, they're going to use every bit of leverage they can. And we've seen so many examples of that. And it's unfortunate, but that's just the reality.

**KRISHNAMOORTHY:** Well, I think, by the way, I'm a fan. I remember when you were in, broadcasting from abroad. Look, I think that the unpredictability, you called it fluid, unpredictability of the president's potential bargaining stances could be both an asset and a liability. It could be an asset in the sense that I think it keeps sometimes the CCP off balance. But on the other hand, I do think that they like somebody that may not be principled in their bargaining approach, but opportunistic. And so my hope is that Secretary Rubio, National Security Advisor Waltz, and others whom John and I have worked with extensively in Congress. We know them to be very principled on the China issues. My hope is that they are right there at the table to counsel the president like, yeah, you can definitely negotiate within these parameters, but don't go outside these principles.

And then with regard to Elon Musk, absolutely. They absolutely see him as an asset to them in any kind of negotiations, a way to bypass Rubio, a way to bypass Waltz, a way to bypass those whom they see to be less friendly to them on their issues. And they're going to use him as a conduit. And it's going to be up to others in the administration to say, well, that's one opinion, Mr. President, but please hear some other principles that we need to observe going forward. And my hope is that the president is going to be listening to everybody very carefully.

**KIM:** I think we have time for one more question. Is there a student in the audience? OK, great. We'll take a question from a student.

**AUDIENCE QUESTION:** Hi, Lukasz Kozmierczak, exchange student at SAIS, Johns Hopkins from Europe. I actually have a question about Europe-China relationship. Yesterday, a Spanish foreign minister said that Europe should develop more independent policy vis -a -vis China, which will not be as influenced by the United States. Ursula von der Leyen, the president of the commission, is saying that we need to have new approach to China, which was described as a systemic rival five years ago. And I'm wondering, what would be your position toward this shifting approach from Europe to China? Thank you.

**MOOLENAAR:** We're going to do another question, too?

**HASS:** Well, we're mindful of your time.

**MOOLENAAR:** You know, I would just caution Europe that they kind of did this with Russia, dependence on energy from Russia, and look where this has ended up. And so I would just say, don't increase your dependence on China, because they will leverage that every way possible. So if it's critical minerals, you look at how they will restrict, when it's in their interest, they will restrict graphite or germanium, gallium, antimony. They will try and flood the market with their heavily subsidized vehicles. So I recognize every nation wants to have good relations, but just realize that they're falling into the same trap that they did with Russia, dependence on Russian energy.

**KRISHNAMOORTHY:** I'm not really sure why the Spanish foreign minister said that. My concern is that he or she did that out of pique for something related to Ukraine. I don't know. But my point is that we want to keep our friends and partners close, and our adversaries at a distance. And right now, sorry, that's Xi Jinping calling. Let me take this. See, I'll call you later. So we have to make sure that we keep our friends and partners close, and keep our adversaries at a distance. And we're kind of seeing that kind of shift at this moment in Europe. That being said, I agree with everything that John just mentioned, which is, look, if you're just saying that to vent, that's one thing. But if you really believe in pursuing a closer relationship with the CCP and let them dump all their stuff in the Spanish market and then destroy Spanish businesses, you'll regret that move.

**HASS:** Well, thank you both for being willing to engage in this back and forth with us on a broad range of issues. In doing so in such an open and bipartisan spirit, we're grateful for your insights and your time. We recognize that you have a very tight schedule. So we would ask that our audience please remain in your seat for one minute to allow these gentlemen the opportunity to leave. And thank you all for joining us as well.

**MOOLENAAR:** Thank you so much.