

China Desk Podcast

5.24.24

Full Transcript

Steve Yates: Welcome to the China Desk Podcast episode 43. I am your host Steve Yates senior fellow at the America First Policy Institute and chair of the China Policy Initiative. A reminder to our audience for whom we are most grateful. Viewers can watch the China Desk on YouTube, or subscribe to hear all our interviews on Apple, Google, Spotify and most other podcast providers. We welcome you to check out our website and show the archive at chinadeskpodcast.com. You can always access our podcasts at thefederalnewswire.com as well. My guest today is Congressman John Moolenaar, Chairman of the House Select Committee on Strategic Competition between the United States and the Communist Party of China. Congressman Moolenaar is Michigan senior member of the House Committee on Appropriations, serving on the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and related agencies, the Subcommittee on Labor, Health and Human Services, Education and related agencies, and the Subcommittee on Financial Services and General Government. He leads the School Choice Caucus as co-chair along with Senator Tim Scott. Chairman, welcome to the China desk. Let's jump in.

John Moolenaar: All right. Thank you, Steve. Thanks for having me today.

Steve Yates: Well, it's a great pleasure. As I warned at the pre-show, we love to learn a little bit about each guest: your upbringing and things that led you to this incredibly important and interesting position in life. I'm guessing that in third grade, you weren't asked what you wanted to do when you grow up and you immediately said I want to chair a select committee on the CCP. If you could share a little bit about what drew you through your formative experiences and into politics and then into something that's focused on China?

John Moolenaar: Sure. Well, thanks for the question. You know, I grew up in the small town of Midland, Michigan. My father and mother moved there from Indiana. They both grew up on farms. My father was a PhD chemist that worked for Dow Chemical. I grew up in a manufacturing town which was very science based. A town where I played sports in high school and a little bit in college. I ended up going into chemistry as my degree. I did not really know people in politics, and I was not engaged. All I knew about politics was when I turned on the TV and saw the national conventions. It just seemed like some crazy stuff going on. I never really was drawn to it until my mid 20s, when a young man named Bill Schuette ran for Congress in my district. He was someone who I had watched over the years in sports. Then, I started to engage a little bit more. I realized that my interest in reading history and biographies was

drawn to Native American biographies about leaders who were very charismatic when they would speak around the fire and others very wise. I always loved reading about that and suddenly, I made the connection between politics, leadership, and these lifelong interests of playing sports and being part of a team. So, I ended up serving in local government, state government, and now this is my 10th year in Congress. It is an honor to serve our country.

Steve Yates: Absolutely. Well, I salute you in choosing that path of service. I made the grave mistake of running for the worst job and all politics, and that is the state party chairman. I was rewarded with winning that twice, followed by being slandered, sued and otherwise kicked around as a volunteer. I learned a great lesson in public service. I'm sure you get treated much better. Well, so you signed on to serve and you came into Congress. I too, went through an inform through labor by working on a farm growing up. It's a great way to orient yourself and humble yourself. You come into Congress, and the Select Committee is a new entity. This particular Congress gets underway, were you drawn to service on the Select Committee, or was it that the speaker said, "Hey, I'd love for you to be a part of this team." How did you get folded into the Select Committee?

John Moolenaar: I can remember clearly at one of our conference meetings, Speaker McCarthy, saying that the two things that keep him up at night are our national debt, and the rise of China and our relationship with China. I thought that was very interesting. I filed that away, because both of those are issues that are very important, but sometimes don't receive the same urgent attention that other issues in Congress do. I thought that if I could be involved in those areas, I could dedicate myself to, and hopefully move the ball forward in both. So, I serve on the Appropriations Committee and our goal is to limit spending and right size our federal government. There is a combination between what you can do on appropriations versus some of the mandatory problems. But the issue of China, I filed away in the back of my mind. It was not until he decided to set up the Select Committee, which was bipartisan that then, I thought there might be an opportunity to serve.

Steve Yates: Well, the caucus and the House has gone through a leadership transition. And now the select committee itself has gone through a leadership transition. Could you speak to a little bit of continuity versus change in that? From the outside looking in, it seems like a lot of continuity in terms of sort of the role, mission, and the top line goals. As the new chair with a little bit of time under your belt with the select committee, what do you see as your particular priorities now and moving forward with the select committee?

John Moolenaar: Well, first, it's been really a pleasure to see the member engagement and the seriousness which each of the members on both sides of the aisle have. Whether it is Hakeem Jeffries who has been a constant supporter of this effort or Speaker Johnson who has been very engaged and supportive of this, the Select Committee has really transcended party leadership. The members on the committee are very serious minded. You don't have a lot of effort to score political points. You have people asking very good questions on how the US policy should address the changing nature of this relationship with China. It has really been a pleasure to see this. My goal of the committee is to continue to build on the excellent work that Mike Gallagher and the team has started, which has been very bipartisan and meaningful across a wide spectrum of different issues. And I'm happy to go into those with you as well.

Steve Yates: I'm sure. I think that having lived and worked in this policy area for many decades, and not all of it is rewarding. Some of it's frustrating when you see things that are important, and you worry whether they're getting addressed well enough or not. To me, the Select Committee is a unique positive contribution to the policy conversation, in that it has been bipartisan. When you are in the executive branch, it's sometimes hard to find kind of bipartisan collaboration in the Congress to actually implement policy. And in some ways, the select committee might actually be teeing up big policy areas for an administration if there's a new one coming through or a second Biden term. But that, I think, is a unique contribution. I would like to talk a little bit about some of the big policy areas. Feel free to revise and extend, as they say, the ones that pop most in your mind. As you may or may not know, I lost my daughter to fentanyl poisoning in October last year. The work that the select committee has done on the fentanyl issue has been I think transformative to that conversation. Keeping that conversation bipartisan, for the hundreds and thousands of parents who have gone through this, I think is a vital contribution. There is a lot tied in with that conversation dealing with China, the border, etc. We've talked about this on the China desk. The other big one was the economic strategy that the select committee put together. I don't think I've ever seen anything as comprehensive and focused on that regard. To have a bipartisan piece of work in those two big baskets is pretty substantial and there are many, many other areas but, Chairman, you want to speak to either of those two big baskets. And then maybe add on what you see as a unique priority or two on the event horizon for your tenure here.

John Moolenaar: Sure. First, let me express my condolences for the loss of your daughter. It is a tragedy that has affected unfortunately, your family as well as many families in the United States. Over 100,000 deaths last year were from fentanyl poisoning. As you point out, there has always been a suspicion or understanding that China has had a role in these chemical precursors for fentanyl. You always want to hope for the best when you think they have organized crime that the authorities aren't able to keep track with but then you realize that China's a surveillance state and they pretty much know everything that's going on. The groundbreaking report that our committee presented with actual evidence of China was their tax policy where they are actually offering tax rebates to

chemical companies in China to manufacture and export the chemical precursors for fentanyl. Not the fentanyl is used in hospitals for medical purposes, but the fentanyl that's used to poison people. Ultimately, the idea that was their government policy being promoted through websites and an active drug distribution that was going on was shocking. We had former Attorney General Barr respond to the report. He said, we always suspected something similar, but this is the first concrete evidence we have had that it is deliberate. So, that is clearly one area that we want to continue and dig deeper to understand the financial relationships, trafficking relationships between China and Mexico, and how we can prevent this from continuing. It is a horrific situation and fortunately, we now have evidence of China's involvement. They are complicit in this, and we need to take action going forward.

Steve Yates: It really seems to call into question, can we have normal relations with a government that does things like this? And how do we actually hold them accountable? That's a much taller task than the words sound. And keeping bipartisanship and focus together on that is a lot harder than one might think. So, I just applaud the effort to draw out the conversation so that it's not really a question anymore of do they know? They know, we know, they know, we know. And so now it's a question of what do we do? Yeah, that probably could be an episode unto itself to try to unwind that ball of twine.

John Moolenaar: If I could, Steve, I just wanted to say, this is a very recent report. What we realize is President Biden met with President Xi, I think it was back in November, and talked about fentanyl. The message you got there was from President Xi, that America has a drug problem, and we will try and help every way we can. That's very different from the reality of their involvement in this. To your point, President Reagan always said, "Trust but verify." We have verified what is going on here which creates tremendous distrust. That needs to be addressed. One thing, as a committee, that we are working on is to dig deeper and form some working groups to answer your question of what are the next steps in addressing this? You mentioned the economic issues of our committee work, there were almost 150 bipartisan recommendations in our economic report. When you think of how rare it is to get any bipartisanship on three, or four or five different recommendations in most areas, to get 150. To me, that is really positive. Of course, there will be differences in policy recommendations but to agree that these are issues that need to be addressed, and to have recommendations on how to do that both parties agree on is really a step forward. To your point about the normal relations, most of us believe in free and fair trade so when someone is abusing that, it is no longer a normal trading relationship. And so, you have to ask the question, what is the appropriate relationship given someone cheating on the relationship?

Steve Yates: Definitely difficult. From my point of view, we spent two generations building the problem and creating an overdependence with a system that clearly does not have our best interest in heart if we have fatalities in our communities and

families. We still do not even have accountability over COVID. We have our work cut out for us. At the same time, we have the interest of the American people that need to be advanced, and we need to secure supply chains and all that. So, I'm guessing you're going to have a lot to talk about but blessed that this Select Committee has people on the Appropriations Committee and other committees to take this work into the regular sausage making process and to make sure that this goes from idea to implementation. That part of the structure of this hopefully successful experiment (the Select Committee) really gives some durability so that it moves forward from Congress to Congress and not just a one-off good experience. Do you have a feel for whether that is a widely held assessment to give confidence if it is going forward? Or how does it look at this?

John Moolenaar: Our committee can illuminate the issues that are long term in nature. Because it is a Select Committee, we can have a focus that goes across many different authorizing committees. For example, we have Blaine Luetkemeyer and Andy Barr who are two leaders on the Financial Services Committee on our Select Committee who are knowledgeable about the CFIUS process and some issues where the Treasury is involved. We have others such as Rob Whitman who are involved in some of the defense related work going on in Congress who is a real leader. He also has a very strategic understanding of critical minerals. Each of these different members are bringing their committee experience to this committee to shine a spotlight on where we are vulnerable in the supply chain and increasing our dependence on China rather than decreasing it. My goal is for the committee to be a force multiplier. Sometimes, in Congress, committees of jurisdiction can be threatened by other committees working on their work. In this case my hope is that every committee of jurisdiction would be working with us to say that we have a focus on China which is an issue we know we need to address but we have got these other 10 issues that we are working on over here. Thank you for the help in understanding and distilling some of these issues relative to our competition with China.

Steve Yates: I think that is a major contribution. And I certainly hope that it is seen as that positive sum approach in an approach to just legislating generally. I think the public communications part of it really, really helps with that focus across and silos too. And, as you know, dealing with leadership, when you are the speaker, majority leader or other positions, there's a million things on your plate every day. Even when they firmly believe in it, having the bandwidth to speak on a focus is a luxury in some ways. So, I applaud that part of it. Now, there was a part of the economic strategy that I also thought was a significant contribution, and also important that it was bipartisan. It had to do with the concept of reciprocity. And in most of my lifetime, and talking about our dealings with China, any notion of reciprocity has kind of been put by the wayside because we accepted a bet that if we integrated them into the international order, that we would grow out of our problems. It did not matter that there were these imbalances. It seems like the American people, and a lot of people around the world are not buying that anymore. We are now getting back to how should reciprocity play a role in

our thinking. Would you mind sharing how you see this either like a doctrine of reciprocity or a notion of whatever privilege we and our businesses are not granted in China, then CCP affiliated entities should not have those similar privileges to have unique access in our system?

John Moolenaar: That's right. Well, most of us believe in free and fair trade. It is free trade among free nations and when that gets distorted, it makes it very hard to say let's just have free trade. We know that China has been stealing our intellectual property, coacting businesses, showing aggression in transnational repression, and intimidating people on our soil. It is a different kind of relationship. As you point out, for the last several decades, the hope was that China would become more open, more freedom loving, more democratic, but under Xi Jinping, they have gone in exactly the opposite direction. We had a hearing yesterday on Hong Kong, with some of the people who have been persecuted in Hong Kong. I can remember thinking that maybe the Hong Kong story was going to be what the rest of China might look like in the future, a thriving place of freedom, international centers of commerce and finance and places where people wanted to visit to have cultural exchanges. It's actually gone just the opposite. Now, the CCP's influence in Hong Kong is undeniable. They have over 1,800 political prisoners there. It is dramatically different than what people had hoped for, and our relationship needs to have that reality. I think, if anything that has come to mind during this time, we need an authentic relationship with China. I think a lot of the expectations or hopes have not worn out. And so, we just need to be very clear eyed about what China's ambitions are, and they are global in nature. Then, how do we reset that relationship accordingly, on the military, economic human rights across the board? How do we build allies with like minded nations? There are nations that in some ways, maybe we've neglected a little bit, who are more friendly allies and like minded in the same kinds of values.

Steve Yates: Well, Chairman, I couldn't agree more on this notion of an authentic relationship with China. We just might steal that and, you know, occasionally give you credit for it. I think it has the added virtue of being true. It makes sense in business. It ought to make sense in government in life, generally. We've got to look at what's reality and what's really happening. Wish can not be the father of our thought. We have got to see what we see. That's unfortunately, the opposite of what the Chinese Communist Party has practiced for its entire existence. Don't believe what you see, don't believe what you hear, and do as we say. So, I think we've got a fundamental challenge in that front. I will wind down, because I know that your time is precious, and you have got to move on to bigger and better things today. Again, I am very, very grateful for your time. You opened with an interest in reading and studying things about Native American tribes. We'd seen an article in the Wall Street Journal that was noting the incursion of cartels into North America, as far north as Montana, in Native American communities. You know, maybe one of those future things for the select

committee is to look at, how are these Chinese collaborations with cartels? How far are they reaching so far, even into native communities?

John Moolenaar: I think that is a very important question. One of the things that has been really eye opening is after the report that we did on the fentanyl, I sat down with Dan Crenshaw and Jake Auchincloss. Jake is a Democrat from Massachusetts and Dan Crenshaw being a former Navy SEAL from Texas, both are involved with looking at the cartels and what is happening at our southern border and the impact on the United States. I think this was the first time we've really had the opportunity to talk about China's role in this. We learned that they are actually supplying the equipment to make the pills that so many people are being poisoned by. When you realize you are dealing with these cartels, who keep their strings in their hands involved in these lives of these people who are vulnerable, when their people are abused, coming across the southern border, when families are threatened and intimidated, and then those relationships continue in this country, you can see the danger that presents. And so, our goal would be to develop a working group around that issue. And then also, whoever the next administration is to try and work across agencies to collaborate in addressing this problem, because it is becoming a more and more threatening problem in our homeland. Even though you are thinking about foreign entities, and it seems far away, as people have said, every state is a border state.

Steve Yates: Now, most people would never have thought that the native territories in Montana, which last I checked border Canada, not Mexico, would be part of the conversation. It is quite the eye opener.

John Moolenaar: Right. Right.

Steve Yates: Well Chairman, it has been a pleasure talking to you. I thank you for your service in Congress, for the state of Michigan, and especially your work on the China Select Committee. If people want to follow you, and also the work that is going on in the Select Committee, where would you point them to keep up on the great work that's being done?

John Moolenaar: Sure. First of all, thank you, Steve, for having me. Thank you for your service to our country. The depth of your knowledge and experience really adds so much to this discussion that more and more people want to have an understanding way. Thank you for what you are doing. Moolenaar.house.gov is my government website. We also have through the Select Committee,

selectcommitteeontheccp.house and our Twitter is @committeeonccp. People can reach out to us in different ways. We have a newsletter people can sign up for and really keep track of all the different work of the committee, and I am happy to keep people informed. I think it is really important that we have the freedom in this country to have a dialogue and exchange ideas and I think we are better for it. So, thank you for having me today.

Steve Yates: Amen to all of that. Now for our audience, if you have enjoyed today's China desk conversation, please tell your friends and consider subscribing and take a visit to our chinadeskpodcast.com website. Thank you for joining and a special thank you to Chairman John Moolenaar for sharing his perspective. Until next time, I'm Steve Yates, your host here at the China Desk.