

Center for Strategic and International Studies

TRANSCRIPT

Event

“Rep. Adam Smith on Engaging China”

DATE

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FEATURING

Representative Adam Smith

Ranking Member, House Armed Services Committee

CSIS EXPERTS

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John J. Hamre: Hello, everybody. Thank you for joining us this morning. And I want to say welcome to the physicals and welcome to the virtuals. We've got a big virtual audience, but we've got a nice, very attentive physical audience. And I think this is going to make for a very good session.

And I was just talking with Ranking Member Smith. I'm so grateful that he's taking this time to talk with us. You know, there are – he's an unusual member of the House. You know, far away – I mean, huge – is it 90 percent of the members of the House come to Washington only to think about their district. But Adam Smith is a guy that comes to Washington not just for his district – you have to pay attention to that. That's clearly always going to be on the forefront. But he thinks of himself as a national leader, you know? And we need that. We don't – we don't have enough members of the Congress who now think of themselves as national leaders. And we've very fortunate that Adam Smith does.

And he has – and he's acted on that. He took a delegation to China on public health matters. And this is – this is tough, you know, when you think about it, because there's still an awful lot of members of the Congress, and the American public, who want to blame China for COVID. And, you know, that would – you know, we can spend all our time being angry, but we're not going to get a goddamn thing done if that's what we do. And I think it was Chairman Smith that saw the opportunity to have a substantive, serious conversation with the Chinese on public health matters. And in our very brief conversation he said he was welcomed by the Chinese in this conversation.

And I think we should all be approaching a discussion with China on a serious level. This is a very big and important country. We don't get anywhere if we begin with anger and fear. We only can move forward if we have a thoughtful engagement strategy. And I know Ranking Member Smith in different ways through the years, and he's always brought that to public service. So, we're very fortunate to have you here. Thank you. Thank you so much, sir.

Let me turn to Steve Morrison to get this off on a real start. I'm here – I'm ornamental for this thing that doesn't matter, but we're going to get into the substance now. Steve, why don't you take it from here?

J. Stephen Morrison: Thank you.

Dr. Hamre: And thank you, sir.

Representative
Adam Smith (D-
WA):

Thanks.

Dr. Morrison:

Thank you, Dr. Hamre. (Applause.) And welcome. Welcome, Representative Smith. And a welcome to our audience in person and online. I'm J. Stephen Morrison I'm a senior vice president here at CSIS, where I direct our global health work. And that is all undertaken under the CSIS Bipartisan Alliance for Global Health Security. I'll say a few words about our work in China, and then I'll introduce you and the trip. For several years the alliance has pressed for high-level U.S.-China dialogue on pressing health security matters. And that's been a big gap. It's one that has persisted.

We organized several delegations to China, most recently General Paul Friedrichs, who's with us here today. Yanzhong Huang from Council on Foreign Relations, who's coming in online, Michaela Simoneau from our staff, who's here. And we focused on fentanyl, the burgeoning bioeconomy, U.S.-China interdependence in that, bioweapons by nonstate actors, and green zone issues like aging, NCDs, mental health. And we tabled – while we were there, we tabled with Ambassador Perdue and his staff a proposal that we organize a bipartisan delegation – congressional delegation early 2026.

And it was at that conversation in August when Ambassador Perdue said, oh, by the way, it's one of my top objectives to get as many delegations here in order to widen the discourse and get a better informed and more balanced discourse in China, but equally important back here in Washington. And guess what? Congressman Smith is busy organizing one, that then resulted September 21 to 25 with Chrissy Houlahan, Democrat from Pennsylvania, from Philly, Ro Khanna, Democrat from California, Mike Baumgartner, a Republican from the great state of Washington. So that was when we first heard about that. And the question – in the conversation I'd like to I'll pose a question to you about the support and enthusiasm that was coming from our embassy there, which was quite important.

Let me introduce you. Congressman Smith. Congratulations on the trip. He's a graduate of Fordham College and University of Washington Law School. Entered the Washington State Senate in 1991 at the age of 25. Entered the House of Representatives 1996. And since 2010, so for the last 15 years, has been the highest-ranking Democrat on the House Armed Services Committee, either as chair or as a ranking minority. A few words on your delegation trip before we jump in. September 21 to 25 you were in both Beijing and Shanghai. First House delegation to

China since 2019. Senator Schumer had a Senate delegation 2023, and Senator Daines had done a solo trip last year.

But, just by point of comparison, back in 2010, if you looked at the calendar, there were no fewer than six House delegations going to China per year. And so, to have zero between 2019 and September of this year was a pretty telling indication of the degree to which dialogue and contact had deteriorated. You covered a broad range of issues. We went there with mil-to-mil dialogue as a central preoccupation. You discussed Taiwan, tariffs and trade, fentanyl, and public health crises, critical minerals. Interestingly, you tabled a number of ideas about how to update the management of the global economy that's changed so much in these last years.

The access you had was pretty startling, I thought. Premier Li Qiang, the number two official in China, Vice Premier He Lifeng, who heads the negotiations over trade and tariffs, Foreign Minister Wang Yi, Defense Minister Dong Jun, and the chair of the National People's Congress, and the vice chair of the Foreign Affairs Committee of that congress. So, they rolled out the carpet for you, for your delegation. We'll talk a little bit about that.

Rep. Smith: Not quite like Trump did for Putin, but, you know, something along those lines.

Dr. Morrison: Yes. We will open up the conversation for last 15 minutes of the hour to hear from you. Just put your hand up. We'll bring a microphone to you. And we'll bundle together three or four – three or four comments and remarks. So, thank you again.

Let's start with the big picture. Tell us a bit about the purposes of the trip. And tell us a bit about the big picture of what was achieved in this.

Rep. Smith: Sure. Well, in my view, and in most people's view, the most consequential bilateral relationship in the world now, and likely for decades to come, is between the U.S. and China. And it's not in a good place. There are considerable differences of opinion, a lot of conflict, and very, very little dialogue. And my general premise is, when I look around the political establishment, and the policy establishment in D.C. and much of the United States, the focus is on how do we beat China. Everybody's got an idea for how – you know, some piece of legislation or policy for how to get ahead of China, how to win in that conflict. And it occurred to me a while ago that what we really need is a plan for coexisting with China.

Now, please don't misunderstand. We have to compete with them. We do. And they're doing a whole lot of things that are extraordinarily problematic that we need to figure out how to deal with. But this notion that somehow it is a zero-sum game, this sort of legacy of the new American century and the neoconservative movement circa the mid-'90s, that imagined that the world will only be a good place if the U.S. remains the sole dominant power in it, and we make sure, quote, "there is no peer competitor," I've always thought that was idiotic. That just does not reflect the world we live in today. It is a multipolar world with a lot of different power centers. And China is certainly one of them.

So, approaching our policy with China, like, we have to win, is wrong. We have to figure out how to coexist. There's a whole bunch of different issues involved in that. But at the top of it we got to be talking to him. I believe in dialogue. It's one of – well, I was going to say, it's one of the rare things that I agree with Donald Trump on. Of course, the funny thing is Trump will talk to Xi, he'll talk to Hamas, he'll talk to Kim Jong-un. He just won't talk to Democrats. So apparently there's a limitation on his view of having negotiations with everybody. But I do think we need to be out there.

And look, China is a big part of the problem too. I mean, I can be critical, as I just was, of U.S. being too aggressive, too conflict-focused in our dialogue. But my gosh, look at the way China has dealt with it, certainly for the last seven or eight years. The first time I went to the Shangri-La Dialogues was in 2019. It's all the defense ministers from Asia. U.S. is there as well. And when the defense minister at the time for China gave his speech, it was Khrushchev pounding his shoe on the table. We shall bury you. You are the worst country in the world. And blah, blah, blah. I was, like, ugh. So, China's been a little overly aggressive as well.

And so, my message is basically simple. You're not going anywhere. We're not going anywhere. Let's get rid of this whole late-stage capitalist, Marxist-Leninist BS. And understand that we are going to be the two most major powers in the world for some time to see. It's a great disservice to each other and to the planet if we don't sort of take a step back and figure out how to have a conversation. And I will say, to your point and to John's point earlier, I think in the last couple of years China has slowly begun to see it at least somewhat similarly. It's, you know, a two steps forward two steps back kind of thing. There's still belligerence, don't get me wrong, but they were very anxious to have a bipartisan delegation of Congress there because I think they want to try to find a way to get to a better relationship, as do I and many other people in our country.

Dr. Morrison: So, you were surprised by the reception? Or you were expecting this reception?

Rep. Smith: Well, I wasn't – I wasn't – if you'd told me I'd gotten that reception six months ago, yeah, I would have been surprised. I wasn't surprised just because I had two dinners with the Chinese ambassador to the U.S. here, long conversations, and arguments, and everything. And, you know, we built a relationship. And also, I had spoken to Ambassador Perdue – who, by the way, is doing a spectacular job. He and his team in Beijing are representing us very, very well.

Dr. Morrison: He hosted a dinner for you.

Rep. Smith: Yes. Yeah. He was with us for pretty much the whole time we were in Beijing. And he was very focused on opening up that dialogue. So, based on that, I wasn't surprised by the reception we got. But like I said before, those relationships developed I would have been surprised because it had been somewhat of a combative relationship. Now, lest you think I'm naïve – and I think we're going to get into this in detail – there's a lot to work out. (Laughs.) It's not just a matter of let's just talk. We're good. Everything's fine. No, we got a couple of issues. But step one is have a dialogue about it, and come at it from the standpoint of, we're both going to be here. There's going to be some competition, bunch of different things, but let's stop with this, I'm going to beat you, no, I'm going to beat you. We're both going to be here. How do we make that work?

Dr. Morrison: So, say a bit more about the tough issues. I mean, you brought to the – to these conversations a certain toughminded, but respectful and candid set of opinions and messages to the Chinese. And they listened. Tell us a bit about – you know, let's walk through the most critical mil-mil issues Taiwan, tariffs and trade, fentanyl. Why don't you give us a bit of an insight into how you framed up your remarks on those.

Rep. Smith: Yeah, I think the toughest issues, number one, is the economic relationship. And the way I framed it in one of my conversations, I think it was with the mayor of Shanghai, was the rules-based international order is a good thing. And China benefits a great deal from that. Now, admittedly, we formed that, for the most part, post-World War II. We had an enormous amount of power, and we put a lot of rules in place, did a lot of things, and certainly some of them were to our advantage. But to get China to recognize – well, let me take a step back for a second.

The national security challenge that we have in the U.S., and this became such a thing that I actually – we had a contest to come up with an acronym for it. But China, Russia, Iran, North Korea, and terrorist

groups like al-Qaida and ISIS. All of those groups have one thing in common. They want the U.S. to be weaker. They have a lot of differences of opinion, but they all feel like the U.S. has too much power in the world, and our power impedes their ability to do what they want to do. And increasingly, as we've seen, they've found common cause around that central premise. How do we weaken the U.S.?

Now, the thing I find interesting about it is, of all of those groups that I just mentioned, China is distinct in the sense that they have benefited almost as much as we have from that global international order that we built. They are a global power with a massive economy that's taken some, what, 400 million people out of poverty. And it's been in large part because the rules-based international order that they've been able to operate in. And they are vaguely aware of that. (Laughs.) OK, vaguely, I say. But so, there's an opportunity there. And the reasonable part of it that I said was, you know, that order was built in the '40s, '50s, and '60s. China's entirely different country now than they were then.

And it is not unreasonable of them to say, hey, maybe we can restructure that a little bit to reflect the change in the power dynamics. That's fine. But the problem is, they are hyperaggressive and they cheat a lot, all right? They steal a lot of IP. They have endless nontariff barriers. They're screwing with us on cyber. You know, they're spying on us. And I am an excessively practical person who understands how humans operate. Saying in the relationship, you must never cheat or steal or spy on us, no, it's going to happen. But you got to get it to the point where it's within reasonable parameters.

And what China is doing to us right now is not within reasonable parameters. One major issue is, you know, just our embassy officials in China being able to freely operate and not have, you know, China spying on them constantly, undermining everything. It's just – it's off the charts. It's even beyond what was going on in the Cold War Soviet era. So, problem number one is, OK, you want to come into the global system here. And you want rules that are better for you. Well, you got to play by a couple of them too.

And the nontariff barriers are a major, major problem. And then also their desire to sort of, get monopoly in certain industries. It's a huge problem with the rare earth issue, right? OK, we, you know, went to China back in the early 2000s. And that wound up being the rare earth place. And they process them all. We're trying to get out of that. And China is undermining every effort to develop rare earths elsewhere. It's very anticompetitive. So, the economic issues are one basket.

And the second big issue is their extended idea of their sovereignty, which is causing major, major problems right now in the Philippines, certainly, Japan. And I'm not even talking about Taiwan for the moment. I'm talking about the territorial claims, you know, the Spratly Islands, all of that. And they are really pushing the envelope on bullying their neighbors over their sovereign territory. And one of the conversations I always come back to, I forget which person I was meeting with when this came up, but they were explaining – I think it was the defense minister, he was explaining in elaborate detail why they had a rightful claim to Scarborough Shoal, I think, whatever it's called, in the Philippines.

You know, based on at the end of World War II there had been this conversation, you know, about, OK, Japan's retreating, who gets what? And they felt like at some meeting somewhere sometime they were promised this and they didn't get it. And he's making the whole argument. And I literally said – you have to know me to appreciate this – but I said – as he's making the argument, I said, so what? OK? It's like, let's say you're right. Who cares?

You know, China is now a global power. I had this analogy that came up. You're not the kid getting the sand kicked in his face on the beach anymore, all right? You went to the gym. You bulked up. You're a legitimate power. You don't need to be flexing all the time to prove that you're strong. You are strong. And now you are risking a major international incident, something that's going to upset, you know, all manner of different issues, just to prove you're tough? So, their sovereign claims is the other massive issue.

And I said, the third issue is their military buildup, which, in and of itself, again, I'm somewhat more generous about these things, I get it. I know why they want to do it. They don't want us to be able to be so strong that we can just push them around. They want to – they want to have their own deterrent capability. That's fine. But we got to start talking, all right? I mean, they have massive nuclear buildup, you know, their ships are constantly, you know, buzzing past ours and other things. Their planes doing the same thing. And they don't want to talk about it. It's like, no, you're the power. We're not a power yet. It's not a worthy conversation. Yeah, it is time for that conversation. So those are the three. Not the only three, but those, I would say, are the biggest three issues.

Dr. Morrison: Those were the areas you were hitting the hardest.

Rep. Smith: Yeah, trying to begin the conversation.

Dr. Morrison: Was there a response?

Rep. Smith: You know, it was – they didn't necessarily agree with me. But they were open to the conversation. And I know in the past I've seen conversations like this where they're not open to the conversation. They're basically there to lecture you, not to listen. I really felt in every instance, with everyone I talked to, there was a legitimate back and forth dialogue and an understanding of that. And part of it is, as people in this room probably know better than I do, China's had some struggles. You know, their notion that they were ascendant, and everything was going to be great, eh. Their economy, you know, they've got, you know, youth unemployment. They've got a massive real estate bubble, yeah.

You know, and I think they finally realized that being part of the global community is arguably more advantageous than trying to figure out how to become the dominant power in the world. Now, there's a lag time on that, right? (Laughs.) That's still very much a part of their ideology and a part of how they talk about things. But I think it's starting to occur to them that they might need to adjust that slightly.

Dr. Morrison: Did you address the issue of their being so exceedingly dependent on export markets and their own domestic consumer market being relatively weak, and their consumers themselves being so afraid – their citizens being so afraid of the insecurity of retirement and life, and they're saving – I mean, the structure of their economy is one that leads to these enormous tensions around flooding markets.

Rep. Smith: Yeah. And this, you know, gets into a complex economic conversation that goes over my head a little bit in terms of how much manufacturing there should be. But yeah. And that's – I did sort of mention it as part of here's why it makes sense for you to interact and to allow more imports, and to take a slightly different view of the future going forward. But more than anything, like I said, we just we have to get off of this it's them or us mentality. And so do they.

Dr. Morrison: Yeah. Now, in our work, we've put a focus on the burgeoning bioeconomy, which U.S. and China are very interdependent in that burgeoning – both are benefiting. Both need access to new innovation technology. Both need access to markets, investment capital, clinical trials, the entire ecosystem. And one of the arguments we've made is that decoupling would be catastrophic, but there are some serious problems there. The United States is acutely vulnerable to exports being held hostage, much like critical minerals, if we're not careful. Supply chains are fragile. There's no question that we should lower our dependence, and we shouldn't be overwhelmingly dependent on their

antibiotics and other drugs or elements – early elements for this. Did this come up in your discussions?

Rep. Smith:

Yeah. No, and that's – and that's sort of the other side of it. Here are the challenges. There's also a ton of opportunities, because China and the U.S. are two of the more capable economic powers in the world, both in terms of our brain power, our capital investments, and all of that. And you see all these big, global problems. If we were working together, you know, whether you're talking about dealing with global warming or some of the biothreats, health care threats – and we've had historically partnerships that have been recently starting to fray significantly due to policies that we've passed, policies that they have passed. So, there is a real opportunity there to address these issues.

But going back to one of the challenges, in fact, we're dealing with this in the national defense authorizing act this year. There's always what my staff and I refer to as the "China bad" provisions, of which there are many. And one of them is on the bio-secure thing. And on the one hand, my instinct is to say we ought to find a way to work with them and cooperate. But they are a little aggressive about stealing our stuff, and don't seem to think that there's anything wrong with that. So, yeah, I want to work with them, but we can't have you coming over here, you know, setting up shell companies to get in part of a U.S. company, stealing all the stuff, and taking it back to China. Which they have done in a number of different areas. So, they got to be better about that.

And then, second, the global health cooperation thing – and I know, as John has alluded to, "blaming them for COVID." You know, I don't so much blame them for COVID, as I blame them for the crappy way they responded to it. If you're going to be a global power, to have shut down and not provided any information on something that was threatening the entire globe, that's unacceptable. Now, I understand the immediate, you know, you don't want to be blamed for it. But at least now there ought to be some acknowledgement on their part we did this wrong and we're going to fix it going forward. That would improve the cooperation as well.

And, I mean, it went so far – and Australia is the best example – I forget, at some point in late 2020 Australia dared to suggest that China could perhaps be ever so slightly more transparent about what's going on with COVID. And China reacted to that with a massive economic bullying campaign against Australia, which worked out well for us because it made Australia go, damn. We can't rely on them. And it has really strengthened our relationship – the AUKUS deal, the Quad, a whole bunch of different things. But, no, those are the – if they want to have that relationship on biotech and different things – and there's a lot of

amazing things we could accomplish in terms of disease and public health and all manner of different things – but they've got to be a more cooperative player with us, and with anybody else that we're partnering with.

Dr. Morrison: You know, we've argued for a long time that the stalemate over COVID origin and the actions taken in 2020 and 2021, that these are – these are huge rocks in the road. They're impediments to all sorts of other important dialogues that need to happen. Now we've had some progress on fentanyl, when the President's Xi and Trump met in Busan. There was an acknowledgement of progress in control of precursors and the like. And the tariffs were dropped by 10 percent. I haven't seen any evidence of a loosening on the Chinese side with respect to COVID origins. Did you pick up anything?

Rep. Smith: Nah. They really don't want to talk about it. But, yeah, the fentanyl stuff – there actually is positive an agreement to be made.

Dr. Morrison: Say a bit more about that.

Rep. Smith: Well, Ambassador Perdue has been really involved in that and pushing that, because, you know, we put the 20 percent – and lord knows why Trump puts tariffs on people. Part of his charm is you never know exactly why he does things. But ostensibly, if you can sort of take it at face value, that 20 percent tariff is about fentanyl. Well, if China agrees to stop the precursors of fentanyl, then we should take the tariff off. And Trump's initial instinct was, no, you have to do that, and we'll keep the tariff. (Laughs.) Yeah, that doesn't work. So, the sort of half now, half after you finish the job sort of approach, I think this is a significant positive step.

And my sense was that China – and I know there's these dark conspiracy theories that China's doing this on purpose because they want to kill us and they want to send it all there. I don't think that's the case. I think there is a deal to be made there that could really have a significant impact on fentanyl in the U.S., and in the world. And I hope we'll follow through on what Trump and Xi talked about last week.

Dr. Morrison: When we were there in August, fentanyl dominated many of the conversations, and it opened doors. We went and spoke with the senior leadership at the China national commission on counternarcotics, who were, you know, at the very center of these discussions. And they walked us through. And I was struck by the acknowledgement of the need to really understand compassionately what's happening within American society. This was not a coldhearted conversation. It was quite different.

I was also struck when we went over to the Ministry of Foreign Affairs and spoke with the North American – the leadership in the North American office, and they walked us through, their argument was, we get this and we're taking this seriously and we're working on this. And we acknowledge the gravity of this and the need – the urgency of it. And the problem we face is the political – the political sequencing, the way in which – in other words, they were saying, we have a deal, it's just the question of, how do we get it out of the box and reduce the tariffs? And Ambassador Perdue made a very similar argument to us. There is a deal, but we need to move it. It's a political challenge.

Rep. Smith: He made that argument to us as well.

Dr. Morrison: And so, I was – I came away very encouraged. Very encouraged by that.

Rep. Smith: Yeah. Well, and that's sort of where we have to get on, all of this is, you know, move away from the 2019 we will bury you sort of conversation to, you know, we've got some things we can work out. Not from a naïve blind spot. I mean, there's certain competition issues back and forth. But at least start to have a more respectful dialogue and try to create the framework, both in the U.S. and China, and, frankly, globally, that imagines a world where both China and the U.S. are reasonably healthy global powers, and it's OK. Because so much of the rhetoric that you see is it's one or the other. You know, it's like a Borg Star Trek thing. And, you know, we got to get past that. We got to get to envisioning a world where China's there, we're there, we're both doing well, and everything's OK.

Dr. Morrison: Now, this is a very common sense, realist argument that you're making here. Which flies in the face of the trendline towards a much more condemnatory attitude here in Washington. What's the reception been among your colleagues? What's the reception been in the broader audiences? You've been very active speaking to a number of different groups since you've returned.

Rep. Smith: Well, I think the broader audience, the American public, have been very receptive to it. My district has been very receptive to it. Obviously, you know, Washington state, my district, very trade dependent. We have a big trade relationship with China. We have a huge Chinese American population. But I think the biggest thing that has sort of focused the minds of the American people on this is we don't want to go to war with China.

I mean, you start with the reasons that people have concerns about China – and I would say number one, and way above everything else, is

economics, is the notion that the U.S. manufacturing corps has been hollowed out, as we've all heard, and all those jobs went to China. And they're pissed about it. They think China's not playing fair. They're stealing our jobs. What are you going to do about it? That's actually a more complex picture than that. But that's what generates a lot of the hostility towards China. But then, once you go walking up to the idea of, we're going to build up our forces in Asia, you know, we're going to have a conflict over Taiwan, people are, like, ugh, we do not want to get into a war with China. Does somebody have – is there a door number two? And I think they've been very receptive to this conversation.

I will say, well, as far as the reaction from my colleagues, keep in mind that Mike Johnson has dissolved the United States House of Representatives. We don't really exist right at the moment. And, yes, I'm very, very angry about that. It's unprecedented. And it is, I think, one of the more profound blows to our Constitution that has gone largely unnoticed. I mean, yes, you know, Trump using the U.S. military in our cities, you know ICE raids, blowing up boats in the Caribbean, siccing your Justice Department on your political opponents, all manner has been written about that.

But to dissolve the United States House of Representatives, have to a quick math in my head. September 19th to November 6th is, I don't know how long, seven weeks – something like even weeks. In the middle of a shutdown, we decide the legislative branch shouldn't exist? I mean, that's stuff of autocracy. In fact, I dug up this meme from Star Wars where he says, you know, the Imperial Senate has been dissolved. Ugh. I mean, we should be more concerned about that. Sorry. I digress.

The point is, I haven't seen my freaking colleagues, all right? And I know there's a telephone, but it works better if you're in committee together, if you're on the floor together, if you're in the halls together, if you're in the gym together. So, I do think that our trip, and the results from it, has made some of the more China-bashing people think, hmm. So, I think there's openness to it. Now, we need to get back in session. We need to – the China Select Committee, as you know, has basically been a China-bashing committee. That's what they've been, period.

Is that going to evolve? I don't know. And I also think – as much as our trip was important – I think the Trump-Xi meeting was vastly more important. And I think that too had an impression upon my colleagues of maybe there is a different approach. So, if Mike Johnson decides that the United States House of Representatives should still exist and we go back to work, I think there's an opportunity. And I will be taking it.

Dr. Morrison: Well, what kind of follow-on steps do you have in mind?

Rep. Smith: Well, first of all, conversations with Moolenaar and Raj – I'm sorry, I struggle pronouncing the last name – on the select committee. Talk to them and see how we do that. I think it'd be good also to really encourage other members to go, get more trips there on a more regular basis and have that conversation. And then things just don't work the way they used to in Congress. (Laughs.) So, whenever I think of an idea, I have to adjust my thinking to the world we now live in.

I was going to say one of the big things we should do is DOD, mil-to-mil conversations. You know, Chairman Caine ought to have conversations with his counterpart. Secretary Hegseth ought to have conversations with his counterpart. It has been pointed out that Secretary Rubio has never been to China. We should fix that. So, step one is just sort of enhancing that dialogue in every corner – you know, with the administration and with key leadership in the House and the Senate.

Dr. Morrison: What advice would you give us as we put plans together for a congressional delegation in 2026?

Rep. Smith: I don't know that I have any specific advice. I think it's fairly obvious and straightforward. You know, make sure it's bipartisan, of course. You know, there – well, I guess the other thing that I do worry about is I can certainly see some members of Congress going to China just to – just to bang their shoe on the table and yell at them. That probably wouldn't be helpful. So be somewhat selective in who it is that you try to bring over there and make sure it's positive.

Dr. Morrison: You were successful in enlisting Mike Baumgartner.

Rep. Smith: Yeah. He's a thoughtful Republican.

Dr. Morrison: And he has not suffered the consequences – any negative consequences of his travel.

Rep. Smith: Not that I'm aware of, no. So – and Mike is a really smart guy, who's got a lot of international experience from this time before he was in Congress. So that was very helpful. Yeah, making it bipartisan and having thoughtful members who want to engage, I think would be the most useful approach.

Dr. Morrison: Thank you. Say a bit more about what you think came out of the recent meetings of Presidents Xi and Trump. I mean, in Busan there was a trade truce, suspend control – suspend for one year the China controls over critical minerals. You had the fentanyl agreement, 10 percent drop

of tariffs, purchase of U.S. soybeans, Trump pledging to go to China in April and Xi sometime later. Does this create openings?

Rep. Smith: Yeah. No, I think it was very positive. You know, I don't have any particular criticism of that. I think it was a positive step, all good. I mean, the criticism I have is that, you know, Trump led with his chin on the trade war and sort of weakened our position a little bit by not fully understanding where the leverage existed in that relationship, and how to use it. But I think the summit, by and large, put us on a path to repairing that somewhat.

Now, the other part of it, of course, outside of the summit, is all the tariffs he's put on every other country. If we're going to effectively, A, compete with China, B, convince China that they need to cooperate with us a little bit more, we're going to need other options. And if you're smacking around every other country in the world, I mean –

Dr. Morrison: Where are your allies?

Rep. Smith: Yeah. Well, but also the economics of this. And this has been happening for the last four or five years – well, ever since Trump won and then Biden continued it, when there was a change in the structure of some of the tariffs. There was more pressure being put on China.

I'm a de-risking, not a decoupling guy. So, the de-risking, I think, was happening, and I know some manufacturing companies that had been – and we all do – they were all in China, now they're in Malaysia, they're in Vietnam, they're in Mexico. They're moving out. But then – (laughs) – the tariffs came in on all those other countries and they were like, eh. I know one company in particular that a good friend of mine from high school works for that makes snowboards, and they were all in China. They were in the U.S. for a while, and then they moved into China with the great – the great migration, if you will. And then it's like, well, OK, we're going to readjust. And then – I forget where they were; I think it was Vietnam, wherever, and it's like – and now, because of the tariffs, that model doesn't work. So, they're going back to China, OK, you know? (Laughs.)

So, we do need to look at this in a broader alliance structure. And this is what concerns me about Trump's approach to tariffs. I think Trump's approach to tariffs is really more about his personal power than it is about any grand strategy. Trump likes the idea that if a country in the world does something he doesn't like he can slap a tariff on them. Is that part of a strategic economic plan for the U.S., or is that for the sake of Trump's ego? I mean, he put the 50 percent tariff on Brazil because he didn't like the way they were treating Bolsonaro, and that affects the

rest of us how, exactly? He put the 50 percent tariff on India because he didn't like that Modi wasn't giving him credit that he didn't deserve for ending the conflict between Pakistan and India. What the hell is that? And, no, I don't buy that he did because India's buying Russian oil; that doesn't make any sense at all for a wide variety of reasons. So, the arbitrary and capricious nature of those tariffs, I believe, is undermining our broader economic strategy with regard to China and, frankly, you know, just the world in general.

Dr. Morrison: Let's open things and hear from our audience. There's a microphone that can be brought to you. Please, just put your hand up and let's hear from several people.

Enoh Ebong is here, Congressman, who's the president of the Department of Global Development here. We've restructured in the last year. Enoh came to us from the U.S. Trade and Development Agency, where she headed it. Thanks, Enoh.

Q: Thank you so much. And thank you, Congressman. Really, really appreciated your remarks.

I, of course, am so aware of China's role in development in the Global South – you know, an evolution of hardcore BRI to more now projecting themselves as global leaders in a soft-power sense in terms of promoting mutual benefit. And you can tell by the tone of my voice I don't quite believe it, but it's definitely through their Global Development Initiative a way in which they are projecting their power. I wonder in that context how you think that push by them, especially in places where there are resources, et cetera, should or can impact our sort of dance between cooperation or coexistence and competition. Thank you.

Rep. Smith: Sure. Well, there is the sort of ideal way of looking at that, which is to say that there are a lot of challenges in the developing world, which is, duh, about health-care issues, they got governance issues, education, all this stuff. And the greatest problem that the human race faces right now is inequality and the impact that that has on people. And certainly, it plays out in the U.S., but it also plays out globally, countries that are really, really struggling. And I like and have long supported the effort to try to help fix that – you know, improve the health care, improve the economies in all these different parts of the world, whether it's through private philanthropy like the Gates Foundation and elsewhere or development agencies of more-developed nations. And it's a big problem. And it's a big problem that, you know, we have made some progress on but certainly struggled with as well.

So, if you walk into that and say, OK, you got a new player that's a big, powerful economy, they could help with that, that's good, you know? You got somebody else who's going to sort of help out a little bit. Now, anyone – that's a little bit of a naïve take on it because there's all kinds of layers within layers within layers there. But that, I think, is what we should be working towards, that China begins to take responsibility for the rest of the world.

And that's the other part of it, you know. China and those other countries that I mentioned are upset that the U.S. has the power we have in the world, but we've taken a fair amount of responsibility for that. And I know the bad stuff that we've done, but we've also done the Marshall Plan – (laughs) – in Europe. We rebuilt Europe. We rebuilt Japan. You know, we've poured a lot of money into aid. We've helped out in disasters. We've helped out with disease – PEPFAR, you know? To date, China really hasn't done that. They've taken a straightforward transactional approach, which is: What can I get out of it? Which is not to say that we haven't taken a transactional approach from time to time, but we've also done that other stuff. So convincing China, OK, you want the responsibility, you want the power, then help us out with this.

The second problem is no matter how we do that, even if China and the U.S. were to decide to focus more on helping the less-developed parts of the world, there's inevitably strategic competition involved in that. Minerals, you know, Africa; you know, are you helping out the DRC because you're concerned about violence and poverty or because you want their, you know, critical minerals. It's going to be a little bit of both. There's going to be a little tension between – on that point.

And also, when it comes to the projection of military power, China is certainly flirting with the idea of something that they hadn't done to date, and that is projecting military power, having a base in different places like they have in Djibouti now. And they're having all kinds of conversations in a whole bunch of other places too, some of which is classified and don't want to get into. But you know, so how does – how does that conflict? Is our mission going to be, no, China, you can't have any projection the way we have projection? So, you have it; why can't we have it? And that gets into a complicated conversation.

But if we can start with the goal here is to have a more peaceful, prosperous, and stable world, let's talk. I think China can be a positive. And I'd like us to approach it from the standpoint of China being a potential partner to meet some of those needs instead of just a competitive adversary.

Dr. Morrison: General Friedrichs, Paul Friedrichs?

Q: Thank you, Steve. And thanks, Ranking Member Smith. It's good to see you again. Much more enjoyable to be in front of you here than under oath in front of the committee. (Laughter.)

Two-part question for you and really building off of what you just said. Henry Kissinger's got to be smiling somewhere right now listening to your comments because they're so pragmatic and so focused on, ultimately, it's in all of our interests to maintain peace and not go to war. And the way that you maintain that national security infrastructure is you have a strong economy to pay for it. The way you have a strong economy is you have a healthy workforce that can actually go to work and produce things. We've struggled with that narrative in meeting with members of Congress right now. And I would greatly appreciate your advice or your insight into how to bring that seemingly fairly straightforward calculus back in a way that resonates with members of Congress because, you know, the polemics that you described are distracting people from that.

And then the second question, which is a much more focused one, is in our recent visit to China almost every senior official that we met with brought up their concern about the risk of nonstate actors being able to develop bioweapons as the confluence of AI, biotech, and compute dramatically lowers the bar to do so. And again, that's a shared concern in which they highlighted, as did you, that the United States and China both are at risk because of that and we should collaborate. And so, I'd also be interested in your advice on how we leverage their interest and ours when we interact with your colleagues to make it clear that this is a shared interest to collaborate in this area.

Rep. Smith: Yeah. No, I think that's one great example of the benefit of us and China getting to a better place in our relationship, because if we view ourselves as two countries that are global powers that have a huge stake in stability, then there are all kinds of partnerships that are available. And certainly, you know, the threats from nonstate actors and how we work together to confront those – the bio concerns, the drug concerns, the – gosh, there are so many global criminal organizations now that cross over the line between criminal organizations and terrorists that, you know, that threatens stability the world over. And that is a real opportunity, and I think that would be a good one to highlight, is the threat from, you know, nonstate actors on bioweapons or – let's work together and try and contain that threat. I think it would be a good opportunity.

Your other question I'm only smiling because I think that is the definitive problem in the United States of America right now. Democracy is dying, all right? And let me just tell you that – let me just leave Trump completely out of that conversation. Even without all the stuff Trump is doing, democracy is dying because people have forgotten what it really means. And what it means is – and actually, Ezra Klein wrote a great column I think two days ago now that sort of summed this up. You know, part of his thing about how Democrats need to, you know, grow our tent and be better at it. But the other point was he really got into what it really means to be a liberal in the classic Greek sense of the word. And what it means is to recognize the need to care about the other humans living around you. (Laughs.) At the end of the day, that's what it means.

If you're going to have civil society and a representative democracy, you always need to be able to balance three things. Number one, what do I want and what do the groups I belong to want? And that matters. Don't get me wrong; I'm not saying that we should all be, you know, selfless, Albert Schweitzer. No, it matters, OK? But second, what do the people around me want? And third, what's in the best interest of society? And for a variety of different reasons, we have slowly but surely been moving ourselves down to, no, it's what I want, and I'm going to go advocate for it; and I'm going to want it and demand it, and if I don't get it, it just proves that the world is screwing me.

That mentality is – you know, someone wrote a book called “The United States of Grievance.” I forget who it was. But we have decided that all we're going to teach people about government is advocacy – how do you go out there and figure out how to get what you want. And we've gotten very good at that, all right? Various different interest groups, you know, have figured out, OK, this is what I want; how do I trick the rest of these people into thinking that it's in their best interest too? And we've gotten really good at that. But no one's trying to work to figure out, OK, how do we come to a reasonable conclusion here?

And I've got about a dozen different analogies for the way this should work. For the moment I'm leaning towards the “Seinfeld” analogy that I like, where – sorry, I'll walk through this; you can decide whether or not it was worth it. So, there's an episode where the local bank says, you know, if our tellers don't give you a hearty hello when you walk in the door we give – we're going to give you a hundred bucks. So, Kramer walks into the bank and the teller looks up and him and says, hey. He's like, I did not get a hearty hello. So, he goes to the bank manager and says, you owe me a hundred bucks. The bank manager listens to him, OK. And then he goes and talks to a few people, what happened? He

comes back and says, OK, you got a greeting; it started with an H; how's 20 bucks? (Laughter.) And Kramer – and Kramer goes, deal.

In the world that we live in today, Kramer would have insisted on the hundred dollars. He would have gone on social media and started a boycott against the bank. The bank would have then dug into Kramer's social media account and found something embarrassing about him and tried to destroy his life. It's like, we all got to get along, people? Another "Seinfeld" quote. We are living in a society, people, all right?

You know, and part of that – but we – and the politics of this, when you're encountering members of Congress now, our politics is so driven by the notion that the secret to accumulating power is to find a group of people who are convinced that they're getting screwed, fire them up, and tell them that you're the one who's fighting for them – and if you're the person who comes in and says, mmm, you got a point there, but also you're missing this, ah, then people just get angry. We're losing the basic concept of what democracy is supposed to be about.

So, when you go around and talk to members of Congress, they've been elected for the most part by that other society. And if you are being – haven't you compromised enough? I mean, how many commercials do we see that say that? The message to us 24/7 at every angle is very simple: You're getting screwed. You need to stand up and fight for you. I mean, somebody's got to be the one to say, OK, I care about what you want too, and I can – I can settle for this, this is OK. And I know people, all those arguments, well, you don't understand my group. Let me tell you why my group – here's all the awful, horrible, terrible things that have happened to us.

Like, sorry, just one concluding point on this. You know, it is popular amongst the younger generation to talk about how they live in the worst time ever, which just makes me laugh. And that's not to say that there aren't challenges now. But I think we need to get back into the idea that being a human is challenging. First of all, we all die at the end of the day, which kind of sucks. Second of all, it's been very problematic. We're living in the worst time ever? A third of Europe died in the plague, OK? There was the Great Depression. There have been world wars. Prior to, what, like a hundred years ago, the odds of you getting to 18 period, let alone whether you could buy a house or not, were one in three, all right? (Laughs.) And this is the worst time ever? You know, we have lost all perspective about the challenges of human beings. And we've sort of – and when that happens, when you're in a desperate situation, you're like, I got to look after myself. That's it. That's all I got. Myself, my family, that's what we got.

That's why I hate "Yellowstone" and that whole way of looking at things. That's a segue that isn't worth getting into.

But if you're basically saying, you know, mmm, we've got to get back to the point where democracy and civil society recognizes that we need to care about the people around us. And part of that is getting over our own insecurities, because most people would tell me: I can't afford to care about other people. I got too much to worry about myself. Do you really? And also, by the way, you'll have a lot more to worry about if everybody around you wants to kill you, OK? So maybe there'd be some way to get them to calm down a little bit, and then you'll be better off than you think you are.

I could write a book about this, so I'll stop now. But that's the challenge. And that gets at the core of what representative democracy and the Enlightenment are supposed to be about, and we are killing it day in and day out. Sorry.

Dr. Morrison: We have with us this morning Marta Wosińska from Brookings, who's an expert on medical supply chains and done some brilliant work on China. Marta, thank you so much for joining us.

Q: Thank you so much. And thanks for the opportunity.

I wanted to go back to something that you said about biopharmaceuticals and how China is stealing IP. And obviously, there are elements of the knowledge generation that are something that you can appropriate and monetize, and this becomes – this becomes an issue, but there's sort of this other component, which is basic science, right? And that's a public good, and that's why governments actually invest in this because it benefits much more than its – the idea is not to benefit the one person who is trying to invest in this but sort of more broadly. How do we think about this balance? And how do we think about the role of China and the U.S. and sort of especially the investments in the basic science and the opportunities and the threats that this potential conflict generates?

Rep. Smith: Yeah. There's two pieces to that. One is the U.S.-China relationship. The second is the – you know, the how do you reward the investor versus the good of everybody thing, which runs the risk of dragging you back into that long rant that I did just a moment ago.

But the U.S.-China thing is if we could get to the point where both the U.S. and China felt comfortable that the one wasn't trying to destroy the other, it would be a better place. Because that's part of the BIOSECURE Act that we're dealing with in the NDAA, is, look, if China's really

convinced that this whole, you know, late-stage capitalism, the U.S. is going down and we're going to replace them, eh, then having them messing around with our bio stuff here domestically is probably not a good idea. So, we need to get some reassurance, which is why the meetings, the conversations, the understandings are so important. Because then, yes, it could – you know, we could work together and really make that happen.

And then the other part of it is, you know, you need to have a return on investment. You do, all right? So, it is a public good, but incentivizing people to go have these discoveries in drugs and biology and all of that because they're going to make money on the end of it is good. But now that we've gotten to the point where you cannot possibly make enough money – I mean, sorry, I was hearing the story today about Elon Musk getting, you know, a compensation package worth a trillion dollars because if he doesn't get it, he might leave. And go frickin' where? I mean, where else – and you need a trillion dollars? You know, I mean, I could just – not to analogize things to sports, but just a quick thing.

So, listen in – and this is very niche, so I apologize in advance, but it will make sense at the end of it. Listen in to Jamar Chase and all these other people complain about how Cincinnati's defense sucks. Well, maybe if you didn't think that you had to be the highest-paid player at your position before you would stay there, maybe if you shared a little bit with everybody else, your defense wouldn't suck, OK? Sorry. Very niche; I'm a fantasy football guy.

But anyway, there's this notion that I got to grab it all, I got to grab it all, got to, got to, got to, got to, all this. It's like you're making enough. And the pharmaceutical industry is making enough, all right? They could, you know, be a little bit more willing to allow – not to grab up all the profits, charge people so much, so that we could make further advances. I think we're out of balance in that regard. And certainly, I'm not a socialist, you know, because I think you need to make these investments. But I think we've gotten out of balance. And it's because people are convinced that they got to grab as much as they can possibly grab, and if they don't it's just wrong.

It's like, you can't, you know, make it on – I heard some other player who I won't name saying, you know – you know, it's really not about the money for me; it's the competition and everything. He just signed the biggest non-quarterback contract in history for, like, 180 million (dollars). You couldn't make it on a hundred, a hundred million (dollars), guaranteed for four years? You know, no, it's got to be, no, got to be, more, more, more.

It's like, hmm, take what you need. Don't take more. We've sort of lost that concept. And that – it's hurting us in some of the pharmaceutical investments and the things that we're doing. Sorry. You guys are asking really good questions.

Dr. Morrison: Do we have any other questions? Is that a hand up? Who? I think we're – OK. We're at the end of our hour here.

Rep. Smith: Sure.

Dr. Morrison: I want to offer special thanks to Tracy Manzur on your staff, Brian Garrett from HASC who helped you with the –

Rep. Smith: The HASC team is amazing and outstanding and incredible. It's the greatest thing about my job, is getting to work with them. So –

Dr. Morrison: Well, they were – both Tracy and Brian have been enormously helpful. Chloe Himmel and her colleagues Christian and Shivani, both special thanks to them pulling this all together. Arturo Munoz and Eric Ruditskiy on our production team doing the broadcast. And again, Michaela, Sophia Hirshfield, Caitlin Noe, and all the work, that they did. A lot of people put this – helped us put this all together today.

We're very grateful that you came and spent this hour with us, Congressman. Thank you.

Rep. Smith: I enjoyed the conversation. Thank you. (Applause.)

(END.)