

Opening Statement
Senate Finance Committee
Subcommittee on International Trade, Customs and Global Competitiveness Hearing on
“Market Access Challenges in China”

From steel and tires to high tech, industries across Pennsylvania and the country face significant challenges when it comes to China. Be it through forced technology transfer, joint ventures, theft of intellectual property or straight up barriers to entry, US firms and manufacturers have been fighting for decades to get the same treatment for American-made products in China, as Chinese exports see in in the US.

When Ambassador Lighthizer came before the committee a few weeks ago, he stated “the costs of globalization are falling most heavily on workers.” I could not agree more. Studies by EPI and MIT economist David Autor, and his coauthors David Dorn and Gordon Hanson lend data to that assertion. According to the MIT study, roughly 40 percent of the decline in U.S. manufacturing between 2000 and 2007 was due to a surge in imports from China.

That has been the experience of Pennsylvania. It started to present itself in the 80s. There was a four or five year period in the early 80s when tens of thousands of steel worker jobs in southwestern Pennsylvania were lost. And it just continued from there. And I have to say that I don’t think in the last generation that either party has done nearly enough. Neither party has had, in my judgement, and this applies to multiple administrations and multiple congresses, has had an answer for these workers.

US industries have been under a sustained attack from China -- our steel, aluminum, manufacturing for the past decade, and now China’s given us the playbook for their next line of attack – robotics, rail equipment, and advanced medical products to name a few. Pennsylvania knows all too well what may be in store for cities across the country if we don’t address the systemic threat that China presents. After the collapse of the steel industry Pittsburgh fought its way back, reinventing itself with the help of our civic leaders, foundations and universities to be on the cutting edge in robotics and advance tech. China, in its 2025 plan, is coming after that too.

I am glad we’re having this hearing today, and I hope it begins a much needed conversation on the type of comprehensive strategy we need to address the threat posed by China. If you don’t have a strategy that undergirds the development of an answer then you won’t get the result I think we can all agree on – ensuring US workers have the skills they need to compete, insulating our communities from economic shock and preventing China from stealing our future.

Part of that is making sure our communities have access to immediate economic assistance when a large job loss or localized recession occurs – which can happen for any number of reasons outside of trade. The goal is always to prevent economic shocks from happening, but if they do occur, we must respond, and respond quickly. I’ve put forward a proposal on that and would welcome your insights at a future date.

China has made no secret about its strategy to push the rules to their limit, and when advantageous, break them outright. They know that by the time a trade case reaches conclusion the damage to an industry has been done. The United States needs a sustained and coordinated strategy to address the threat posed by China. And the United States should work with our allies to execute it. This is not a problem unique to the United States, there is no need to treat it as such.

I think we can all agree that something must be done to address the barriers China puts up that prevent our companies from competing on a level playing field.

I am glad to work with Senator Cornyn on these critical issues. And appreciate our witnesses for sharing their expertise and experience with the Committee.