SELECT COMMITTEE ON THE STRATEGIC COMPETITION BETWEEN THE UNITED STATES AND THE CHINESE COMMUNIST PARTY: A NEW TARGETED AMERICAN APPROACH?

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Executive Summary

- The official mandate of the Select Committee on the Strategic Competition between the United States and the Chinese Communist Party is unique compared to previous China-focused initiatives in the House or Senate.
- Media interviews with Representative Gallagher and author's interviews with senior staff members indicate that this Select Committee will seek to directly address American national security issues derived from alleged hostile Chinese state activities.
- 3. All meeting minutes, policy recommendations, reports and other outputs will be publicly available as per standard US House of Representatives rules. The formal relationships with the White House, Senate, State Department, Department of Defence, Department of Justice and other US government agencies are still being determined.
- 4. Within the United States, there is a growing school of thought that believes China is engaged in a form of hybrid warfare or grey zone operations. According to this view, China has invested more heavily in specific capabilities that enable the same type of results traditionally accomplished by war. This Select Committee appears to represent this view.
- 5. In the first Session of the Select Committee on 28 February 2023, the "Fentanyl Crisis" and "Money Laundering" were two of the top agenda items alongside the Russia-Ukraine War and TikTok. These two issues were also discussed ahead of the Chinese high-altitude balloon issue and intellectual property theft.
- 6. A focus on the fentanyl issue enables Representative Gallagher and his colleagues to be seen as directly addressing a major domestic problem that is killing tens of thousands of Americans each year. It also can be used to demonstrate that this group is confronting China both within the borders of the United States and internationally.

- 7. If the Select Committee does indeed prioritise the fentanyl issue and allegations of Chinese involvement, this could generate a new option to address Wall Street's relationship with China.
- 8. Despite China's official policy of dual circulation and decoupling from American markets and supply chains, Beijing still requires access to US markets to procure critical resources. This arrangement could prove fragile if the Select Committee applies broader American financial sector scrutiny by using fentanyl trafficking as one of the justifications.
- The convergence of financial, national security and international military issues by the Select Committee has the potential of becoming the key driver increasing China-US tensions.