



As Americans have awoken to the failure of our nation’s economic policy, politicians have clamored to promise new paths forward across a range of vital areas. But anyone can give a good speech. With *Table Stakes*, American Compass highlights the key policy commitments that citizens should expect from any leader serious about tackling each challenge.



## 1 END PERMANENT NORMAL TRADE RELATIONS

In 2001 the United States granted “Permanent Normal Trade Relations” (PNTR) status to China, extending China the most favorable trade terms offered to other nations through the WTO—in perpetuity. But China plays by none of the rules of free trade, nor does it grant American producers such access to its own market. Free trade with China has led to rapid offshoring and massive job loss, weakening American industry and national security. China does not deserve, and

has never taken the actions to earn, normal trade relations. China’s PNTR status should be revoked and it should face substantial tariffs. This action is a bipartisan recommendation of the House Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party.

*Example legislation: The China Trade Relations Act of 2023* (Sens. Tom Cotton, Rick Scott, Ted Budd, J.D. Vance), *Ending Normal Trade Relations with China Act 2023* (Sen. Josh Hawley)

## 2 REVIEW ALL OUTBOUND INVESTMENT

The Committee on Foreign Investment in the United States (CFIUS) can review foreign acquisitions of American companies and block those that pose a threat. But when it comes to American investment abroad, anything goes. That’s unacceptable for China, which has embraced a “Military Civil Fusion” strategy in which all efforts at economic and technological development are deemed to be in service of strengthening the People’s Liberation Army. Even businesses and technologies without immediate military applications

are used to undermine American industry. Investment into China must be aggressively screened for compatibility with the national interest and blocked as necessary. Legislation to review outbound investment passed the Senate by 91–6 as an amendment to the *National Defense Authorization Act* in 2023 but was blocked in the House of Representatives.

*Example legislation: Outbound Investment Transparency Act* (Sens. John Cornyn, Bob Casey), *Preventing Adversaries from Developing Critical Capabilities Act* (Rep. Michael McCaul)

## 3 PROHIBIT CONTROLLING STAKES IN AMERICAN ENTITIES

In 2024 Congress passed legislation forcing China’s ByteDance to divest its controlling stake in TikTok. While TikTok poses particular concerns in promulgating propaganda and collecting data, the underlying challenge is universal: All PRC-based entities are answerable to the Chinese Communist Party (CCP), and their control of American assets gives the CCP access to our data and influence in our market. Whether

through corporations, investment funds, or real estate, there is no justification for allowing the CCP the ability to manipulate and subvert our market. Such control inherently undermines American liberty and security. PRC-based entities should be blocked *per se* from holding controlling stakes in American enterprises, in keeping with the logic of CFIUS and other prohibitions on controlling foreign stakes in American entities.

### FURTHER READING

- *The Balancing Act: Options for Policymakers on Globalization*, American Compass, March 2022
- *A Hard Break from China: Protecting the American Market from Subversion by the CCP*, American Compass, June 2023
- “The Case for a Hard Break with China,” *Foreign Affairs*, July 2023
- “China challenge is too much for Republican market fundamentalism,” *Financial Times*, December 2023
- *Reset, Prevent, Build: A Strategy to Win America’s Economic Competition with the Chinese Communist Party*, United States House Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party, December 2023