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CHINA'S DIGITAL AUTHORITARIANISM:
SURVEILLANCE, INFLUENCE, AND POLITICAL CONTROL

Thursday, May 16, 2019

U.S. House of Representatives,
Permanent Select Committee on Intelligence,
Washington, D.C.

The committee met, pursuant to call, at 9:00 a.m., in Room 210, Cannon House Office Building, the Honorable Adam Schiff (chairman of the committee) presiding.

Present: Representatives Schiff, Himes, Sewell, Carson, Speier, Quigley, Castro, Heck, Welch, Maloney, Demings, Krishnamoorthi, Nunes, Conaway, Turner, Wenstrup, Stewart, Crawford, Stefanik, Hurd, and Ratcliffe.

The Chairman. The hearing will come to order. I want to remind all of our members we are in open session, and, as such, we will discuss unclassified matters only. We are in open session.

Without objection, the chair may declare a recess at any time.

Thank you for joining us today for a timely and important discussion on China's emerging brand of digital authoritarianism. In particular, I would like to thank our distinguished panel of witnesses, some of whom have traveled considerable distances to share their expertise with us.

As the chairman of the House Intelligence Committee, I have directed our committee to look into the rise of authoritarianism, a trend that underpins many of the most pernicious developments throughout the world. This hearing is part of our committee's broader effort to understand this trend's impact on the Intelligence Community and broader national security interests of the United States.

This is also the formal launch of our committee's deep dive on China this session, where we will continue to look at issues in open and closed session for the duration of the 116th Congress.

Today, our Nation faces no greater long-term strategic challenge than China's emergence as a major actor on the global stage. Citizens of China today live their lives bounded by the guardrails of ubiquitous surveillance and pervasive influence operations, all in the name of the Chinese Communist Party's desire to retain political control. Leveraging advances in artificial intelligence, machine learning, and facial recognition software, Beijing seeks to optimize and cement the social control of its population. Alongside this effort, we have seen a resurgence in assertive nationalist sentiments in China, particularly among its youngest citizens. This divisive rhetoric is frequently fueled by the party's 50 Cent Army, a group of hundreds of thousands of internet commentators

that are paid to praise the government and distract from society's woes. The result: more public support for confrontational Chinese behavior in the Taiwan Strait and East and South China seas.

The motives for this course of action are clear. Faced with prospects of a slowing economy and a rapidly greying population, the Communist Party sees engineering populist support as the best way to retain power. Nowhere are the consequences of digital authoritarianism clearer than in Xinjiang province, where an omnipresent surveillance state has been created and where an estimated 100 Uighurs and other ethnic Muslim minorities are held in political reeducation internment camps.

A recent report from Human Rights Watch documented the extent of surveillance in Xinjiang, noting that Chinese authorities are collecting everything from the color of an individual's car, what they download on their phone, and donations to religious organizations. This aggregated information empowers a police app that identifies suspicious behavior. Detainees are prohibited from contacting family and friends abroad, stymying the flow of information.

This coupling of information and authoritarianism is deeply troubling and has spread beyond China itself. According to a report offered by Dr. Hoffman, one of our witnesses today, Huawei's so-called safe cities have been installed in at least 46 countries. These systems link 24/7 surveillance with command and control centers, facial and license plate recognition technologies, data labs, and intelligence fusion capabilities.

This export of technology gives countries the technological tools they need to emulate Beijing's model of social and political control. These technologies have not only enabled China's quest to gain market share, they are also shaping the world in a way that also encourages support for their brand of governance and restrictions on personal liberty.

Huawei's own officials have confirmed that they have no interest in guaranteeing the civil liberties and privacy protection for the citizens in countries who purchase their equipment. This is unacceptable. We cannot -- and should not -- stand by as civil liberties and privacies protection are degraded en masse.

China's 21st century drive for political influence has deep roots back to the founding days of the People's Republic. Today, we will be hearing testimony about an organization called the United Front Work Department, a key player in China's influence apparatus.

The United Front Work Department engages in a unique blend of propaganda operations, covert action, and overt influence operations, all designed to shape our conceptions of how we see and discuss the Communist Party. To that end, the Communist Party has spent an enormous amount of energy shaping the way we view and discuss their activities.

Following Canada's decision to detain Huawei executive Meng Wanzhou in response to a lawful U.S. extradition request, China's intelligence service detained two Canadian individuals, Michael Kovrig and Michael Spavor, both of whom are still in custody and were formally charged overnight.

With this unjust attention, Chinese officials have sought to refrain the discussion and coerce Canadian officials into releasing Meng. By changing the terms of the discussion to, "should two Canadian citizens be detained in China in exchange for assisting our American ally," the Communist Party's influence apparatus distorts the public conversation in a way that preferences their interests.

Let me end on a serious note about the importance of ensuring that we confront the issue ahead in the most objective way and consistent with our Nation's principles and values. While competition with China is inevitable, conflict is not, and we must strive to

avoid making it so. We must also guard against betraying our values at home, even as we champion them abroad. There must be no place for racial profiling or ethnic targeting in meeting the rise of China. In America, one of our enduring strengths is welcoming and celebrating diversity. Chinese Americans have made countless contributions to our society. Chinese Americans are Grammy-winning producers, Olympic medalists, cutting-edge scientists, successful entrepreneurs, academics, acclaimed artists, and some of our most successful intelligence officers and national security professionals. We would all be wise to view Chinese Americans as one source of our great strength and not with pernicious suspicion.

It is in China in fact that we see the consequences of defining U.S.-China relations in ethnic terms. In many cases, Chinese Americans are themselves the victims of China's authoritarian policies.

As we sit here today, multiple ethnically Chinese-American citizens are currently being held under exit ban in China and are unable to return to the United States. The Communist Party has made the determination that their ethnicity means that they are Chinese citizens regardless of what passport they hold. Targeting Chinese Americans in defining this issue in terms of race only empowers the Communist Party to continue doing the same. Members of Congress must shun such an approach, not embrace it.

With that, I am pleased to recognize the ranking member for any opening statement he wishes to make.

[The statement of The Chairman follows:]

***** COMMITTEE INSERT *****

Mr. Nunes. Thank you, Mr. Chairman, and welcome to our witnesses.

For many years, this committee has warned about China's aggressive activities that threaten the United States and other allies around the globe. Our strategic competition with China spans the economic, military, and technological domains, and crucially in the information domain both at home and abroad. The topic of today's hearing -- China's digital censorship and surveillance and its global influence operations -- is a vital issue --

Mr. Chairman, I think Huawei installed the new electronics.

Chairman Schiff. It does seem that way, doesn't it? Or we are just making it a little more romantic in here.

Mr. Nunes. I hope our discussion will draw attention to Chinese adoption and exportation of invasive surveillance measures designed to optimize political control, as well as Beijing's overseas influence operations targeting the U.S. and Five Eyes governments, including activities directed by Chinese Communist Party's United Front Work Department.

It is important that we better understand what the Chinese Communists are doing because Beijing has implemented an aggressive and sophisticated whole-of-society influence campaign to win supporters, sow confusion in the American public, and undermine opposition to the Chinese threat within American society.

Today's open hearing continues this committee's years-long initiative on China. The committee's views on the malign activities of Huawei and ZTE reflected in our 2012 publicly available report and last year's unclassified report titled "Committee's Review on China's Malign Activities and the Intelligence Community's Response" provides important additional information for understanding the China threat.

Looking forward, this committee needs to continue to explore the vast array of

Chinese efforts to threaten American interests, including talent recruitment, academic exchanges, and Beijing's activities, both legal and illicit, to acquire critical national security technologies and intellectual property.

In the last Congress, the Democrats focused disproportionate attention on false allegations that Trump associates colluded with Russia to hack the 2016 election, even interrupting an open hearing on China to demand a subpoena related to their Russia collusion theory. I hope, in this Congress, the committee will pay appropriate attention to the true array of threats emanating from Beijing and other bad actors worldwide.

While much of the committee's work will, by necessity, remain classified. I hope this unclassified hearing will help Congress, the administration, and the American people stay informed on the critical threats Beijing poses to the United States.

With that, I yield back.

[The statement of Mr. Nunes follows:]

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The Chairman. Without objection, these opening statements will be made part of the record.

Now I am honored to welcome the distinguished panel of witnesses that are here with us today. First, Dr. Samantha Hoffman, the nonresident fellow at the Australian Strategic Policy Institute. Dr. Hoffman is a leading expert in China's social credit system and the coauthor of a recent ASPI report "Mapping China's Tech Giants."

Next, we have Dr. Jessica Chen Weiss, associate professor of government at Cornell University. Dr. Weiss' academic work examines the rise of nationalism in China. She is the author of "Powerful Patriots: Nationalist Protest in China's Foreign Relations" and also is an editor of The Washington Post's Monkey Cage Blog.

Next, Mr. Peter Mattis, a research fellow in China studies at the Victims of Communism Memorial Foundation. Mr. Mattis is coauthor of "Chinese Communist Espionage: An Intelligence Primer" and contributing editor of "War on the Rocks." Previously, he served as an analyst at the Central Intelligence Agency.

And, finally, Christopher Walker, vice president at the National Endowment for Democracy, invited at the recommendation of our colleagues in the minority. Previously, Mr. Walker was vice president for strategy and analysis at Freedom House and a senior associate at the EastWest Institute. He is coeditor of the report "Sharp Power: Rising Authoritarian Influence."

Each of your statements will be made part of the record in their entirety. I would ask you to summarize your testimony in 5 minutes or less.

And, Dr. Hoffman, why don't we start with you?

STATEMENTS OF SAMANTHA HOFFMAN, NONRESIDENT FELLOW, AUSTRALIAN STRATEGIC POLICY INSTITUTE'S INTERNATIONAL CYBER POLICY CENTRE; JESSICA CHEN WEISS, ASSOCIATE PROFESSOR OF GOVERNMENT, CORNELL UNIVERSITY; PETER MATTIS, RESEARCH FELLOW IN CHINA STUDIES, VICTIMS OF COMMUNISM MEMORIAL FOUNDATION; AND CHRISTOPHER WALKER, VICE PRESIDENT, NATIONAL ENDOWMENT FOR DEMOCRACY.

STATEMENT OF SAMANTHA HOFFMAN

Ms. Hoffman. Chairman Schiff, Ranking Member Nunes, distinguished members of the committee, thank you for the opportunity to testify on a subject of critical importance in the United States.

The United States and other liberal democracies have massively underestimated what China would do with its vision to use technology to augment its authoritarianism. And I believe it continues to underestimate this potential. Whatever the cause of this failure, the solution starts with framing the issues correctly. I don't think the conversation to date, even where there is a wider recognition of the risks, correctly frames the scope of the challenge.

The implications are that we will not be able to move past false binary public debates and the false binary policy choices we are often presented with today, such as the idea that the only choices we have are cooperation or confrontation, or the idea that we have to choose short-term trade relations over other vital national interests, like long-term economic security and national security and civil liberties.

What we are seeing today in China is best framed as tech-enhanced or

tech-augmented authoritarianism. The technology is a tool that supports the CCP's efforts to expand its power in order to protect its power. The CCP uses technology to make its Gordian knot of political control inseparable from China's social and economic development. Its social credit system and the development of smart cities are the embodiment of this strategy, allowing the CCP to continue to blur the line between cooperative and coercive forms of control.

The challenges we face today are the manifestation of plans that have been in place in China and in fact public for years and even decades, going back to the early 1980s. At the heart of its social and economic development lies the CCP's concept of state security. This in turn places political security and ideological security at its core.

The coercive nature of the CCP's tech-enhanced authoritarianism is on full display through the construction of a police state in Xinjiang, where an estimated total of 1.5 million Muslims, predominantly members of the ethnic Uighur group, are suffering in internment camps on the basis of their ethnic identity. Early forms of smart cities or safe cities, ecosystems which include invasive monitoring, including facial recognition and mobile applications, are deployed in support of suppression of an entire population.

But it would be a mistake to think that this technology is being trialed in Xinjiang with the possibility of maybe spreading elsewhere because, instead, the initial development of these systems began elsewhere in China, starting really in the late 1990s and early 2000s. The visibility and intrusiveness is far more distinct in Xinjiang. But it is important to note that what is taking place there is taking place across the country.

To guarantee state security, the Chinese Communist Party prioritizes expanding its power in order to preempt real or imagined threats to that power everywhere. With state security at the core of China's development, the U.S. is not simply managing a threat to national security but also its long-term economic stability and the security and

protection of civil liberties. The CCP aims to reshape global governance. It intends to control international discourse on China and the channels through which individuals, businesses, and governments can engage with China. It expects technology to enhance the sophistication of this process.

The U.S. Government must find short-term solutions for dealing with the problems at hand. These can include using tools like the Global Magnitsky Act, strengthening data privacy standards. But in order to deal with this problem effectively, short-term solutions must not come at the expense of committing to long-term strategy for dealing with China's tech-enhanced authoritarianism. How precisely China's tech-enhanced authoritarianism evolved cannot be fully known, but the CCP's objectives are known, and they have been clear since the late 1970s, early 1980s. We need to take these intentions seriously and foreign policy accordingly.

To develop long-term strategy, bipartisan consensus needs to move beyond a simple recognition that there is a problem in U.S.-China relations. A more comprehensive long-term strategy should focus on not national security alone; it should cover a wide range of domains, including but not limited to the economy, technology, education, and human rights protection.

I thank you for your time.

[The statement of Ms. Hoffman follows:]

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The Chairman. Thank you.

Dr. Weiss.

STATEMENT OF JESSICA CHEN WEISS

Ms. Weiss. Chairman Schiff, Ranking Member Nunes, and distinguished members of the committee, it is a privilege to be here to testify, to share with you my thoughts on Beijing's efforts to make the world safe for autocracy and the politics of nationalism and public opinion in China.

Many American leaders fear that China threatens not just specific U.S. interests but the very survival of liberal democracy in a U.S.-led international order. In my view, these fears get the challenge from Beijing wrong.

It is true that China's actions have undermined liberal values, made the world safer for autocracy, and offered alternatives to U.S. institutions, but the cause has not been a grand strategic effort by Beijing to undermine democracy and spread its political and economic model overseas. The true cause, as the chairman underlined, has been the Chinese leadership's desire to secure its domestic international position and make the world safer for the Chinese Communist Party. An effective strategy for dealing with China will require precision and nuance. And the new policy of across-the-board containment or decoupling would be a strategic error and could even backfire by making China into what many in Washington already fear it is: an implacable enemy.

My testimony today will cover two issues: first, how Beijing's success and influence have made the world safer for autocracy while not amounting to a strategic effort to export a particular mode of governance; and, second, the role of public opinion and nationalism in Chinese foreign policy.

The first thing to know, as I write in the next issue of Foreign Affairs, is that Beijing has not been bent on spreading autocracy around the globe even though it has at the same time made it easier for autocracy to coexist with democracy in the international community of nation-states. Not since the days of Chairman Mao has Beijing sought to export revolution or topple democracy. Above all, China's economic growth has demonstrated that development does not require democracy, and, more directly, China, along with Russia, has regularly used its veto in the U.N. Security Council to shield other autocracies from international pressure and intervention to protect human rights.

And for the topic of our discussion today, China's heavy investments in surveillance technology have made it cheaper and easier for other authoritarian and would-be authoritarian regimes to monitor their citizens. Yet it is important to note that the diffusion of digital authoritarianism is not the same thing as an intentional effort to remake other governments in China's image.

Although these systems can help governments monitor and control their people, how exactly these systems are used does depend on local politics. For example, Ecuador installed a surveillance system with China's help. But the government elected in 2017 has pledged to reverse its predecessor's autocratic policies and is investigating the system's abuses, including inviting The New York Times to review its records.

Ultimately, the political effects of technology can cut both ways. Just as the internet was not a universal harbinger of democratic freedom, technology does not magically enable governments to control society and repress opposition. Technology can empower the state, but strong democratic institutions, including legislation to restrict surveillance and protect citizens' privacy, can also constrain the power of technology.

As Samantha Hoffman noted, the dystopian police state that the Chinese state has built in the northwestern region of Xinjiang and the internment of as many or more than

1 million Uighurs is far more egregious and pressing for the United States and other governments to highlight than the diffuse danger posed by China's technology exports.

Many Western leaders also worry that Beijing along with Moscow are looking to undermine democratic systems, and the openness of our democratic society has allowed U.S. adversaries, primarily Russia, to sow discord and influence elections.

As a concerned American, I thank the committee for its work in bringing Russian interference to light. Although there is no evidence that China has illegally interfered in U.S. elections, despite allegations by President Trump, some of the Chinese Communist Party's overseas influence activities have stifled open discussion, particularly among the Chinese diaspora.

Although Beijing's influence activities are not an assault on democracy for the sake of undermining democracy, they do threaten the healthy functioning of civil society and access to alternative sources of information. This threat emanates from the Chinese Communist Party's United Front activities, not the Chinese people or diaspora, as Chairman Schiff noted. Legislation and safeguards against foreign covert, coercive, or corrupt interference are essential to minimizing this corrosive influence.

The second thing to know is that, within China, many Chinese citizens are dubious of the Chinese Communist Party's heavy-handed nationalist propaganda and the personality cult growing around Xi Jinping. Despite this discontent, my survey research suggests that the Chinese public is still quite hawkish with a majority of respondents approving of sending troops to reclaim disputed islands in the East and South China Seas and viewing the U.S. military presence and reconnaissance in East Asia as threatening. And these views are particularly common among younger citizens, elites, and internet netizens in China who represent the most visible and vocal segments of the Chinese public.

More strident nationalist rhetoric from Beijing of the sort we are witnessing now in the ongoing trade war indicates the Chinese Government is unlikely to make concessions to reach a deal without being able to save face at home.

At the same time, international pressure in the form of tariffs or other penalties gives the Chinese leadership a ready excuse for their poor economic performance at home.

Ultimately, in my view, Beijing is a disgruntled and increasingly ambitious stakeholder in the international order, not yet an implacable enemy of it. If Beijing were truly bent on destroying democracy and spreading authoritarianism, containment might be the right move. But it would be dangerous for the United States to adopt a strategy of countering Chinese influence everywhere it appears across the globe in the name of fighting a battle against a hostile civilization, so to speak. Such a strategy would risk damaging U.S. growth and innovation, harm the freedom of speech in society here at home, and risk becoming a self-fulfilling prophecy.

Where Chinese actions infringe on fundamental democratic principles, such as the rule of law, fair elections, free speech, and freedom of the press, the United States should confront those responsible and join other like-minded governments in protecting shared values. But where Chinese actions do not violate these principles, the United States should work with China to address common challenges like climate change.

At the beginning of this hearing, Chairman Schiff spoke of other countries' desire to emulate China's political and economic model. In the end, the best way to face China is to make our democracy and that of others work better. That would set an example for others to follow and allow the United States to compete with the true sources of China's international power: its economic and technological might.

Thank you very much.

[The statement of Ms. Weiss follows:]

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The Chairman. Thank you very much, Dr. Weiss.

Mr. Mattis.

STATEMENT OF PETER MATTIS

Mr. Mattis. Chairman Schiff, Ranking Member Nunes, and distinguished members of the committee, it is an honor to appear before you in opening session rather than huddled in the SCIF down below.

The Chinese Communist Party attempts to build political influence on a global scale largely for two reasons: The first is a positive vision, which is to achieve China's -- the great rejuvenation of the Chinese nation, which, in a sense, is making China a global power with global reach and ensuring a level of modernization and prosperity at home. The second piece is to hold dangerous ideas at bay.

The way the Chinese Communist Party defines security contrasts quite sharply with the way we in the United States and many other countries view security. We think of our national security as being our ability to manage risks and our resilience in the face of catastrophe. The Chinese Communist Party defines national security by the absence of threats to the party's ability to govern.

That has two features. The first is that it is unlimited and almost necessarily preemptive. The party is in search of those threats to try to neutralize them before they can affect the party's functioning at home.

The second is that this deals in the realm of ideas. It is the party's ability to govern, not threats to the Chinese people. It is not material threats; it is all of the different ways in which the party might be affected. What are some of those ideas? Well, three obvious ones that the party has identified itself are the rule of law, civil

society, and free speech, core pieces of a functioning democracy. And where those ideas are in practice, the party will try to prevent their transmission into the PRC. And this is one of the reasons why the focus on overseas Chinese communities, because it doesn't matter if someone like me is able to translate something into Chinese; what matters is that someone can translate those ideas in ways that are culturally and historically relevant inside the People's Republic of China today.

The effort to shape the world beyond the party is a day-to-day routine part of the party's operations. It is much bigger than the United Front Work Department, and it is much bigger than the set of United Front Work Departments that report to all the different party committees, whether it is at the central level, the provisional level, local levels, or in fact even in companies, or the Chinese Academy of Sciences. It is a policy system that includes the Chinese People's Political Consultative Conference, the propaganda department, and all of the different state council ministries ostensibly outside the party -- whether it is the Ministry of State Security, the Ministry of Education, the Ministry of Foreign Affairs -- have parts to play in building this influence abroad.

So this is something that is not a campaign. It is not an operation. It is simply what the party does day after day, year after year, almost from its inception to the present day.

How have these efforts affected the United States? I would say that we have been persuaded that the party is not as ideological as it was before. We have been persuaded to debate our China policy in binary terms: engagement versus containment; trade war versus negotiation; accommodation versus war; good versus bad relations; and if relations are bad, then it is our responsibility to fix it. And we have been persuaded that China's rise is inevitable and not contingent.

What has been the harm of this? One of the biggest ones is that Western

politicians have become symbols for the party. One of the reasons why all of the meetings of these United Front organizations abroad are publicized and the pictures are transmitted back into China is to send a message to the Chinese people that Western politicians may talk a good game of democracy and liberalism at home, but they are still standing with the party. And politically aware Chinese people can recognize the United Front system where it is active and the nature of those groups and who we stand alongside.

The second is the extent that Western politicians work through some of these community groups that are controlled by the United Front system. These aren't groups where the officers are elected or chosen. They are often picked because of their relationship with the party. And as a result, you are letting the party mediate between democratic constituents and the politicians that represent them. So it is important to be able to reach beyond and reach much more directly rather than letting the party mediate.

Another significant way is that the marketplace for ideas is distorted because the United Front system focuses less on the message and more about the media. It focuses on trying to control the platform through which ideas are communicated, and then only then does it deal with the messaging and propaganda system. And by controlling those platforms, it controls who has a voice and who gets to speak and what messages can be passed. This is the danger of something like WeChat as a primary distribution for Chinese language news because independent Chinese media cannot really reach the intended audience that they would like.

So, to run quickly over a set of principles I think for responding and thinking about this issue, the first is that we have to have transparency because sunlight is the best disinfectant. We have to be in a position where we can debate and discuss what is

appropriate. We have to be able to draw a line between the legal and the illegal side. And on that legal side, we need civil society prepared to discuss these issues and discuss what is appropriate and what is acceptable about engaging with the party, whether it is in the United States or using it as a channel for research or other work inside China.

Second is that consequences create risk. People talk about Beijing overstepping or overreaching, but until there are real consequences, there is no way for Chinese policymakers to adjust the risk-taking calculus.

And, finally, the solutions have to deal as much with civil liberties as with national security. National security is fundamentally about protecting the United States, our citizens, our residents from the actions of an adversary. And civil liberties is about building the space so that they can be citizens and enjoy the full rights and freedoms in the United States.

Thank you very much for your time.

[The statement of Mr. Mattis follows:]

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The Chairman. Thank you, Mr. Mattis.

And, finally, Mr. Walker.

STATEMENT OF CHRISTOPHER WALKER

Mr. Walker. I would like to thank Chairman Schiff, Ranking Member Nunes, and the other esteemed members of this committee for the opportunity to present testimony on the critical impact of China's influence on democratic institutions.

Since the end of the Cold War, the United States and other democracies have placed special emphasis on the idea of integrating nondemocratic regimes into the rules-based order. For political leaders and analysts in the democracies, integration has been a dominant foreign policy organizing concept. The central assumption has been that patient engagement with states would yield to clear mutual benefits; by embracing China and other such regimes and encouraging their integration into the global economic system and key political institutions, Western powers hoped to encourage autocracies toward meaningful political reform.

But this approach has not turned out as we expected. Rather than reforming, China and any number of other leading repressive regimes have deepened their authoritarianism. And in an era of hyperglobalization, they are turning it outward. In this new era of contestation, China has claimed a larger role on the global stage and has sought to promote its own preferred ideas, norms, and approach to governance.

Beijing's unexpected ability to carry out digital censorship, to use economic leverage to cow voices in the democracies, and, more generally, to influence democratic systems abroad has created a new need for fresh ways of thinking about and dealing with this new situation. Under the direction of the CCP, China has established platforms

abroad for educational, media, cultural, and other forms of influence. Over time it has become clearer that such initiatives tend to be accompanied by an authoritarian determination to monopolize ideas, exploit partner institutions, and otherwise suppress alternative narratives.

The unanticipated ability of states like China to exert influence abroad has created a need for new terms that can adequately describe this new situation. Among such terms is sharp power, which describes an approach to international affairs that typically involves censorship and the use of manipulation to degrade the integrity of independent institutions, as was first explained by my colleagues and me in a report we issued in 2017 titled "Sharp Power: Rising Authoritarian Influence."

I would like to provide several examples that are illustrative but by no means exhaustive of the ways China's influence operates in this way. The first is in the publishing sector, in which independent standards of expression are being challenged.

In October 2017, Springer Nature, which is among the world's largest publishers of scholarly periodicals, announced that, under pressure from Beijing, it had blocked access to its Chinese language websites to hundreds of articles, many dealing with elite politics, human rights, Taiwan, and Tibet. Shortly before that, Cambridge University Press took the controversial step of removing roughly 300 articles from the Chinese website that hosted the Chinese quarterly. That move came after the PRC's General Administration of Press and Publication threatened to make all CUP-published journals inaccessible from within China. In this case, critically, pushback from civil society and leaders in the academic community was pivotal in causing CUP to reverse its removal decision.

The second sector I will touch on is media. As China's media platforms expand and the largest media outlets go global, Beijing's ability to curate information in a systematic and selective manner is bound to grow stronger, especially in places where

local media organizations are vulnerable. One such place is Africa. There China has made major investments in media infrastructure and Chinese censorship tactics are being deployed in matters that Beijing deems sensitive. Throughout sub-Saharan Africa, Chinese state media outlets may have bureaus with two sets of editors. There are African editors on the local payroll, but a group of Chinese editors in Beijing vets their decisions at least regarding stories that the PRC feels strongly about, and such practices are part of a global pattern that has emerged.

Through its formidable global media apparatus more generally, China is spreading messages abroad using a variety of tools about alternatives to democracy as models of governance, how the media can be controlled, and value-neutral internationalist positions and debates on issues like internet governance.

The third sector I will touch on is technology. China's considerable influence is increasing, and it is evident in this realm. Full treatment of the multitude of ways in which such tech-related influence impacts democratic standards is beyond the scope of this statement. But I would note that China and other autocratic regimes incubate at home many of the techniques of censorship and manipulation that are then applied abroad. Hence, Beijing's activity in Xinjiang cannot be delinked from its external diffusion of technology. There is much more I could say about this, but I am going to move along in the interest of time.

And the final area I would like to mention is the corrosive effect of China's investment approach. Many emerging and vulnerable democracies face challenges in governing foreign direct investment, including weak accountability in public spending, poor procurement oversight, and lax anticorruption enforcement. These challenges are exploited by China and authoritarian regimes intent on using state-connected financial resources for reasons other than development or mutual economic benefit, leading to

potentially harmful outcomes for open and democratic governance. China's BRI initially conceived as an infrastructure network has become in essence an operating system for Xi Jinping's vision of an interconnected China-centric order positioned as an alternative to the existing rules-based international system.

There is a wide range of regions where this is evident. I just touch on a couple of examples. In Ecuador, negotiations under former President Rafael Correa of a Chinese finance loan to acquire surveillance equipment and technology to power its ECU-911 monitoring system also took place in the absence of meaningful public debate there. And civil society is only now in a position where it can begin to grapple with the very disturbing ramifications of such an extensive system that has already been put into place.

In Argentina, a deal reached with the Cristina Kirchner administration saw the People's Liberation Army given a 50-year lease to build and operate a space observation station with dual-use capabilities in Patagonia. There, too, it is only now where local society is having a chance to come to grips with this.

So what are the implications for the United States? The pattern of China's engagement that has taken shape globally has not eluded the U.S. In recent years, reports of influence that were once episodic have now become more frequent and systematic as journalists and other observers have begun to look more closely. The patterns of opacity and manipulation that have characterized China's engagement in other parts of world have been identified in here as well.

A report produced by the Hoover Institution and the Asia Society released last year put the challenge into perspective. In virtually all of the spheres we have been discussing, that report identified areas of vulnerability in the United States. And I won't go into detail on that.

I will just conclude by saying that the democracies are only now slowly waking up

to the fact that they have entered into an era of serious contestation based on governance models. We have been slow to understand the implication of this struggle over essential values. The war on values has taken shape globally, and it is one between autocratic regimes like that of China on the one hand, whose animating governance principles favor state control, management and suppression of political expression, and privileging rule by law over rule of law, in comparison with democratic systems, whose principles are based on an open society's free and independent expression and the rule of law. How this battle plays out will shape the character of the world we live in.

Thank you for your attention.

[The statement of Mr. Walker follows:]

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The Chairman. Thank you very much, Mr. Walker.

We will now move to questions, and I recognize myself for 5 minutes.

Dr. Weiss, you were making the point that, although China is exporting its brand of digital authoritarianism, it is not doing so deliberately, not in the sense that it is trying to promulgate authoritarianism, that it is more a byproduct of what it is doing rather than the intention of what it is doing. What is your thought then in terms of why it is exporting these technologies that make its brand of authoritarianism possible? Is this purely an economic motive in terms of the export of safe cities? And if this is rather a distinction between exporting the ideology of the Chinese Communist Party as opposed to exporting an autocratic model which will help temper efforts in the international community to push back against authoritarianism, what consequence does that have in terms of U.S. policy? I understand you are not recommending a broad containment, but should it matter to us whether they are pushing a Chinese Communist ideology or they are just pushing generic authoritarianism that allows it to perpetuate itself?

Ms. Weiss. Thank you very much for that followup question. I do think that the primary driver on the Chinese side is economic at this point. I think there is a concern about the strategic vulnerabilities this raises and what this data might ultimately be used for.

Right now, I see it as largely, as I mentioned, driving the Chinese Communist Party's interest in shaping discourse, which others have talked about. I think also we need to look at what are the domestic drivers of the demand for that technology, where China happens to be the best supplier at the moment? And so there is -- I think the commentary thus far has really focused on really China's push overseas but not thinking about what alternatives such countries might have taken had they not been able to get this from China and then again looking at the local context for how these countries adopt

and implement those technologies or push back when they see it as not serving their interests. So, in sum, I think that there is a complicated picture here that doesn't follow from just the sort of sweeping description of China's effort to sort of dominate the globe and promote its model.

The Chairman. I will ask you this: This hearing is very timely as the administration has announced new efforts to deter the incorporation of Huawei technology both at home and abroad, and we are in the midst of a trade war.

The presumption I think for the last more than half century has been that democracy was integral to economic success, that authoritarian regimes are going to be more inherently corrupt and stagnant. Has China successfully challenged that idea that you can be both economically successful and authoritarian in some ways? In some ways, is China pushing the notion that it may be a superior model? They can put their state funding behind Huawei and essentially undercut competition around the world and, therefore, spread its technology and ideology in that manner. Do any of you -- where would you say the argument is in terms of democracy, autocracy, and economic prosperity.

Ms. Weiss. If I could just add to my comment in light of your question, absolutely. I think this is the greatest source of China's appeal, is its continued demonstration that state-led capital can work. I do think we see a crisis of democracy and backsliding around the globe. That trend is I think not largely due to what China is doing by intention, but if there is to be a contest of democracy and autocracy, I think this question of will other countries emulate what they see to be great success in China is why I recommended that we here at home in our democracy reinvest and strengthen our ability to compete against China on this sort of technological and economic basis.

The Chairman. Mr. Walker.

Mr. Walker. I think there are two related but distinct questions, and sometimes understanding the question of whether China is actively trying to export can be unhelpful in a sense, that it may be doing that, and it may be the case that it does it more vigorously over time. I think irrespective of whether it does that, we have enough evidence to date, and the example I provided in Ecuador, the example in Argentina, numerous examples in countries like Zambia and places in Western Africa where the societies did not understand what they were getting into in the deals they were engaging with China -- they weren't even in a position to understand it because they didn't have the policy expertise; they didn't have the journalists and editors who understood the Chinese Communist Party and its foreign policy. And, hence, the efforts to put into context the sort of arrangements that have resulted in the most egregious outcomes, like in Sri Lanka -- but there are others that haven't quite reached that point -- puts them in a very weak position. And it has the effect simply by the nature of the engagement, which tries to constrain debate, to have opaque sorts of methods around the deals, is corrosive to democracy and harmful.

And so it may be that an element of this is to export the model per se. But I think there is enough happening at the moment that is corrosive in and of itself that we need to take note of.

The Chairman. Thank you.

Mr. Nunes.

Mr. Nunes. Thank you, Mr. Chairman.

Mr. Walker, I know you are aware of the economic expansion that China has been doing around the globe. Have you looked at Western Europe at all in terms of the investment that the Chinese have been making into the energy and financial sectors?

Mr. Walker. So I should be clear that, when I allude to places like Latin America

and Africa, they are not the only places that are ill equipped to deal with China's engagement. In fact, I think it is fair to say that virtually every corner of Europe is ill equipped to deal with the China challenge at the moment for a variety of reasons, in part because they don't themselves understand the Chinese approach, because political elites and opinion elites may be one way or another coopted already in corners of the region. So, even with greater capacity, say, in the more advanced democracies of Western Europe, there are surely significant problems, many of which I think colleagues at this table have looked at more closely than I.

But I think it is a wake-up call to all of us that our open systems are being challenged on so many fronts that we need to address this in a unified way. It is the only way we will have success over time.

Mr. Nunes. Well, there are many Western European countries now that have sold out -- major banks, financial institution, energy companies. And I don't know if anybody here has done any analysis of that at all. Do you know of anybody who has done analysis on --

Mr. Walker. I think, if anything, it is understudied today. So I will give an example from Central Europe where one country that has been, in my view, rather good in responding to the challenge that China presents on so many fronts is the Czech Republic, despite the fact they have had a number of very significant challenges. There was a controversy that continues with something called CEFC, which is a Chinese energy consortium that had its tentacles into all aspects of Czech society. It was really Czech civil society and a segment of its political class that responded to the challenge presented by CEFC.

I think that sort of durability and capacity needs to be built up throughout Europe in order to meet the challenge.

Mr. Nunes. What did you think of the exploration of our Five Eyes partner the U.K., who seems to be alluding that they are going to move forward with the Huawei 5G technology? What do you think of the threat that that poses to the U.K.? Have you looked at it?

Mr. Walker. So I think, as everyone at this table has suggested, the ability to divorce the ostensibly commercial aspects of China's engagement, including in the tech sector and perhaps especially in the tech sector, from the political designs and directives from Beijing is impossible. And we should draw our own conclusions from that.

Mr. Nunes. I don't have much time left, but does anybody else want to comment on the 5G expansion in the U.K.?

Ms. Hoffman?

Ms. Hoffman. I had a comment more on the tech expansion in general, not just in the U.K. I think oftentimes this question of tech expansion is focused on how technology is exported and used by other authoritarian regimes as opposed to -- there is that dimension. The Ecuador example is a good example. But there is also, how can the CPC pull strings when it wants to?

Going back to the definition of state security, state security is defined by the party's position in power, the party's security in power. It is not a bordered concept, meaning that ideological and political security are at its core. Individual companies making deals to set up smart cities in places like Duisburg, Germany -- we highlighted 47 different examples in our ASPI report released earlier this month -- it is not those deals in particular; it is how the CCP can use those when it wants to. So, under Xi Jinping, numerous laws on state security have been enacted. These include the counterespionage law, the state security law, foreign nongovernmental organization law, counterterrorism law. And each law is clear that every individual and entity has a

responsibility to guaranteeing state security. The intelligence law, for instance, says that any organization or citizen in accordance with the law shall support, provide assistance, and cooperate with national intelligence work. And not only are they supposed to do that, but they have to guard the secrecy of that involvement. So you are required to participate, and you are required to keep that secret.

Earlier this year, Huawei tried to defend itself against international pressure using that example. They had two law firms write opinions for them on the basis of that law. But then the one, Clifford Chance, in their paper, it said, with a disclaimer, this law should -- or this paper should not be considered a legal opinion on the application of the PRC law, and the application of the law is central to this Huawei debate. The law is a tool that the CCP uses to set expectations and communicate its intentions. And by the party's own definition, the law functions as a tool for ensuring the political security of the party above all else. Xi Jinping said in February in a speech published in February that comprehensively relying on the law to rule the country does not weaken the party's leadership.

So the concern about the export of technology is how the CCP will insert itself when it wants to potentially harm the interests of overseas Chinese, to potentially use that to inform how it shapes debate.

Mr. Nunes. I appreciate that, Dr. Hoffman.

My time has expired. Thank you.

Thanks all of you for attending today.

I yield back.

The Chairman. I thank the ranking member.

Mr. Himes.

Mr. Himes. Thank you, Mr. Chairman.

And thank you all for being here.

In these conversations, we look at the Chinese assets, the resources, the posture, and, appropriately I think, what does that mean for us? And we also on this committee think, what is the threat to us? So we always look at the assets, and we have been talking about the assets of China all morning long.

What we tend to not look at is what the liabilities are, and this incredible array of assets they have, the technology, the oppressive ideology inasmuch as it is an ideology, ultimately may have to be arrayed against problems that we can't even imagine. We get paid to think about the problems here. They pale in comparison to the kind of domestic problems that the Chinese face that we have not mentioned this morning: a pollution situation that is literally fatal in the cities; a banking and economic situation that makes our pre-crisis banking situation look absolutely prudent; and urban educated middle class, there is not a single example in human history of an urban educated middle class being happy to be under an authoritarian regime with no political pull ever; corruption. I could go on and on.

So my big question -- and then, Mr. Walker, I do have a question for you that is more specific -- but my big question is, is it not possible that all of this technology, all of these systems are arrayed against addressing both those problems internally? And question two is, are they sufficient to keep stability in what could otherwise be a very unstable situation?

Mr. Walker, my specific question for you; I will try to leave 45 seconds at the end: One of the ways in which you get aggressive internationally is, of course, by having an ideology or a vision. It is far from clear to me that the Chinese have -- you used the language of values, Mr. Walker -- any sort of vision. They have a bunch of tools. They have authoritarian tools that keep you quiet. But unlike the Soviets and the Maoists,

even the Nazis -- they had a dark, dark vision for what they considered a better world -- I don't see that in the Chinese. I don't see why Singaporeans would want the kind of domestic oppression that running around with a social credit number on your forehead, much less my otherwise minded Yankee constituents. So I would love to just hear the panel reflect on something we haven't talked about this morning, which is the incredible challenges that China has internally, whether they can address them or whether that is a source of instability.

And then, Mr. Walker, if we can leave any time, I would love to hear you talk more about values.

Ms. Hoffman. Well, the social credit system and smart cities are both part of what the CCP describes as social management. And social management is a way that the Chinese Communist Party uses cooperative and coercive versions of control to manage society.

But the objective isn't, say, solving problems; the objective is the party's power. Part of this means that they are trying to solve problems. So one of the things that smart cities are supposed to address are traffic management or pollution, the allocation of social resources. It is not all about policing.

But I think that where analysts can make a mistake is assuming that the positive and negative are completely separate because social management as a concept has to combine both of these things in order to help prevent the emergence of a crisis, and that is the party's objective.

Mr. Himes. Do you think -- and I would be interested in other opinions too -- do you think that these oppressive mechanisms are adequate to, over the medium term, suppress the kind of -- to solve the problems internally and suppress some of the possible popular reactions to those problems?

Ms. Hoffman. I don't think it is actually going to solve any problems because if problem solving was the goal then, you would have rule of law and civil society to do those things. You wouldn't need a social credit system, something like that, to replace the need for both. And I think that is what social credit is essentially designed to do. Social credit is meant to normalize behaviors. And I think that, to an extent, the party can achieve these things, but over the long term, I don't know how successful it will be. But --

Mr. Himes. Any other views on the internal situation?

Dr. Weiss?

Ms. Weiss. Yes, briefly. I do think that the Chinese Government faces enormous challenges at home. And I think that the move recently to a more totalitarian system is actually leading it to face greater risks that are hard to anticipate. It is a more brittle system.

Mr. Himes. Internally?

Ms. Weiss. Internally, yes. It is hard to forecast where that will go.

Mr. Himes. Mr. Walker, I am going to come back to you on the second round.

But, Mr. Mattis, let me give you just a few seconds to pipe in on this internal situation question.

Mr. Mattis. Look, the CCP can hold on to power as long as it retains loyalty of the PLA, the propaganda apparatus, the other security services, and the central party bureaucracy. The system is resilient and --

Mr. Himes. Why are you so confident about that? I mean, the history of the 21st century is of oppressive mechanisms being done away with.

Mr. Mattis. And they are done away with when the army decides not to fire. You wouldn't have predicted in January 2011 that the Egyptian army would say: You

know what? We are not going to bail out Mubarak. Today, that is over. We are done with that.

So it is a key question of whether the loyalty of the system is prepared to use violence to protect the party's power. The resilience of the system is about -- you know, the question of, can it snap the crises back into some vein of normalcy before they cascade into a crisis that can affect the regime? When you look at the application and deployment of these technological tools inside China for intelligence gathering, they are focused on containing the spread of crises before they become an issue that cascades across the Chinese nation. And when you look at, say, the people who have been imprisoned and who have come to the attention of the authorities, like Liu Xiaobo, the point where he crossed the line was when he demonstrated the capacity to mobilize Chinese people of every different social class, of different backgrounds, across all of the provinces as part of the Charter 08.

So, if the system can prevent those crises from going across and if it can retain the loyalty of the military and the services to control information and to be willing to use violence to protect the regime, it can stay around for quite some time. But those are big questions, and they are ones that need to be investigated, and really the Intelligence Community is the only place that that can be done.

Mr. Himes. Thank you.

Thank you. I am over time. I yield back.

The Chairman. Mr. Stewart.

Mr. Stewart. I would like to thank the witnesses for being with us today, for your commitment to what I think is perhaps the greatest challenge facing our future. And I say that with some thought. As a former military officer and someone who has spent a fair amount of my adult life working on issues like this, I really believe that this is perhaps

the greatest challenge that we face, and if for not us, then certainly for our children. And as some of you indicated, although you didn't say it specifically this simply, China doesn't necessarily seek to export totalitarian or authoritarian governments, and that is different perhaps than we perceived previous regimes and going back maybe a generation, but the -- and I am going to clarify that a little bit. They are primarily focused on maintaining their own power, the power of the CCP, and their own domestic ability to influence their own people, but they clearly want to weaken the U.S.

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[10:03 a.m.]

Mr. Stewart. And you have indicated that. They want to weaken our influence around the world.

The example of democracy and the freedoms that we show and that live within our country every day is clearly anathema to them and to their form of government. It is completely inconsistent with how they treat their people.

And I guess what I am trying to do is reconcile those two ideas, that they may not necessarily seek to export their form of government around the world, but at the same time realizing that it is inconsistent with the values that we hold. And as long as we are there as an example, we are, by nature, a threat to them.

And I want to focus on this a little bit, and I am going to go a little bit quickly, because I want to hear your thoughts on that.

They are adept at buying influence through state-owned and state-influenced entities, you know, private influences, media, publishing, Hollywood, schools and universities. You talked about the Chinese Students and Scholars Association, the Confucius Centers that we are all familiar with. And they have spent billions of dollars to shape perceptions and public opinion here in the U.S., through a diverse set of tools.

And I guess I would ask you, do you think we have been effective at countering that narrative, that public influence campaign? And perhaps more importantly is, how can we do better at it?

Because if I go back home and if I talk to my constituents or if I travel around the country -- or, frankly, around the world -- and I mention why I am concerned about this,

most people are surprised. Many of them don't share the same concern. And we have got to do better at helping the American people understand. They go, "Why don't we want Huawei to be in our 5G if we can buy it cheaper?" for example, but only one example.

So tell me again, how effective do you think we have been and how can we be better at helping people understand? And I will open it to anyone who feels they have thoughts.

Mr. Walker, you seem anxious.

Mr. Walker. So I think that the concept of what is not being said is really important in this discussion, and Samantha Hoffman alluded to this.

In the platforms that the Chinese authorities set in open societies, having the ability to set aside certain topics that are unwelcome by the Chinese authorities is really critical. And what makes that so difficult is identifying things that you don't see.

And so what my colleagues and I have come across in many places around the world, and the report I alluded to in my statement that looked at the U.S. found this as well, it is this conditioning and engagement as a way to get optimally opinion elites, but any others that are communicating an image of the CCP or issues that are important to the CCP to do it in a way that is favorable to them.

And that can be talking about the ostensible efficiency of their system, which I think Congressman Himes rightly identified as something that we need to more critically assess, meaning political leadership in the democracies, the corruption, the environmental problems, the suppression of political expression in China, this is the sort of thing that the CCP seeks to systematically suppress abroad, and pushing its own view of what it is doing.

And I think this is going to require quite a bit of thought and, frankly, some

investment in the democracies in order to be able to meaningfully address the problem.

Mr. Stewart. Well, and so I will just add to that. Look, I have talked with professors and others at universities, for example, who have expressed critical views of China. And they are experiencing severe critique of that in some cases now, and that didn't happen a few years ago. And I think their own methods are becoming more obvious.

Anyone else want to answer on that?

Samantha?

Ms. Hoffman. I just want to go back to the very first part of your question. Domestic stability is important to the CCP, but I think where people, analysts get this wrong is that domestic security requires not only the protection of power, but the expansion of power.

And because you are talking about ideology, the CCP says that ideology and political security are at the very core of its national security concept. That means that you aren't talking about a bordered concept. So domestic stability is important, but security extends outwards.

So when we are talking about the implications of technology being exported, you are also dealing with issues like discourse power, how the CCP can collect data, for instance, to inform its situational awareness about a local environment, which they are doing at BRI countries. I read a report last year suggesting that was an idea, and what I have realized since is that those reports are actually being made, collecting data from all these infrastructure projects and using that to then shape debate in local environments.

Why does that matter? Well, that matters because the way that we see that play out is that means that you are stamping out discussion on things that the CCP thinks are a threat to its version of what China is, protecting the CCP's version of security, not

China.

Mr. Stewart. Well, and I am out of time, Chairman. Thanks for your indulgence.

I wish we had more. There is much more we would like to say with you. But thank you.

The Chairman. I thank the gentleman.

Mr. Carson.

Mr. Carson. Thank you, Chairman.

Dr. Weiss, the U.S. Government has not yet meaningfully responded to the crisis in Xinjiang. What options does the United States have to bring more attention to this issue? And secondly, what are the risks if we do not act decisively now?

Ms. Weiss. Thank you.

I think the question of using the Magnitsky Act is one that has been floated, but recently apparently dropped in deference to what was going on with the trade talks between the United States and China. I think that is a misallocation of our priorities vis-à-vis China.

I think there has also been, although there has been some concern raised by Muslim majority countries, it has been far less than perhaps we would have liked to see.

And so there is a question as to whether the United States can work quietly and bilaterally with others to raise this question. I think that public hectoring is unlikely to bring about any kind of change in Chinese behavior.

So I think the question is how to do this in a smart way that raises the level of attention that others bring as well, in addition to the United States, who might have greater influence on China as it tries to project a benign image throughout the world.

Mr. Carson. Thank you.

Dr. Hoffman, in your testimony you mentioned a few specific technologies that are enabling the party to expand its power and pursue digital authoritarianism. How have China's technological advances enabled the party to perpetrate the crackdown in Xinjiang?

Ms. Hoffman. Part of what the technology is enabling can be as simple as improved information sharing between different government agencies. In Xinjiang in particular, you are talking about a massive surveillance state.

And I would like to refer back to the report that Chairman Schiff mentioned at the beginning. Maya Wang was the lead author on a Human Rights Watch report where they reverse-engineered an application that is used to collect data on the Uighur population.

And what is interesting about that is although that data might not be particularly useful at this moment for predictive policing, the fact that the government is collecting that information, in the future when technology catches up, that data can become a lot more useful for these predictive policing applications.

So you are talking about a lot of different smart cities technology, surveillance technology at play, but the number one thing is that it is improving the government's ability to share information, and then it is also the idea that you are being watched, the idea that everything you are doing, that has a huge psychological effect as well. And that is an important component even if the technology isn't 100 percent effective at the moment.

Mr. Carson. Thank you.

I yield back, Mr. Chairman.

The Chairman. Thank you.

Mr. Turner.

Mr. Turner. Thank you.

Dr. Weiss, you in your opening comments in an exchange with the chairman had a conversation about China and its economic development and how the narrative of its economic development can be a challenge to democracy.

And I have to say I am usually always surprised when people make that leap, because the economic development of China has not been an internal domestic accomplishment. There has not been this explosion of either technology or capital management or access or building upon its own markets.

I mean, you would agree, wouldn't you, that China today would not be China without our capital investment, the capital investment of the West, access to our capital markets, our consumer markets, without technological transfers from the United States, both voluntarily and involuntarily, and access to our schools? There are some 350,000 Chinese students today that are studying here.

And clearly we are a democracy and the West is predominantly a democracy. So you wouldn't argue that their economic development is independent of the West and democratic institutions, would you?

Ms. Weiss. Certainly not. I think that China has largely been able to grow because of its integration into the world economy and all of the channels that you remarked.

I do think that there is a danger of overemphasizing the attractiveness of China's economic model, let alone its political model. I don't think it has a particularly appealing international vision to offer anybody else.

To the extent that China is encouraging others to follow any aspect of the path that China has followed, it is through infrastructure investment. It is sort of the same lessons that it drew from how it has been able to succeed.

But there are many things that make China's case pretty unique. Not all countries are as appealing to our foreign and direct investment as China was. And so I think others will have trouble replicating the path that China embarked upon.

Mr. Turner. Thank you so much for that clarification. I appreciate it.

Now, one of the problems I think that we have in our China policy is, because we are open and we have a debate or dialogue about what our China policy is, we don't have the uniform directed statement as to what our policy is, I think it has got to be somewhat difficult for them to figure out at times what our policy is.

I just opened The New York Times, and today there is an opinion piece in The New York Times, and it quotes Ronald Reagan. It says, "My idea of American policy towards the Soviet Union is simple," and then it quotes Ronald Reagan saying, "We win and they lose." And then this opinion writer says that our policy against China can't be Reagan's.

Well, you all know from being historians that Reagan's Russia policy wasn't Reagan's China policy. In fact, if you Google The New York Times in 1984, when Reagan was there, he said China's people's admirable patience and endless courtesy to him was appreciated. He signed numerous open trade exchanges and agreements, increased investment for the United States.

He says, "Let us hope that as contacts grow between the Chinese and American people, each of us will continue to learn about the other and this important new friendship of ours will mature and prosper," Reagan having gone to China. So it would be a mischaracterization that Reagan was opposed to a relationship with China.

Could you all speak for a moment as how difficult it must be for China in an open democracy and open debate to try to figure us out?

Mr. Mattis?

Mr. Mattis. If there is any institution that the party has had trouble figuring out,

it is probably Congress, because if you look out through history and you look at the number of times that demarches have been given to the executive branch of "can't you keep these people quiet," it is quite shocking.

As far as their ability to understand the lay of the land, and particularly the social aspects of how China policy is constructed, I think they have probably done a fairly good job. One of the key features of the United Front system is the collection of vast amounts of personal data. And on delegations that go over --

Mr. Turner. And pause for a moment. Let me ask you about that.

So I participated in the House Government Oversight's hearings with respect to the OPM breach where it is alleged Chinese hackers came in and stole over 4 million individuals' pieces of data, clearly an attempt to expand its reach into the United States. And perhaps, Dr. Hoffman and Mr. Mattis, you could talk about that effect on the authoritarian regime's reach into the United States.

Mr. Mattis. So the important piece of this is that -- and it goes to Dr. Hoffman's point -- that this doesn't change party policy. It amplifies their capacity to execute it.

And if you look at China's intelligence collection going back decades, you see a focused effort on retired officials, and talking with retired officials. Because they don't have the same security briefings, they don't have the same background checks, they can speak much more freely. And a lot of the questions that get put to them are essentially building a roadmap.

And OPM is not unique. You have the effort to go after Anthem, which handles a lot of Federal employees' health data. The attack on United.

In Taiwan, there have been a lot of focused attacks on district databases, and these are databases that everyone has to register in. For example, my daughter, who was born in Taiwan, had to be registered in them so that she could get her

immunizations. And because there are certain parts of Taipei and other cities where there are government-owned apartment buildings and others, you know which databases are going to have a lot of government employees for the Ministry of National Defense, the National Security Bureau, many others.

And so instead of just interviewing officials or going on exchanges, they are able to break into the databases and get all of that on their own. And when you put those pieces together and you bring them along with the delegations and the other forms of contact, you can actually get a pretty good idea of how to shape U.S. policy and how the different social relationships in the U.S. function when it comes to the making of China policy.

Ms. Hoffman. And I suspect that eventually -- part of what something like the social credit system is supposed to do is it is really about integrating data, and you assign individuals a code where records are made. It is not the Black Mirror episode where people have numbers that are going up and down based on a social interaction happening in real time. It is more that part of the system is this unified social credit code.

And you have those for companies. So the airlines case last year, for instance, each airline would, according to Chinese law, by January 1 last year have to have updated their business registration to have a unified social credit code attached to it.

And the same with entities, other organizations and people will have unified social credit codes. And then there is a central government database and also provincial databases where you can use those codes to look up a person or entity's record.

And I strongly suspect, based on some various things that I have been reading, that that could extend overseas, particularly to overseas Chinese, certainly overseas Chinese who plan to return to China. The MPS is reportedly, according to a government

document that I came across, developing codes for those individuals, the ones that are returning to China, as well as overseas Chinese federations based in China which also have overseas branches.

So then the question is, in the long term how will this information, which right now is probably incredibly dense and difficult to go through, eventually be organized to become more useful? I think right now that is hard to see, but I think we need to have the imagination to think what could be possible in 5 years, 10 years, 15 years from now.

Mr. Turner. Thank you.

Thank you, Chairman.

The Chairman. Thank you.

Mr. Quigley.

Mr. Quigley. Thank you, Mr. Chairman.

Thank you all for being here today.

China's ability, willingness creating security risk here in the United States and with our allies using tech, telecommunication, Huawei, ZTE, even railcars. I don't know who wants to start off on this, but I appreciate your comments.

Ms. Hoffman. Can you repeat the question about rail?

Mr. Quigley. Well, the security risk coming from not just telecommunications equipment, but even railcars.

Ms. Hoffman. With BRI, I mentioned briefly in my testimony that part of what the government is planning on doing or the CCP is planning on doing with some of the data collected from these projects is collecting data from rail projects, other infrastructure projects, hotels, Confucius Institutes, and then sending that back to China for processing.

I wrote a report last June on social credit where I said that that was an idea, and

what I have realized since is that actually that is already happening. And what is happening is the initial concept was proposed around 2015, where these digital courier stations would be set up to collect all data from these projects and then centralized in domestic data centers in China.

So that includes anything from social media information, GIS information, financial and trade information, and then using that for analysis. So then that goes back to this place, the National Information Center in China, and then basically they say that they are forming reports based on this data.

Now, what that does, well, that can help inform normal situational awareness that you would need if you are a business operating in these areas, normal political risk, normal economic risk questions that businesses would have. But then the next question is, how can the party use that when it wants to?

An example not involving rail, but one that I came across just in the last couple days that I thought was pretty frightening was that in Turkey the lead mobile provider, mobile service provider, signed an agreement with Huawei on 5G and smart cities.

Turkey is where I think there, according to Human Rights Watch, there are 10,000 Uighurs in exile right now. And I have already talked to individuals who have reported harassment and have been told that they needed to, for instance -- and this isn't necessarily in Turkey -- maybe install surveillance equipment in businesses, and when they refuse maybe family back home are harassed.

So those kind of things are already happening. And then how would these projects potentially increase the ability of the party to use its coercive tools when it wants to, I think that is a big question, and I don't think anybody has a good answer to that right now.

Mr. Quigley. Well, our government is restricting use of such telecommunication

networks. Other governments are already ahead of us on that. So someone must see it as a security risk, correct?

Mr. Walker. Well, I think it is. What I would stress, given what Samantha Hoffman has laid out, is that in so many places the implications of engaging in the Digital Silk Road or these sorts of technological deals with China are really poorly understood in many places.

And so what you have seen is a learning curve over, say, the last 5 years or so. Australia went through a process where they really quickly accelerated their understanding of the problem. Canada is just getting into this process now.

I think part of what we need to do is to shore up all of the partners we work with, because, in the end, if a partner you are deeply engaged with is relying on a Chinese system, you yourself may have vulnerabilities. I think this is true, for example, with Mexico, which relies on Chinese carriers for some of their systems.

Ms. Weiss. If I could weigh in here.

I think there is a question of how do we evaluate the security risk. And I think that it depends on the PRC's or the CCP's intentions. In particular, in what kinds of situations or conflicts would China make use of its ability to use what some have called the kill switch or its ability to get its hands on different forms of data. Also, how likely is that.

I think that there is a question as to how does banning Chinese participation or the sale of technology to China affect the pace of our own innovation and harm our own economy today.

And in particular, I think it is, when considering potential countermeasures, how do we address the challenge from Beijing without becoming like them and to ensure fairness and transparency in our process of vetting foreign participation in research and

trade while minimizing the security risk.

So this is why I called for greater precision, and I would echo Peter's call for greater transparency regarding all forms of foreign participation in, whether it is our media or our scientific enterprise.

Mr. Quigley. Thank you.

The Chairman. Thank you.

Mr. Heck.

Mr. Heck. Thank you, Mr. Chairman.

I guess I want to start a little parochially and note that 50 percent of our panel here has roots or deep roots in the State of Washington, which shouldn't surprise too many people about the depth of our expertise vis-à-vis the Far East, and especially including China, insofar as it was actually Washington that elected the first Chinese American governor in our Nation's history, who later became a Cabinet Secretary and actually Ambassador to China, a very distinguished career, my dear and longtime friend, Gary Locke.

That said, Dr. Hoffman, you said something earlier that I thought was very provocative -- I hope I wrote this down correctly -- regarding social credit: Over the long term, I don't know how successful it will be.

Gosh, you have to say another couple of words about what doubt you are casting over the efficacy of this approach long term.

Ms. Hoffman. The doubt is more that social credit is a technology-enhanced form of what the Chinese Communist Party has been doing for decades. Sometimes you will read that social credit is an electronic version of an individual record system or an electronic version of an individual black listing -- or a black listing system. And those are elements of social credit, but what social credit really is is the automation of what the

Chinese Communist Party -- and sorry for using the term that they use -- it is called social management.

And social management is something that the party has always been engaged in, but the problem with that is really the contestation for power within the party. You know, we often talk about power as if it is the Chinese Communist Party's power over society, and we miss the dimension that you are also talking about the contestation for power within the party. And I think that is the number one --

Mr. Heck. I have no idea what you just said.

Ms. Hoffman. Okay. Sorry.

Mr. Heck. I the question is, you cast doubt as to whether or not it will succeed.

Ms. Hoffman. Yeah.

Mr. Heck. Why may it not succeed?

Ms. Hoffman. It is the problem that you always have to overcome the fact that there are going to be officials who are trying to stake their claim for power.

Mr. Heck. Internal power struggle within?

Ms. Hoffman. Internal within the CCP. And that is always recurring. Every generation has a major political crisis.

And even if you look back, now we are heading to the 30th anniversary of Tiananmen, and you look back at those documents and you see that it took 2 weeks, just over 2 weeks to implement martial law. Deng Xiaoping had to go around to each individual military region to demand that the military step up.

Falun Gong in 1999 involved using early electronic resources to organize a protest in front of the government headquarters in Beijing.

So you always have this happening. The leadership transition now, there was an alleged coup attempt -- or in 2013 -- alleged coup attempt. So you have that happening.

And what social credit relies on, and the reason that I say that this power dynamic is important, is it relies on the integration of resources, government agencies cooperating, and not only government agencies, but also the various levels of government cooperating to some extent.

Incrementally, the party has been trying to improve data sharing and information sharing for many years and decades, and that is a long-term process and it is not ending. So social credit isn't going to be constructed by 2020. There is an objective to meet certain points by 2020.

Now, if social credit --

Mr. Heck. What factors, if any, are limiting the velocity of dissemination?

Ms. Hoffman. Sorry?

Mr. Heck. They say they want to get this done by 2020. You just seemed to imply that they are not going to get it done by 2020. What is limiting them?

Ms. Hoffman. Yes. So 2020 isn't the goal. There is a document, 2014 to 2020 construction of the social credit system, and that is more like a 5-year plan where within this period of time we have these objectives, that we are going to work on meeting these particular standards. But the way the party describes it itself, social credit, is that it is an unending process. Social credit is never going to be complete.

That all being said --

Mr. Heck. Well, put another way, what is limiting them from having smart cities in all major cities sooner rather than later?

Ms. Hoffman. The technology has to catch up with the ideas. That is one thing.

But then the other thing that I want to say is, even if these systems aren't completely effective, it doesn't mean that they aren't going to achieve some incremental results.

The more people feel like they are being judged or the more they feel like every part of their life is connected to the system. So if you have all of your records being put into one place and you know that the consequences could be more far-reaching, it is not that that is a new concept, but technology increases. It will eventually increase the effectiveness of that. And then it is also the idea that it can be effective. So then you are changing how you behave.

But I don't think that ultimately the CCP will be able to completely normalize people according to their version of what is acceptable and what is not acceptable, and that is what the goal is.

Mr. Heck. Thank you.

I yield back, Mr. Chairman.

The Chairman. Thank you, Mr. Heck.

Mr. Welch.

Mr. Welch. Thank you very much.

I really want to thank the panel. I am sorry I missed a little bit, but I was here for your statements and they were really, really helpful.

Number one, I think the more we can have open hearings, Mr. Chairman, the better. The more people know, the better. The more transparency we have, the better.

And I will ask Dr. Weiss and Mr. Mattis, would more transparency from the Intelligence Community and National Security Enterprise enrich our understanding of what China's strategy and goals are?

Start with you, Mr. Mattis.

Mr. Mattis. So one of the most obvious things in terms of mapping, say, United Front networks, mapping the activities of Ministry of State Security, is that when cases

are moved to prosecution and there are convictions, it puts a great deal of information into the public realm, which is solid. And if you are not able to get a solid peg, then you are going to be building up your analysis on a lot of speculation.

Now, there are some ways to get -- there are ways to get that. But for the more -- for the covert side of those activities, say those involving the Ministry of State Security, if you don't have that peg then you can't follow it outward, and trying to bridge that gap between sort of the black and the gray activities.

You know, a certain amount of this has to be public, because of the effort to transmit messages back into China, but if you can't find those more solid pieces you can't move there.

So prosecutions, what a former member of the Senate Select Committee on Intelligence staff called selective secrecy, the ability to be flexible, where there is a need for transparency, that it doesn't necessarily go through this long, clumsy declassification process.

Mr. Welch. Thank you.

I want to ask you, Dr. Weiss, something else.

Thank you for your answer there.

You said that our policy towards China has to have nuance and precision. And I am not certain I have been able to glean nuance and precision in our tariff policy towards China. And I wonder if you could describe that.

Because I do think it makes sense to stand up against Chinese trade practices, but I think we should give definition to what they are. And I am not sure it is a great idea to start out by antagonizing our allies, like Canada and the European Union, in our effort to use tariffs as a tool. Can you address that?

Ms. Weiss. Absolutely. I think that there are a number of ways in which this

administration's policies toward China have been blunt, changing, ephemeral, and difficult, I think, for Beijing to decipher. Beijing has spent a lot of time trying to understand Congress, and I think it actually understands it fairly well at this point.

But when you have the kind of sort of erratic and in some cases inaccurate claims on, say, who pays tariffs, I think it is difficult for anybody, let alone those in China, to understand what it is that the United States is doing.

You know, specifically, I think there are questions about when, for instance, the executive order comes out that it is too potentially broad and sweeping and that there is not a clear process, a careful and transparent process by which these decisions are being adjudicated.

And I think that then plays into Beijing's hands, that this is just being used as a cudgel by the United States to penalize China as opposed to undertaking a careful process by which we are just strengthening sort of the way that we do business here at home in accordance with our own values.

Mr. Welch. Well, it seems that there is such a domestic audience when it is just a broad tool as opposed to a precise goal to get to a desired outcome.

The other question I have is, within China, I think -- I am not sure who it was that mentioned that the elites and many Chinese citizens see the U.S. as antagonistic, and obviously that serves the interests of the CCP.

I mean, how can we approach China where we are assertive and tough with respect to asserting our interests, but we don't undermine what potential efforts there would be on the part of the citizens to expand their rights?

Ms. Weiss. I don't think there is any substitute for sort of, as I mentioned, welcoming China's participation where it complies with the existing sort of rules-based order or even seeks to reform them in ways that serve its interests, that should not be

surprising, but we draw lines and push back forcefully where Chinese activities violate those principles.

And so this is not an across-the-board response. It is an issue by issue. You know, what is China doing? How dangerous is that? And how do we counter in ways that are still true to our principles?

Mr. Welch. Thank you very much.

I yield back, Mr. Chairman.

The Chairman. Okay. Thank you, Mr. Welch.

Mrs. Demings.

Mrs. Demings. Thank you so much, Mr. Chairman.

And thank you to all of you for being here with us today.

Dr. Hoffman, based on your prepared testimony, I think we have heard that China's e-government and policing initiatives extend far beyond what we would consider appropriate policing policies, especially here in the United States. The effect that this might have on civil liberties and private protections, of course, both in China and countries that adopt the technology, is chilling.

Can you provide us with some information on how China markets its e-government solutions and safe cities? And then what makes this approach categorically different from other policing initiatives in the U.S. and Europe?

Ms. Hoffman. In terms of the way that the Chinese Communist Party defines e-governance, going back to the early 1990s, they have always said: Our version of e-governance is different. And essentially, what it boils down to is it is about the party's power above all else.

So the party's power -- e-governance is meant to support its processes for ensuring power long term and preempting any threats to state security. That means

shutting out the opportunity for political opposition to even emerge, let alone responding once opposition does happen.

So e-governance, smart cities, social credit are all parts of a very complex system that contribute to that objective.

My concern when that technology is exported is that I don't think that technology is neutral. And also beyond that is this issue of discourse power, this issue of when the party decides it wants to insert itself, that it has the opportunity to.

So we already know that the CCP harasses overseas Chinese and ethnic Chinese, harasses also people who are working on China, and there are a number of documented cases about that, but I think there is also a number of people who haven't reported the types of things that have happened to them.

And so when you have technology in the mix, the ability to collect data or the ability to target particular individuals or companies, whatever the intent is, then that is a problem long term.

And the issue of privacy you mentioned, I wanted to say something about that, too, because --

Mrs. Demings. Well, it is how they market --

Ms. Hoffman. Yes.

Mrs. Demings. -- their policing strategies as well.

Ms. Hoffman. Okay.

On privacy real quick. Privacy laws have been passed in China or there are a number of draft regulations out at the moment and I think sometimes those get misrepresented by analysts, because what the party says -- and actually, I had an official say this to me on a visit, a delegation to China last year -- privacy stops where the party's power begins, period. There is no such thing as privacy in China.

On the marketing, sort of a -- you see -- and with safe cities -- you see the marketing that will help to detect crime. It could be improving 911 systems. That is where smart cities all started, in China, by the way, in the 1990s. The early e-governance projects, part of that was also just improving 911 and emergency response. So it is not all negative.

The problem is, is how do you define emergency response in China and what is an emergency. An emergency can be individuals protesting because all of a sudden the government decided to overtake their land or to knock down their house, because workers weren't paid their wages in time. And so all of a sudden nonpolitical individuals become political. So that is the emergency, how it is defined in China.

One thing that I find interesting is that, although these are very small and I don't want to overemphasize their importance, I think that it is interesting that you see a number of police cooperations taking place in some countries.

So in Croatia last summer, there were joint policing with Ministry of Public Security and Croatian police in Dubrovnik as part of a broader initiative that the Croatian Government has to deal with increased tourism numbers.

But when you have those sorts of cooperations in place, and then if eventually technology is exported, how do those relationships then allow the party to use its influence to pull strings when it wants to?

Mrs. Demings. Thank you. I am out of time.

Thank you, Mr. Chairman.

The Chairman. Thank you.

Mr. Castro.

Mr. Castro. Thank you, Chairman.

I wanted to ask you, how many Chinese companies are selling these systems to

other nations?

Ms. Hoffman. A lot. I don't have a complete number. With the Australian Strategic Policy Institute, where I am a fellow, we just released a report, "Mapping China's Tech Giants," where you can look online and see the expansion of 11 different companies. So we --

Mr. Castro. It is more than just one or two, it is several.

Ms. Hoffman. Yes, it is way more. I mean, personally, I have a database that I have created of smart cities technology and the development of smart cities in China and looking at every company involved in their construction in every city in China, and there are hundreds of companies. And I suspect that that extends outward as well, but my personal research on that subject is focused on the domestic.

Mr. Castro. Sure. And I think you may have mentioned or one of the witnesses mentioned that 46 nations, I think, have purchased this technology or engaged China with this technology.

Ms. Hoffman. So the current state of our -- our report is going to be updated with a second round later this year. The initial round that we published in May, "we" being the Australian Strategic Policy Institute, is 46 smart cities that were tracked.

Mr. Castro. Smart cities, okay.

Ms. Hoffman. And most of those are Huawei.

But we also tracked with thousands of data points, I can't remember the exact number right now, but Huawei, CETC. We also tracked some biotech companies.

Mr. Castro. Have you all studied one of two things? Number one, the host government's tendencies after adopting this technology or taking on this technology. And then second, whether any of these cities have complained about China perhaps using what they have sold to collect data through any kind of back door.

Ms. Hoffman. I haven't seen a complaint on the back doors, partly because I am not sure how widespread the awareness is on that issue. The scope of our report didn't really answer that question.

But one interesting thing that we looked at, and a member of our team, Nathan Ruser, ran some preliminary numbers to look at how many of these smart cities projects were connected to favorable, like, loan and other assistance programs. And I think it was something like 3.5 times more likely that if there were these economic arrangements then the smart cities or the 5G agreements would follow. But that is not scientific, that was just a very preliminary number that we came up with.

Mr. Castro. I yield back, Chairman.

The Chairman. Thank you, Mr. Castro.

Ms. Speier.

Ms. Speier. Thank you, Mr. Chairman. Let me applaud you for holding this as a public hearing. The more we can do that on the Intelligence Committee, the better.

Thank you to all of our witnesses.

I look at this issue from a domestic perspective first, and I look at the fact that, one, the United States is very naive as it deals with China; two, that we have an open society, which China regularly and completely will abuse; and three, we have a population in our country of, frankly, people who are illiterate about other governments. And the combination of those three elements creates a fertile ground for China to do a lot of mischief.

I noticed in our statement that was provided to us that there have been specific incidences where China has taken very aggressive action against other countries. You have talked in many generic terms today, and I would like for you to get kind of specific, but let me just share a couple that were referenced.

In Australia, it became apparent that many parliamentarians were accepting untoward campaign donations in exchange for taking positions that were advantageous to Beijing.

In New Zealand, a leading academic who had written extensively about Chinese political interference operations in Oceania was the victim of intentional car sabotage and a home burglary targeting the electronic devices used to conduct her research.

Following New Zealand's decision to ban Huawei from its 5G networks, China postponed a state visit from their Prime Minister, turned back an Air New Zealand aircraft destined for Shanghai, and published jingoistic propaganda in state-run media.

Okay, those are pretty specific. We have some specific experiences here in the United States that I don't think our citizens are aware of, one being the Chinese Students and Scholars Association, the other being Confucius Institutes.

But it appears -- and I would like for you to amplify this -- that this Chinese Students and Scholars Association is intended to report back to China's Communist Party on whether or not other student scholars are following the line, whether they are promoting China, and whether or not they are staying true to the Chinese Government and not somehow becoming more democratized.

Could you all speak to some specific examples of how you have seen China abuse the fact that we are an open society?

Mr. Mattis. So the Chinese Students and Scholars Association and other forms of surveillance on university campuses are intended to prevent Chinese students from having a free and full experience in a Western university. And if we have basically outsourced our ideas of how to shape China's political ideas to an education system where Chinese students are no longer able -- are not necessarily able to appreciate it, then that is stifling one of our sort of key ways in which we thought about influencing and

shaping the interactions with China.

A second one that is sort of related to this is that we do have examples that you can request the U.S. Government to provide of education officials at embassies and consulates being directly involved in intimidating students because of papers that they submitted or other participation in class.

Everyone, not just a New Zealand academic, a dear friend, Anne-Marie Brady, but everyone who is focused on this issue has been on the receiving end of either direct surveillance, in the form of people showing up and trying to intimidate them or their family, intimidating text messages, messages delivered through family. This is the cost of dealing with this particular issue.

There are programs that have been canceled at U.S. think tanks because of the relationships that have been built with the party or to protect certain kinds of relationships between these institutions and their Chinese counterparts. And I could go on for a bit, but I am not going to name names. That is sort of for the government to investigate and to do.

Ms. Speier. I have got 10 seconds. Can you share any more?

Ms. Weiss. Yes. I would just like to add, I mean, I think that these examples are alarming and are the kinds of activity that we would like to see greater transparency and a forceful response to tell Beijing this is unacceptable.

I think the question, though, is in addition to these isolated examples, how pervasive has the effect been. And I think that there is also a danger here in exaggerating just how much academic freedom on Cornell or other campuses has been.

I am personally preparing to field a survey of academics at Cornell to try to understand the extent to which this kind of intimidation has happened. I think that it has not been as bad as we have been potentially led to believe by these individual

instances.

So there may still be time, in other words, to get ahead of this and to prevent it from really posing such a sort of existential threat to our values.

Ms. Speier. My time has expired. Thank you.

The Chairman. Thank you.

Mr. Conaway.

Mr. Conaway. Thank you, Mr. Chairman. I appreciate the indulgence.

I don't use the word "law," but certainly a party requirement, party rule that Chinese anywhere in the world can be compelled to do things on behalf of the state, the Communist Party, that might not necessarily be in their own best interest, their own personal viewpoint of having to do, at the threat to themselves, threat to their own livelihood, threat to friends and family and others.

Is that, as Ms. Weiss would say, am I exaggerating the threat of Xi Jinping's ability to manipulate people to his own advantage?

Ms. Weiss. I do think that there is a danger of exaggeration here. There are many, many people who have resisted Beijing and continue to dissent despite the personal --

Mr. Conaway. This is a fellow who has got a million folks, at least, that he is brutalizing in the West. Is he just simply a racist, that he wouldn't treat Chinese people that way, but he will treat Muslims and Uighurs in a way that he doesn't treat Chinese? Should we suspect that he has got a heart versus that he doesn't?

Ms. Weiss. Oh, I wasn't challenging your characterization of Xi Jinping the man. I was questioning whether there are those Chinese who live overseas who have been not subject to the direct control of this dictatorship.

Mr. Conaway. Go ahead, Dr. Hoffman.

Ms. Hoffman. I would just like to add that I think sometimes the debate on this issue gets a little bit oversimplified. And part of what would help is if we think about the way authoritarian regimes work.

Peter Mattis and I wrote an article last year and we cited Havel's Greengrocer, a story about a grocer who hangs a "Workers of the world, unite!" poster in his shop, not because he particularly agrees with communism, but because he knows that if he doesn't do that then that could bring trouble to him and his family. It is the idea that you do things to avoid being that 1 percent.

Mr. Conaway. So I got that. But what about this scientist at one of our high-end labs who is of Chinese descent and he or she has access to some really important technical information? You are telling me that you don't think Xi would use that leverage to get something from a scientist that has been in one of our labs? That is an overstated risk?

They steal \$225 billion of intellectual property every year. And I am just a bit taken aback by how casual some of you guys are about these threats and that they are not -- that they are somehow benign, that somehow Xi Jinping is just kind of stumbling around the world doing the things he is doing by accident. And he may or may not be threatening liberal democracies. He may or may not be doing it on purpose. But I think the guy is a whole lot more Machiavellian than that.

Mr. Mattis. As someone who has dealt professionally with the tech transfer and has probably got -- has built the largest sort of public database, and it will be coming out in a book of these economic espionage cases and tech transfer cases that have been processed by U.S. courts, of course there is a risk.

But it also means that you have to take those cases on their merits, because there are, frankly, plenty of Chinese Americans whose families have been in the United States

far longer than mine. Two of my grandparents were naturalized citizens. And the reach and the impact that affects those people is very different than someone who has recently emigrated and has cousins, uncles, aunts in the PRC. And you have to look at those pieces.

Can we do --

Mr. Conaway. The challenge is -- I have only got a couple of minutes -- the challenge is, as our chairman said early on, is that we do not want to be that kind of folks that simply condemns folks because of where they have come from. That is not who we are as a people. But how do we ask those questions without offending folks, but yet still defend our state secrets from the bad guys?

Mr. Mattis. If you notice that in my presentation I talked not about what Americans have done of any descent to support the party, but rather what the party does. And if you start from the party and work outward, you see these things. You will also see the problems in some of the tech transfer cases that were preventable and predictable, because of people participating in United Front organizations.

Mr. Conaway. So, Peter, it would be okay then to ask those questions to evaluate the counterintelligence risks of someone being not willing necessarily, but because to protect a family member they did something they shouldn't have done? We have got to be able to ask those questions, correct?

Mr. Mattis. And we have to have a better answer than simply firing someone because there is a risk. The whole point of risk management is that it is not flipping a switch.

Mr. Conaway. Oh, yeah, I understand that.

Mr. Mattis. And one of the key pieces of this is having a sense of what these networks look like. And I would just say that on my view of where the U.S. is, both in an

open source research and where it is on a government side, we are very far behind having a clear picture of what these networks, for example, for tech transfer and the integration of the Talents Programs.

Because it is not just the Thousand Talents Programs, it is a number of others at provincial levels. It is a number of other programs that are eminently visible and seeable.

Tesla's recent problem involves an employee who was setting up United Front organizations for tech transfer and for Talent recruitment. That is something that a security organization at a company should be able to see. And this doesn't involve profiling Chinese Americans.

Mr. Conaway. They will get more subtle than that. They will understand from their mistakes that we caught this one guy that was setting up for the United Front. They will get better at what they do, and we, I assume, as well.

One thing for the record. My time has expired. I appreciate everybody being here.

Would you give the committee -- members need to know what is going on. Would you give the committee one or two books that each of you would suggest that Members of Congress read, in addition to the books that you may have published yourself, but to help us with information that we would be able to better understand this threat to our Nation?

Thank you, Mr. Chairman. I yield back.

The Chairman. Thank you.

Mr. Maloney.

Mr. Maloney. Thank you all for being here. Great panel.

And there are two things that I am interested in. One is the intentions of the

Communist Party, and the other is staying power of the strategy.

So I think my questions are mostly for Dr. Chen Weiss and Mr. Mattis, but feel free to weigh in, any of you.

So on intentions, I appreciate your point that the primary operating concern is deepening and protecting the power of the Communist Party. But I guess I would want to challenge you on how we should understand how that relates to what appears to be a very strong imperative to also expand that power beyond China's borders to create a global presence. I mean, obviously, the One Belt, One Road initiative, the Digital Silk Road.

And we, as members of this committee, do a lot of travel, and everywhere we go we are treated to stories about what the Chinese are doing. And not just in Thailand or in the Philippines or in Cambodia or in Burma, which you might think relates to domestic control, but also move across the Indian Ocean, in Sri Lanka or the Seychelles, go into Africa, Djibouti, across Africa, in Europe. We have talked about that. Mr. Walker mentioned South America, in Argentina.

I was in the Bahamas, the charge d'affaires wanted to talk to me about China. I was there to talk about drug interdiction and Coast Guard issues. She wanted to talk about China, because of what they are doing in the Bahamas, 41 miles from the coast of the U.S. in Florida.

So how do we understand what is clearly a very ambitious international program in the light of merely reinforcing domestic control? Shouldn't we also understand it as a desire to challenge the U.S.? Or do you see those things as linked?

Ms. Weiss. Thanks for that.

There is no question that China is trying to project its influence overseas. I think the question is sort of what are their primary targets. And I think that if you start with

concentric circles, the first and foremost is preserving the party's power and preempting any potential threats.

And I think then secondly after that you look at the set of what they have described as core interests. You know, over Taiwan, is the number one thing in which they condition their -- you know, if they have any strings attached to their aid and assistance, it is Taiwan and staying on and towing the party's line on that.

Beyond that, China as sort of a nation-state would like to see those on issues that China cares about, in the United Nations, for example, to join with China, and in particular on issues that potentially, again, could threaten China domestically, such as what is the norm of international intervention.

Mr. Maloney. But, Ms. Chen Weiss, if I may, does strengthening internal control require collocating strategic assets overseas versus U.S. strategic interests? Does it require what is clearly a plan over 20, 30 years to become a preeminent military power? Are those things linked?

Or is that a separate and distinct goal to also dominate the international system, maybe not with an ideology or with exporting a revolution the way we have seen in the past with over regimes, but simply to be preeminent?

Ms. Weiss. I mean, I think there is a question as to whether or not the United States will retain that lead. I don't think it is a foregone conclusion that China will be able to displace the United States globally, nor does it in a real way it is ending.

Mr. Maloney. But is it their intention to do so or simply to strengthen their internal power? That is my question. And I am going to leave it hanging only because I want to ask Mr. Mattis in my remaining time about the durability of this.

I mean, Ms. Hoffman mentioned that every generation has had a political crisis. You seem to be quite sanguine about their ability to run this thing in a straight line.

Mr. Himes ticked off a list of weaknesses and liabilities. I would add to that that there is a bipartisan consensus in this Congress, where we don't have a bipartisan consensus on anything, that we want to confront China in a new and more vigorous way.

That has not happened in 40 years, the Chinese Communist Party has not been squarely at odds with the United States. Talk to me about the staying power of their model.

Mr. Mattis. My most important point is to say that it is contention. If you came at me with the party will survive in power, I would come at you with all of the weaknesses. Because it is something that involves a lot of choice. It involves a lot of chance. It involves a question of will the Army fire if it comes to that.

And there are a lot of different pieces of that puzzle. And I think it behooves us to think about how the staying power of the party could function, under what circumstances could it break apart, and if it is breaking apart what are the things that we couldn't do, that we can do to prevent a dark turn.

And just to go back to your very first question, I fundamentally disagree that the party's power is its primary priority. Yes, there is a relationship between politics and policy. If you don't have good politics, you are not empowered to actually enact good policy, but if all you care about is the politics you will never have good policy. And it is much the same in whatever political system.

When you look at how the party defines its goals, it is not about that security. The party is the means through which China can become a great power.

And by focusing on the domestic security component, we have in a sense looked over and denigrated their overarching ambitions for the kind of country that they want to have, that the party wants to have, the kind of global reach that they wanted to have, and the form of international relations, which they define and Xi Jinping spoke at some length

on at the beginning of his tenure and also in the 19th Party Congress report.

That is, in a sense, a form of consultative democracy on an international scale, which is the way they say their own system is governed, that, yes, there are democratic inputs, but it means that you have accepted certain tenets of the Chinese Communist Party and that allows you to have a voice through very narrow channels into the system.

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[11:02 a.m.]

Mr. Mattis. And they explain in quite clear language that that is the way that they would like to see international relations function.

Mr. Maloney. Thank you.

The Chairman. This has been a wonderful panel, and I have a few additional questions and my colleagues may have a few more before we wrap up.

To what degree do the Chinese intelligence services target Americans of Chinese descent? To what degree do they target Chinese scientists who come and work on research projects here? How do we deal with that problem without resorting to profiling? How do we strike that balance?

Mr. Mattis. Well, in one sense I am not sure we have a clear sense of to what extent, because when you look at the size of the Ministry of State Security, you have a central ministry, you have 31 provincial bureaus, you have a countless number of local-level operations. And if look at the activity that appears overseas, you see that all of these different levels are involved. And so I don't think we even know what the Ministry of State Security looks like in terms of its efforts to do this.

You then have a wide range of informal collectors that come through the United Front system that are building the relationships and connections to spot technology that would be useful or to spot scientists who are productive and to bring them back.

But it is important to realize that at no point in the Chinese Communist Party's history have overseas Chinese or people who are ethnically Chinese been the sole focus of their efforts. The early efforts for shaping foreign public opinion were centered on

people like Edgar Snow and Theodore White.

The same sort of United Front system of talent spotting and talent recruitment that is focused on some Chinese scientists was also used to recruit Noshir Gowadia, who was a missile scientist in the United States, to go over and help them with the scramjet engine for a cruise missile.

So it is widespread. I think if I were to sort of build off of what I said to Mr. Conaway about the importance of mapping those networks, it is also ensuring that there is a broader set of people within the Intelligence Community who are capable of speaking on this issue, and speaking to universities, speaking to research institutes, to be able to discuss what these things look like.

What does it look like when someone is trying to elicit particular types of information? What does it look like when they are trying to elicit targeting information? What does it look like when you have gotten certain kinds of invitations, to understand who might be on the receiving end? Who can you go to to ask those questions? And making sure that information is available, accessible, and that, importantly, people have some sense of where they can turn when they have a question about these things.

The Chairman. Does anyone else want to add on that?

Ms. Hoffman. I would only add that I agree with everything that Mr. Mattis said. And if we aren't careful about researching this now, ahead of time, where we are already a bit behind, but if we don't work on these issues now, then extremist voices will have the upper hand in the future. And that is when ethnic Chinese will be targeted as a group, instead of targeting the party itself and what it is doing.

So I think that that is important. If we aren't careful now, then in the future extremist voices will have more power. So it is why it is important to have these conversations that we are having on the panel today.

Second is I think in order to prevent discriminating against an entire group of people, we also need to think about what channels are there for reporting of harassment. Lots of universities accept a lot of money from overseas tuition from overseas Chinese students, but who is taking care of student services and making sure that those channels are available to report harassment if a student chooses to report that?

Those are all questions that need to be asked if we are going to solve this problem holistically.

The Chairman. Thank you.

Let me ask a different question. In the past I think for many of us in our interactions with the Chinese Government back home in our districts, through Chinese consulates or other outreach, one topic that would in the past at least almost uniformly come up was the Falun Gong. I don't know if that is still the case.

But does the Chinese Government still have the same fear of the Falun Gong? What is driving that? What are the concerns that the government has? Because they seem to be completely out of proportion with any perceived threat.

Ms. Hoffman. I think the number one issue with Falun Gong -- and I looked into this in my Ph.D. thesis and I would be happy to send you sort of a brief couple points later -- but the issue is that contestation for power within the party. Because when you look at the actual -- this isn't a crackdown that followed the protest in 1999 where high level Ministry of Public Security, People's Armed Police, and PLA all participated in this protest. And they were actually using, I mean, basically email to help organize this protest, electronic resources.

So part of that has to do with this power contest within the party itself. It is not just the alternate view of the truth, which is part of why Falun Gong is a threat conceptually, but it is also really this power dynamic.

And that is global, because Falun Gong has a lot of money and they are really the only overseas Chinese group. I think Peter can correct me on numbers, but I think in the United States there is no independent Chinese media separate from Falun Gong media. Everything else is owned by a CCP-linked group.

So I think the threat is also about discourse and about power.

The Chairman. So Chinese media in the United States is either Chinese Government or Chinese party affiliated or Falun Gong affiliated?

Mr. Mattis. To a large extent, and the Hoover Institute task force on China's political interference and influence activities in the United States sort of cover this, and the researcher who wrote that particular section I think is a trustworthy and reliable researcher, said that in terms of looking at the major -- I think there are 12 or 13 major newspapers that are distributed in Chinese, that are Chinese-language newspapers, and that all of them, with the exception of the Falun Gong ones, were either owned directly by a CCP-controlled outlet or by a business proxy who is deeply connected to the United Front system. So they are likely to go back for an annual propaganda conference for overseas Chinese.

The Chairman. Mr. Walker, did you have something you wanted to add?

Mr. Walker. I just wanted to add as a corollary to the question of upgrading the capacity of the official realm, I think it is critically important that we also place some attention, given the whole-of-society challenge, on upgrading the capacity of the private sector that is dealing with these challenges, which today may be a little bit better than it was, say, 5 years ago.

But if we look at the university sector, our entertainment industry, or the publishing sector, these are all areas in which the need to understand the sort of manipulation and aim to censor certainly was not to the extent we face it today.

And so I think these sorts of things are slowly starting to happen, but there is clearly so much more to be done both here, but I would also emphasize in settings that don't have the resources of the United States, in a number of the countries we mention, that will certainly need the capacity to deal with the Chinese party-state engagement where they are. And right now they are clearly not in a position to do so.

The Chairman. Finally, is there any indication that President Xi intends to be President for Life? Do we see any indications along those lines? Or is the party apparatus strong enough to prevent that from taking place?

Ms. Hoffman. A broader comment on that question is that I think sometimes too much emphasis is placed on what Xi Jinping is doing versus what the Chinese Communist Party's long-term intentions are. Because what Xi Jinping is doing in large part, although there are some elements that are new, is actually consistent with what the party has been saying that it wants to do all along. I think that is a key point.

So even if Xi Jinping was gone, the Communist Party is still in power, I don't see a major shift in direction. Even though clearly there are differences right now, I think the actual overriding objectives aren't changing.

The Chairman. But do we see him having that ambition?

Mr. Mattis. I think you have to say, yes, that he does have that ambition, in part because of the way he has gone after what would be the next political generation that would take charge at the 20th Party Congress if institutional rules were followed: the effort to fundamentally remake the leadership of the PLA and at the other institutions I mentioned, the central party bureaucracy, the security services, the propaganda system, to ensure that those people, if not directly loyal to him, are ones who have been given the opportunity by Xi Jinping to rise to those positions and perhaps might feel like they owe him something.

So when you look at that effort to disrupt, I think, the institutionalization of succession and the effort to assert control over the key elements of power, as well as the third component to, I think, intimidate kind of the elite families that have had an outsized impact on party politics going back to the revolution, you have to think that that is his ambition.

And perhaps it is a bit unlike Mao Zedong or Deng Xiaoping, who were willing to operate from very obscure positions to exercise power, that he would prefer to retain his power in sort of an explicit and open way.

The Chairman. Thank you.

Mr. Conaway, any final questions?

Mr. Conaway. I do, Mr. Chairman. I appreciate your indulgence. Two real quick ones.

Most of the conversation is at the strategic level and the big time. What should we read into, if anything, the treatment that Xi afforded his trade envoy last week by stripping her of her title and sending her home by commercial? Is that a message to us? Message to her? What was that about?

Okay. I talked to an economist recently, this week, who spends a lot of time on China. He said that Xi is exploring an opportunity to disperse students back into the countryside for some sort of a reeducation or a farming familiarity thing. Are you all hearing the same thing? Is that real? Is it kind of a Mao-esque issue that is going on?

Ms. Weiss, you are shaking your head. Have you heard of that?

Ms. Weiss. I have heard of it. I think that --

Mr. Conaway. Can you kind of tell us what you think about it?

Ms. Weiss. We just don't -- there are so many things going on in China today, I don't know how much that is the main story of what is happening. There are certainly

sort of various echoes of Mao, but a sort of clear conflation of the two is really sort of misleading as well. And so maybe I was shaking my head because I didn't --

Mr. Conaway. So anything specific about the student? Obviously, students are that group of stout-hearted folks who will protest and will do things that maybe adults wouldn't do. Is he afraid of his student population?

Ms. Weiss. I mean, I think that the fear is real. I mean, you also have him cracking down on students who are organizing on behalf of laborers, sort of Marxist student organizations you would think that they would support.

But, no, I think that the concern about collective action, student protest is real, particularly as we head into the Tiananmen anniversary coming up in June.

Mr. Conaway. Thank you, Mr. Chairman.

The Chairman. Thank you.

Mr. Heck, do you have questions?

Mr. Heck. I do. Thank you, Mr. Chairman.

First, if this was covered earlier I apologize.

Are any American companies in on this action at any stage -- research, design, engineering, manufacturing, software, hardware -- i.e., the deployment of smart cities approach?

Dr. Hoffman?

Ms. Hoffman. Yes, is the short answer.

Mr. Heck. Name names.

Ms. Hoffman. I would rather not name names because I think that the problem is more systemic. And, obviously, I think that you can point to particular companies and what they are doing, and I think there are some that are worse than others. But I think the problem, to address it requires sort of looking at why these relationships are there

and how do we solve that underlying problem.

So I personally don't want to name names, but the answer is yes.

Mr. Heck. In a material way?

Ms. Hoffman. Yes.

Mr. Heck. Interesting.

Second to last question.

Dr. Weiss -- and if time allows, Mr. Walker, if you could get in on this, too -- I want to go back, Dr. Weiss, to your reference to Ecuador hitting the pause button and engaging in some self-reexamination about this.

It just seems to me that that prompts the question of: What were the factors that led to that? What can we learn from that as it applies to our relationships with other countries who may be in some early stage pipeline of standing up this kind of, as it were, nefarious capacity?

Ms. Weiss. Thanks very much.

I think that your question is -- and I think Mr. Castro also asked -- what impact is this technology having? Is it strengthening authoritarianism? To what extent is there pushback?

I think we also need to look at the prior stage, sort of, what is the effect of this technology having? It depends on what trend there was preceding it and to what extent elections and other democratic institutions can counter it.

I don't know about the Ecuadorian case yet to be able to answer the question that you just raised as to what lessons can we learn from this sort of nascent pushback, other than that it exists.

I think the Chinese influence around the world is not sort of a foregone conclusion. There is a lot of resistance as well. And I think that there is, if anything, I

am concerned that there is an overriding emphasis on what China is doing to the exclusion of what others are doing as well. Who else might they be getting this technology from? Who are the U.S. corporations that have helped build the surveillance system inside of China, which China has been exporting?

Mr. Heck. You want to name names?

Ms. Weiss. I will defer to those who know more. I think it might be -- it might be a bad look, but --

Mr. Heck. Well, let me ask, Dr. Weiss, let me ask the question another way. Is this worthy of examination, this question, namely what were the factors, what was the context that led Ecuador to reexamination? And are there lessons there that might be applicable for our relations with other countries?

Ms. Weiss. Absolutely.

Mr. Heck. Mr. Walker, do you have anything to add to this?

Mr. Walker. I think the pattern that reveals itself in the Ecuador case, but also in some of the other instances, Argentina in the tech sector -- and I would just note that in Panama and El Salvador, their decision to change recognition from Taiwan to the PRC was also done essentially in the dark.

So this underlying problem is that these decisions are being done in a very nontransparent way. It is only after they are being made where society learns about it.

In both the case of Argentina and in Ecuador, the tech-related instances, now they are, in essence, ex post facto trying to have a public discussion and decide just how comfortable they are with these arrangements. It is really not optimal.

And I think if there is a way to accelerate the capacity of our natural allies in other parts of the world, these open societies that are dealing with China, that should certainly be a point of focus.

Mr. Heck. Thank you for that.

Indeed, thank you to all the panelists for your considerable contribution here today.

The Chairman. Mr. Maloney.

Mr. Maloney. Thank you very much.

I would just note, further to Mr. Heck's line of questioning, that while we have been here The Wall Street Journal posted a story, the title of which is "Western Companies Get Tangled in China's Muslim Clampdown": "China forces Muslims into training for factories that ultimately supply Adidas, H&M, Esprit, and others."

There are some names, right, Mr. Heck?

I want to give Dr. Weiss an opportunity to respond to some of the comments I was making. I think you may have wanted to say more and I, in the interest of time, sort of cut you off. But we were talking about the intentions of the Chinese Communist Party relative to internal control of its own power internally versus challenging the United States globally. And if others want to comment on that.

Ms. Weiss. I do put the maintenance of the party's power at the top, although it is true that the party has also declared itself in service of the people's desire for greater wealth and power.

So what does that look like overseas and to what extent is there a zero-sum competition between the United States and China abroad? I tend to see there are certain areas in which these interests come in direct conflict, and that is typically within the Asia-Pacific region, particularly over Taiwan, as well as things like freedom of navigation in the time of conflict.

I think farther afield, there are other vital interests that the two countries need to work together on. Some of those are sort of things like climate change that aren't

geographically bounded. Other of those are sort of maintaining sort of open shipping lanes and fighting piracy. These are the kinds of shared challenges that the United States and China can get on board with.

And instability in developing nations is something that both countries and others around the world have contributed to. So China is a very large provider of peacekeepers and is participating, in some cases constructively, in international organizations, which we haven't talked much about here.

But it is not the case that everywhere China is that that is directly opposed to U.S. interests overseas, in my view.

Mr. Maloney. No, and I wouldn't indicate that, although I would add to my list of kind of spanning the globe, China's activities in Nordic countries and in the Arctic. And it just seems that it is hard to explain the scope and the breadth and the intentionality with which they are pursuing a global expansion in terms of merely propping up their own internal support, unless you think it all rolls back to that. I understand that is a primary goal.

Ms. Hoffman, did you want to get in?

Ms. Hoffman. The issue with sometimes the way we frame Chinese threat perceptions is that we ignore how domestic politics are affected by the external.

And the number one thing that the CCP refers to is, what if there is a color revolution or a Jasmine Revolution in China? How does that happen?

Well, lots of times it is going to come from the outside in or there is going to be outside influences influencing or supporting the internal.

So actually something interesting that I came across with social credit, the origins of that particular concept, I mean, you can really -- I date it back to the 1970s. But you can kind of look to the late 1990s where they are talking about: We need to establish an

incentive and disincentive system for companies mainly at the time.

And they are talking about also discourse power at the time. And where that language then merges later on is this idea that, for instance, credit rating agencies could be a threat to China's discourse power or right to speak.

Mr. Maloney. Can we just pull on the thread of your comment earlier that every generation has had a political crisis, because I am very interested in that, and further to the conversation we were having about stability? I mean, 1949, the revolution; 1959, the Great Leap Forward; 1969 -- interestingly, these are all 9 years, right? -- the Cultural Revolution; 1979, Deng Xiaoping turns the system inside out; 1989, Tiananmen Square; 1999, Falun Gong.

Ms. Hoffman. At the same time as Kosovo.

Mr. Maloney. Are we overdue for the next political crisis?

Ms. Hoffman. Well, I think you also had the leadership transition where it was alleged -- there was an alleged coup attempt. Whether that actually happened we don't know, but I think --

Mr. Maloney. Would that argue for -- what would that -- what should we as U.S. policymakers think about that? And would that argue for putting more pressure on the system? The same? How do you see that? How do you see the likelihood of a major political crisis internally? And what should we think about that and do?

Ms. Hoffman. I think one thing that we need to think about is, you know, who -- what voices do you give power to outside of the Chinese Communist Party when you are talking to the overseas Chinese community? If the CCP is co-opting, say, overseas Chinese groups at the leadership level, are you paying attention to the very diverse Chinese community inside and outside of China who doesn't necessarily agree with the Chinese Communist Party or like Xi Jinping? I think that is something from the

outside that probably deserves more attention.

But going back to the political crisis, I think this is also where technology is really important. Again, the credit system, if you can shape -- if you can try to discourage outside actors from saying things that are political in favor of better economic relations, then the party is preempting this type of crisis.

And that is what the airlines case last year was in a long term. And that is the way that the CCP for a long time has been trying to shape conversation on Taiwan: Don't talk about Taiwan. Don't talk about Tibet. Don't talk about the Uighurs. The Uighurs are terrorists.

Well, no, they aren't. That is the CCP's version of what is true.

And so if you are going to get ahold of the conversation and cut through the CCP's distortions of what China is and what Chinese people are, then you are going to only assist the party in trying to prevent this version of crisis, if that makes sense.

The Chairman. Mrs. Demings, any final questions?

Mrs. Demings. I have, yes. Thank you, Mr. Chairman.

To Mr. Mattis and Mr. Walker, back to the e-government solutions and safe city initiatives that Dr. Hoffman spoke about.

I am interested in knowing, what countries may be attracted to China's model for authoritarianism purposes? For example, I am skeptical that Saudi Arabia would actually be interested in the policing applications.

And what countries may be dissuaded from purchasing, given the known abuses or concerns regarding civil liberties and privacy?

And then finally, how can we reaffirm support for democracy in any contested environments or areas?

Mr. Walker. So I think this is a very important question in the sense that in some

ways China's relationship with other authoritarian regimes can be more straightforward. It is easier to operate in a state-to-state basis. As you suggest, there are certain countries who already have their repressive apparatus at a very high level and it may be just on the margins that China's contributions to this would make it even more efficient.

I think the real wrinkle in recent years, which should trouble all of us, is it is very consistent with the discussion throughout that hearing, which is in the last decade or so in particular China has really accelerated its engagement in open societies. And it ranges from established democracies to middle-performing democracies to democratic hopefuls in any number of places, and we have touched on them.

I think the level of understanding in so many places across the world has been insufficient to understand the implications of engagement with China writ large, but certainly in these areas of technology acquisition where, for example, in relation to one of your earlier questions, in sub-Saharan Africa and Latin America, as I understand it, the marketing of these technologies as purely a public safety or a public security tool resonates there. And it may be with completely fine intentions.

Of course there are governments, perhaps in more middle-performing cases, that have other ambitions when they adopt this technology. Which if a country is, say, in the balance between leaning between a little more democratic and open and perhaps not, this technology could be precisely the sort of tool that would tip the balance in the wrong direction, and, frankly, in a direction that would be anathema to U.S. interests. I think this is something we have underestimated.

And for all the reasons my co-panelists have stated, I think part of our obligation now is to help our democratic partners get up to speed to deal with this in a way that they are comfortable with. It can't be us telling them what to do.

But we can certainly provide the sort of assistance that would help societies in the

countries that now have this very deep, multifaceted relationship with China to be able to manage in a way that is consistent with their own values and interests. And I think we are making a little bit of progress, but we have an enormous amount of work to do on that count.

Mrs. Demings. Thank you.

Mr. Mattis?

Mr. Mattis. So as far as the receptivity to the technology, the ideas, I think a good example would be one of my classmates at Cambridge, Peter Biar Ajak, who is now a political prisoner in South Sudan. He was one of the Lost Boys of South Sudan who came to the U.S., was educated, and then he went back when South Sudan became an independent country and participated in the construction of some of its government agencies.

And his brother on the other hand, who also came back to South Sudan and joined the government, was educated in China. And their views of what caused the civil war and what was causing the breakdown of the government were at the exact opposite ends of the spectrum.

For Peter, it was that there wasn't a free press, there wasn't a civil society, that government control was too centralized and there wasn't a diffuse democratic government that engaged citizens to participate.

His brother's view of the problems was that the government wasn't strong enough, the police weren't given enough authority, that there was too much civil society.

So this is one of those ways where we do have an impact on those ideas. And if you are to say, well, which one has influence on government and which one is in jail, it is fairly clear where that receptivity to those kinds of things will come from.

I would also say that, to echo some points that I think Chris has made repeatedly,

because it is critical, is that you have to build the capacity of civil society to research and discuss this issue.

To take the United Front system, the effort to build political influence and to mobilize people outside the party on the party's behalf, the last book in the United States was written in 1967. This was not a part of any of our backgrounds in China in terms of how the education was given, how we are taught. Big portions of the system are dismissed in a number of the key China textbooks that described important pieces.

And it means that in one sense what you have is a prepared statement or, if you were to take the "Magic Weapons" paper from Anne-Marie Brady that is on the Woodrow Wilson International Center for Scholars website, these are some of the most complete versions that you have available, and they are still not enough to actually guide a broader discussion of: How do you identify specifically these organizations? How do you specifically identify some of the individuals? How do you follow the money? How do you follow these connections?

And if you can't expose those things and if you can't bring those things into light, then you can't have the kind of conversation that Australia had about China's interference in its politics.

Just a neat little statistic on this is that Australia has, what, less than a tenth, about an eleventh of the U.S. population? Not including any of their China correspondents, but just their domestic political correspondents, you have 6 to 10 reporters who have written more than more one story about this, who are conversant and can discuss these issues and know how to research it.

In the United States we are -- I am hopeful we are moving in a good direction, but for most of the time we have had three reporters who have done this since 2017, who have written more than one story. One of them is an opinion columnist, one of them is

a freelancer, and one of them is out of work. And we are a country 10 times of the size of Australia. I think we can do better.

Mrs. Demings. Thank you.

Either of the two other witnesses have anything you would like to add at all? If not, it is okay, as well.

Ms. Weiss. I just want to -- I think what Peter Mattis just said is really intriguing and spot on.

In some ways I do worry a little bit that simply by looking at two examples of somebody who went to China and somebody who went to the United States we overstate the impact of those choices. We need to also consider what social scientists would say, the counterfactual, or also why they chose to go to the United States or why they chose to go to China in the first place?

And I would be curious, as to some of these individual cases, whether or not -- how big a factor the sort of selection effect was. Was there already a natural affinity?

If we take this away from this particular example of two brothers, which is really a wonderful comparison here, to the case of what are other countries learning from China, would they have learned that from Russia instead? Were they already headed in that direction?

Is there a sort of domestic demand for that or a predilection, if you will, to head in this authoritarian way or to undermine democracy on their own because of their own politicians, aspirations, independent of what China is doing?

So while it is very important, I think, that we increase our understanding of what China is doing and bring more transparency to all of these activities and insist that the Chinese Government make transparent those activities, if possible, it is also important to

look at the whole picture of what other actors are doing and not just think of this as the United States versus China.

And that is in part why I thought it was important to think about what the United States is also doing to reshape governance, and if we are already engaged in supporting a number or embracing illiberal regimes abroad, that we also not import those practices at home as we potentially undermine our own sort of rule of law, freedoms of society by overreacting to a potentially whole-of-society, what some have called a whole-of-society threat.

Mrs. Demings. Thank you. Thank you.

Thank you, Mr. Chairman.

The Chairman. Thank you.

Let me close by thanking all of our witnesses for their testimony today.

Without objection, members are hereby granted up to 3 legislative days to submit written questions to be answered by any of our hearing witnesses in writing. Those questions and answers will be made part of the formal hearing record.

With that, the committee stands adjourned.

[Whereupon, at 11:35 a.m., the committee was adjourned.]