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DISCOURSE POWER: THE CCP'S STRATEGY TO SHAPE THE GLOBAL INFORMATION SPACE Thursday, November 30, 2023 House of Representatives, Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party, Washington, D.C.

The committee met, pursuant to call, at 7:25 p.m., in Room 390, Cannon House Office Building, Hon. Mike Gallagher [chairman of the committee] presiding. Chairman <u>Gallagher.</u> The select committee will come to order. And our third witness will sit down at some point before, you know, we're done with our opening statements.

The clerk will now play a video.

[Video shown.]

Chairman <u>Gallagher.</u> China's navy is now the largest in the world, and it's purpose-built for a cross-strait operation to invade or blockade Taiwan. And many China watchers around Washington, D.C., believe that the Taiwan Strait could be the most important battlefield of the 21st century. But that's not actually what the CCP thinks.

In Xi Jinping's view, the war has already started on the most important battlefield, which is your mind. The CCP calls it cognitive domain warfare, part of their larger political warfare strategy. In a handbook on military political work, Xi stated, quote, "The crumbling of a regime always starts in the realm of ideas. Changing the way people think is a long-term process. Once the front lines of human thought have been broken through, other defensive lines also become harder to defend."

The realm of ideas, according to the document, is a smokeless battlefield. Cognitive warfare is not something we tend to think about here in the West. We have ideas like soft power, but they're not really a national strategy. We don't really do propaganda here. After all, there's nowhere you can find a more scathing critique of the United States and its government than in The New York Times or on FOX News on any given day.

We don't have any equivalent of a United Front Work Department, China's global, industrial-scale influence operation. We don't have colossal state media apparatuses. On the smokeless battlefield of people's minds, we don't have a standing military at all.

So the question is, how do we fight back on that battlefield of people's minds while also staying true to our values? That's the question we have for our hearing witnesses tonight.

But before we get there, I want to share another quote from Xi Jinping. In a 2013 speech at the National Propaganda and Ideology Work Conference, Xi issued a call to arms, and he said, "Innovate foreign propaganda methods, strengthen discourse system construction, strive to forge new concepts, new categories, and new expressions that circulate between China and the outside world. Tell China's story well, disseminate China's voice well, and strengthen our discourse power internationally."

When I read Xi's call to innovate foreign propaganda methods, I'll admit my mind immediately jumped to TikTok. That quote is almost a perfect description -- albeit in CCP speak -- of the TikTok platform. On Xi's smokeless battlefield, TikTok is the perfect weapon. It's camouflaged in plain sight.

Tonight, we're going to examine some data later about how TikTok's parent company, ByteDance, has, in Xi's words, strengthened China's discourse power. But it's important to note that in 2018, the CCP shut down ByteDance's news aggregator because it posted content that goes against socialist core values. And in a groveling self-criticism, the founder of ByteDance apologized for failing to respect socialist core values and deviating from public opinion guidance and failing to realize that socialist core values are the prerequisite to technology.

Following this, ByteDance announced a new strategy to hire 4,000 extra censors and integrate socialist core values into its technology. ByteDance's editor in chief and the secretary of ByteDance's CCP committee vowed to ensure that the algorithm would follow the correct political direction. So in the best-case scenario, TikTok is just CCP spyware. That's why so many State and national governments have banned it on official phones. That's why we banned it on government phones. But in the worst-case scenario, TikTok is perhaps the largest malign influence operation ever conducted.

Allowing a CCP-controlled entity to become the dominant media platform, the dominant news platform in America would be a huge mistake, in my opinion. It would be as if, in 1962, at the height of the Cuban Missile Crisis, we allowed Pravda and the KGB to purchase The New York Times, The Washington Post, ABC, and NBC, and that probably understates the scope of the problem.

So make no mistake, the battlefield of our minds is already joined, and Congress must act with urgency to prevent the CCP from seizing the high ground.

And with that, I recognize the ranking member, Raja Krishnamoorthi, for his opening statement.

[The statement of Chairman Gallagher follows:]

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Mr. Krishnamoorthi. Thank you, Mr. Chair.

Before I begin, I'd like to share a message with all of you.

[Video shown.]

Mr. <u>Krishnamoorthi.</u> Now, before you ask, the answer is no, Donald Trump did not become fluent in Mandarin since he left the White House. In fact, this video is not even real. It's an AI-generated deepfake from TikTok that came from the PRC.

During our time on this committee, we've seen how our strategic competition with the CCP has unfolded across many sectors. Tonight, we're here to discuss the CCP's efforts to conduct, quote, "discourse power," or what some experts describe as information warfare, and the CCP's use of social media in the same.

This deepfake of Donald Trump is a peek into what the future holds for all of us. As technology improves, so to will deepfakes' ability to run undetected across social media.

Tonight, I want to highlight two points. First, the threat that new social media technologies pose to our national security and, second, how such tactics fit into the authoritarian playbook used by the CCP.

Now, first, we're already familiar with the threats that existing technologies pose. In 2016, we saw firsthand how Russia used social media to sow domestic discord, muddy people's news feeds, and interfere on our elections. Now we're seeing how pro-CCP forces have adopted similar tactics.

Take this news story about the Maui wildfires, for example. The headline reads, "Is America behind the Hawaii wildfires? MI6 says it was a weather weapon experiment." The article's text wildly claims the fires were a, quote, "deliberate act of sabotage." This story was part of a disinformation campaign that over 85 pro-CCP accounts spread across 15 social media platforms.

As we head into the 2024 elections, we must now contend with additional technologies like the deepfake video you just saw, and these present new challenges. One video featuring fake Donald Trump is alarming enough, but similar tactics applied on a broader scale by a foreign adversary present challenges we have never seen before.

Of course, we cannot talk about the CCP's influence over online content without discussing TikTok, as the chairman pointed out. As many of you know, TikTok's parent corporation is ByteDance, a PRC-based company. According to independent analysts, there are many cases where ByteDance and TikTok suppressed content unfavorable to the CCP.

This is unacceptable and raises the concern that social media platforms in the U.S. are subject to coercion by the CCP or even other regimes. Put in the wrong hands, online influence operations can foment unrest, sway elections, and in the worst circumstances, could cause political violence. This is the authoritarian playbook.

That leads me to my second point. The CCP is intent on using its authoritarian playbook. The intent is clear in Chairman Xi Jinping's own words. In a 2013 speech called Telling China's Story Well, he outlines that telling China's story well means, quote? Doing a good job in external propaganda." To Chairman Xi, the emphasis is on painting a pretty picture, not an accurate one.

This is the challenge we face: A tech-savvy CCP intent on twisting narratives to undermine the U.S. and come out on top in the strategic competition. If we turn our heads and look away, we risk ceding control of our public discourse to the CCP. We must be resolute in embracing facts and repelling malign influence operations. This starts with being clear-eyed about the challenges we face and leaning hard -- leaning hard on our values of truth and democracy. I look forward to the discussion tonight on the CCP's information manipulation tactics and how together we can combat them moving forward.

I yield back.

[The statement of Mr. Krishnamoorthi follows:]

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Chairman Gallagher. Thank you.

I forgot to mention we have a new ex officio member of the committee. Hale Barr was born when? Andy Barr's new baby.

Mr. <u>Barr.</u> The 15th of November.

Chairman Gallagher. The 15th of November. Congratulations. Yes.

And I should note that when Andy was showing pictures of the Barr baby, the ranking member asked, is that your grandson? So you don't look that old, Andy.

If any other member wishes to submit a statement for the record, without objection, those statements will be added to the record.

Okay. We have three great witnesses tonight.

Mr. John Garnaut is a senior fellow at the Australian Strategic Policy Institute. He's also a coauthor of the fantastic submission to the Australian Senate Select Committee on Foreign Interference through Social Media on TikTok, ByteDance, and their ties to the Chinese Communist Party.

And without objection, this report shall be added to the official hearing record.

[The information follows:]

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Chairman <u>Gallagher.</u> Dr. Miles Yu is a senior fellow and director of the China Center at the Hudson Institute.

And Ms. Yaqiu Wang is the research director for China, Hong Kong, and Taiwan at Freedom House.

Welcome. Thank you, all of you, for being here. If you could please just stand, raise your right hand, and I'll now swear you in.

[Witnesses sworn.]

Chairman <u>Gallagher</u>. Let the record show that the witnesses have answered in the affirmative.

Thank you all.

Mr. Garnaut, you are recognized for your opening remarks for 5 minutes.

[Disturbance in hearing room.]

All right. Thank you for your insight. Have fun.

All right. All right. Thank you, sir. Yeah.

That's right. I'm huge on TikTok. Yeah.

Mr. Garnaut, you are recognized for 5 minutes.

TESTIMONY OF MR. JOHN GARNAUT, SENIOR FELLOW, AUSTRALIAN STRATEGIC POLICY INSTITUTE; DR. MILES YU, SENIOR FELLOW, HUDSON INSTITUTE; AND MS. YAQIU WANG, RESEARCH DIRECTOR FOR CHINA, HONG KONG, AND TAIWAN, FREEDOM HOUSE

TESTIMONY OF MR. JOHN GARNAUT

Mr. <u>Garnaut.</u> Thank you, Chairman, and thank you, Mr. Krishnamoorthi, for having me here tonight, and particularly for your commitment to bipartisanship on this extremely important subject of China and foreign interference.

Chairman <u>Gallagher.</u> John, could you just bring the mike closer to your mouth? We have grandparents on this committee, as was established before.

Yeah. Thank you.

Mr. <u>Garnaut.</u> Let me thank you both for -- that's much better -- for having me here today and for your commitment to bipartisanship on this extremely important subject.

I also want to acknowledge my co-witnesses here. Yaqiu and Miles have done more than I could ever dream of to help the world understand the long arm of the Chinese state and how it reaches into particularly our diaspora communities. So I'm delighted to be here today with both of you.

Now, my work in this space began actually with concerns about the way that the Chinese state was diminishing the citizenship rights of Chinese-Australian citizens. That concern of mine continues but helped to motivate me to participate in a study that the Australian Government -- the Prime Minister at the time, Prime Minister Malcolm Turnbull, commissioned on authoritarian interference in the Australian political ecosystem. That was completed in 2017 in July.

In the following months, I returned to Canberra to explain something which was really important but quite difficult to explain to time-poor political leaders and government leaders, and that is the importance of Communist Party ideology. In order to see the patterns, in order to see the trends that we're concerned about and how they -- what motivates them, what drives them, we really need to take the time to unpack Chinese Communist Party ideology.

Now, at the time, that was August 2017, and my talk was titled "Engineers of the Soul." Now, "Engineers of the Soul" is one of the great totalitarian metaphors. It's a metaphor for a machine that collapses individuals, nation, state, and party together. That's what the engineering project is about.

And that was actually a quote from Joseph Stalin in the early 1930s, but it was a quote that was borrowed and used again by Mao Zedong in the Yenan Rectification Movement in his talks on literature and art. And that was the job of literature and art workers -- and that is writers, that is artists -- to be engineers of the soul on behalf of the Communist Party project.

And that was also a quote from Xi Jinping early in his reign when he convened his own Beijing forum on literature and art. So Xi Jinping is directly borrowing the language and the ideology that lies beneath, and I think that's important. He has used this concept also to describe the roles of education work as teachers in the Chinese system.

Now, since then, in August 2017, I think governments around the world -- certainly ours in Australia -- have done quite a lot to begin to recognize this challenge of authoritarian interference. It's Russia, it's China, it's other states, but certainly China looms very large. They've gotten a lot done, and they've got a lot more to do. But it's still not clear that governments around the world have come to terms with the extent of the ambition of Xi Jinping's project.

So in order to build a framework that has explanatory and predictive value, in order to keep up with Xi's China, we need to do a better job of grappling with the ideology that frames the language, perceptions, and decision-making of Chinese leaders. To sort signal from noise, we need to understand the ideological lens through which they view our world.

This process of interpreting party internal guidance involves hard work. It requires interrogation of sources to identify messages, how they are delivered, who they're delivered to, for what purpose, and it is complicated by the fact that the Party also runs a parallel external messaging system that is not designed to convey the signals of policy of truth.

I'll illustrate with a couple of examples. One example, I think, was just a couple of weeks ago in San Francisco, the summit between Xi Jinping and Joseph Biden. A lot of the -- most of the media commentary that I saw talked about new stabilization and how Xi Jinping had come because he was under pressure at home with the economy and the pressure from international governments around the world, and he needed to essentially sue for peace to buy stability in the relationship. And it was interpreted -- you know, now we can have, you know, a while -- a year or so, I've heard, you know, of calm in the relationship, particularly in relation to Taiwan.

Now, that's perhaps the message that Xi Jinping delivered to businessmen that night, and it's perhaps, you know, what was delivered in the photographs -- the images of the photographs -- but that's not what he told Joseph Biden, according to senior administration officials who gave a readout of their meeting, and nor is it what Xi told Biden, according to his own readout. According to his own readout, he had actually warned the President of the United States that, not only did he expect the United States to not support independence movements in Taiwan, but to actively support the peaceful reunification of Taiwan.

So this is a shift in language. He's upped the stakes. He's done it directly to the U.S. President and, in my view, he's setting, you know, something like a narrative trap where he positions the United States as the provocateur to cause the aggressor, if Xi Jinping decides that he cannot use peaceful means and resorts to kinetic means to take Taiwan.

So that's an example, I think, of taking a little bit more care to read the messaging that comes from Beijing and its dual-track messaging of internal guidance to the system and external guidance to people like ourselves.

The second example I wanted to mention -- and it's topical. You both put it up in your opening remarks -- is TikTok. Now, you know, I think the capabilities of social media platforms, you know, I think, are reasonably well known. The ability to micro-target constituencies, to change, to shape algorithms, to filter, to color, to censor, to elevate, to shape narratives. You know, I think their capability is well known. But I think what's been missed is the intent that the Party has communicated to use platforms like TikTok to shape the international discourse as part of what Xi Jinping calls discourse power.

I'll just take you back to a couple of important documents over the last decade.

Chairman <u>Gallagher.</u> John, we might have to tackle that in Q&A because we have a 5-minute time limit that we're over. Sorry. It's unfair, these Procrustean rules we put on you. But we'll have plenty of time in Q&A, if you want to offer a final thought.

Mr. Garnaut. Sure. Happy to.

And that is to offer the final thought that the Party has an obsession with language, with discourse. And I think it's important to understand that, whereas it might be dismissed in our system, the words are kind of easily kind of seen as easy to give away, not very expensive. But I think for the Chinese political system it's the primary target. You know, the discourse is the primary battlefield.

And I think the logic is -- and this is being explained in many Party documents -- if you can shape the words and the language that people use, you can shape their perceptions, and eventually, you shape the way that they think, and you shape their decision-making capabilities. So I think that's really the important backdrop of ideological framing for understanding -- for framing this conversation.

Thank you.

[The testimony of Mr. Garnaut follows:]

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Chairman <u>Gallagher.</u> Thank you. And we all have your wonderful written statement as well.

Dr. Yu, you are recognized for 5 minutes.

TESTIMONY OF DR. MILES YU

Mr. <u>Yu.</u> Thank you, Chairman Gallagher and Ranking Member Krishnamoorthi and other august members of the committee. And I also thank you very much for the opportunity for me to come before you and discuss this very important topic vital to our --

Thank you, Chairman Gallagher and Ranking Member Krishnamoorthi and the other august members of the committee. Thank you for the opportunity for me to appear before you to talk about this very important topic.

I do echo my co-panelist's sentiment about the bipartisanship of this very important committee. Although, you notice I arrived late. So I blame that squarely on the Democrats because President Biden decided to light the Christmas tree in the White House. That created tremendous traffic jam in Washington, D.C.

So the term discourse -- make no mistake, the term "discourse power" for global community is what propaganda is for China domestically. Propaganda is not a bad term in China. It's actually a positive term that's not really carrying the morally reprehensible meaning involving false representation of truth. Rather, it's a necessary -- it's a virtue -- it's a crucial practice of governance.

So when you talk about the discourse power, the literal translation is a right to speak, [speaking foreign language]. If you read the French rebel philosopher Michel

Foucault, you might use something like discourse power or power of discourse. But if you understand the intent of the phrase of the Chinese Communist Party, it's a little bit misleading to translate just that way, because Xi Jinping's idea of discourse power means that he wants to have -- it's part of the Party campaign of telling the China story well [speaking foreign language] and not -- basically, it's very important that he does not want to just have China to have the right to present the story. He wants to dominate the dialogue.

He wants to make the CCP's propaganda about China the only global discourse about China. Therefore, the correct translation, actually, for me [speaking foreign language] should be discourse dominance. So I'm going to use in this discussion in that context.

So China's discourse dominance basically manifests itself in four ways. Number one is disinformation. Straightforward. They have basically several ways. One is to use tools of free expression to destroy freedom. And they use Twitter, Facebook, TikTok. You know, sort of no question there.

Two is to spread propaganda. In 2020 alone, Facebook had to shut down over 200,000 accounts -- fake accounts -- organized by China's propaganda discourse power organizations, and they also massively penetrate the international organizations, infuse some of the communist ideologist concepts into organizations like United Nations, WTO, and the World Bank.

Xi Jinping's community of common destiny for mankind, for example, is written in U.N. resolutions, as well as his phrase Chinese -- socialism with Chinese characteristics. So this is a very, very sort of conceptually deceptive and very dangerous aspect.

Of course, the hardest hit community in overseas are the Chinese diaspora community. The Chinese Government controls the Chinese diaspora in the following

ways: Number one, they basically buy out all the major media outlets. Of the hundreds of TV stations, newspapers, magazines overseas of China, almost all of them are now bought by the Chinese Communist Party.

There's a recent study that indicated that the only network that is not really controlled by the Chinese Communist Party is the Falun Gong-related media outlets. And that's pretty telling. Think about this, right. So you have millions and millions of people. There are 6 million Chinese Americans alone in this area. And, of course, there's a massive economic engagement with the United States.

Amazon.com, for example, is very dangerous. Amazon.com has a total of 1.5 million sellers. Over two-thirds of them -- 1.1 million sellers -- were based in China. And they sell a lot of goods. Some of the products were dominating and are very dangerous.

For example, if you go to Amazon, you spend \$60. Add 60 to about \$200. You can buy something called the Unblock. Unblock is manufactured by the Chinese state-owned enterprise in China. What it is is a TV box. If you install that in many of the Chinese-American homes, it can change the viewing experience of TV every day. Whether you are living in Beijing or Shanghai, you can view every single channel in China. And they say you can also get free HBO, free Cinemax, but you have got to navigate, and they make it very particularly difficult to do that. But the default ones are Chinese information.

So I will recommend we look into the issues like that. It is very dangerous. Virtually every Chinese community has saturated with these kind of devices.

And, of course, there's also the issue of WeChat. I mean, they use WeChat to control the communication between outside China and inside China, which is very dominating.

So another way they do this discourse dominance is through the cultivation of proxies. In the old days of Cold War, the Soviet Union expressed state propaganda mostly by its own senior officials, ambassadors, scholars. They come to American TV stations. They go to colleges, engage in seminars.

The Chinese Communist Party rarely does that. What they do is they basically send their best China American scholars. They have more China American scholars than we have China scholars. They're sent into Wall Street, K Street, and the think tank rows on Massachusetts Avenue to cultivate the proxies. And those are very prominent figures. And they make them what they call a friend of China, FOC. Once you are FOC'd, then you become basically a captured elite working on behalf of the CCP.

Third method is self-censorship. This is of Hollywood and NBA. And everybody who wants to do anything about China today, you have to really be mindful of the fact that everything you write, everything you say, every single email you send, could hinder your opportunity to work and study in China. That's why Americans have major mood soured on China.

Today, we have over 300,000 Chinese students and scholars studying in the United States. Do you know how many Americans are studying in China right now? 380. 380. No zeros after that. That's because it's very dangerous for Americans to -- if you go to the State Department travel page, there's a warning -- travel warning urging Americans, do not go there. You can be arbitrarily arrested or detained or even worse. So that's four.

Number four is brainwashing. Brainwashing is a great enterprise conducted by the Chinese Government. It's a long-term strategy. Confucius Institute is just the tip of the iceberg. We have talked about it extensively recently.

Many of the prevailing concepts in American public discourse, such as the word

"progressive," such as the word "consciousness raising" -- in America it's a social

movement -- those are words you can trace its origin back to the Chinese Communist

Party. Consciousness raising, for example, straight from the Yenan era in the 1940s.

Chairman <u>Gallagher.</u> Doctor, we'll have to get to that in a question. We're over time.

Mr. <u>Yu.</u> Great. So I look forward to your questions. Thank you. [The testimony of Mr. Yu follows:]

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Chairman <u>Gallagher.</u> Thank you, sir. I have a lot of brainwashing questions, so we'll get back.

Ms. Wang, the floor is yours for 5 minutes.

TESTIMONY OF MS. YAQIU WANG

Ms. <u>Wang.</u> Chairman Gallagher, Ranking Member Krishnamoorthi, and distinguished members of the committee, thank you for convening this hearing on this important issue that the U.S. needs to address before the CCP's narratives take hold among American public.

This testimony draws on Freedom House's years of research on the CCP's global influence campaign.

The good news is that, in the realm of the global public opinion, the CCP is not succeeding. Pew Research this year showed that views of China are broadly negative across 24 countries it has surveyed and that U.S. is viewed far more positive than China, especially in high-income countries. And within the U.S., a Gallup Poll in March shows that a record low 15 percent of Americans view China favorably.

Such growing negative views correspond with the CCP's worsening repression within the PRC and the more aggressive activities abroad. It is also a result of investments in independent expertise, investigative journalism, and local laws protecting press freedom. This really attests to the high degree of resilience among democracies to Beijing's disinformation efforts.

That being said, there's no indication that the CCP plans to rein in its operations. In fact, Freedom House and other organizations have all found that Beijing is not only spreading its disinformation across many more platforms, languages, and geographic audiences, it's also experimenting with tactics that are more sophisticated and harder to detect.

And so far, social media companies have been inconsistent in monitoring and taking down Chinese disinformation networks. And given the reach of social media platforms, we should be especially vigilant about risks for CCP influence through them.

Below are three platforms that I think warrant special attention at the moment. You know, my co-panelists have mentioned two of them.

First is WeChat, owned by the Chinese tech giant Tencent, and heavily used among the Chinese diaspora, which I am a member of. Many first-generation Chinese outside the country rely on WeChat exclusively for information. Think about that. Five million -- many of the 5 million Chinese diaspora rely exclusively for information from WeChat. And research shows that overseas WeChat users face censorship and surveillance.

In August, the Canadian Government disclosed a network on WeChat that engaged in a coordinated campaign to smear Parliament member Michael Chong, who has been a vocal critic of Beijing.

And, you know, when we say it's hard to evaluate the effectiveness of disinformation campaign, I would say this is where it's actually quite effective. And most people don't know because most people are not in the Chinese diaspora and most people don't speak the Chinese language. I mean, I'm very glad that today on the panel two of us are from the Chinese diaspora.

The second platform that needs to be, you know, paid special attention to is X, formerly Twitter, owned by Elon Musk. On its new leadership, X has dismantled many of the policies and teams that had increased the transparency and thwarted inauthentic

behavior.

In addition, Musk may be particularly vulnerable to pressure from Beijing because he has significant business interests in China, and the CCP is very, very good at leveraging foreign businesses' access to the country to compel them to toe the party line. China is Tesla's second-largest market, and Tesla's factory in Shanghai is the largest electric vehicle factory in the world. And Musk's close relationship with the CCP was on display earlier this month during a meeting with Xi Jinping in San Francisco, in which he expressed gratitude to Xi for his support to Tesla's China operation, and he pledged to dive deep in China.

And then lastly, we have all mentioned -- you know, obviously that's very important -- is TikTok, which is owned by ByteDance. I can't emphasize enough the point that all Chinese companies, whether they are private or public, are subject to the control of the CCP, which creates an opportunity and a mechanism for Chinese Government censorship, surveillance, and propaganda that affects not only their China-based users but those around the world.

You know, when we talk about TikTok, there's always arguments whether there's evidence or not evidence about propaganda and censorship. This is beside the point. The point is that the CCP has the capability to do whatever it wants just by the nature of the relationship between Chinese business and the Chinese Government. And there is evidence that TikTok has been found suppressing content critical of the Chinese Government, and TikTok has also been found to track journalists who are covering the companies linked to China.

So in this context, Freedom House calls on Congress to, number one, enact regulations that require transparency from all social media platforms, including disclosure of their content and moderation policies and enforcement, and what content they have censored, suppressed, or promoted at the requests of governments.

Secondly, hold a hearing to examine questions regarding Tencent's data protection and the content moderation on WeChat as they relate to U.S.-based users.

Lastly, continue to provide funding to civil society initiatives around the world that are documenting and address Beijing's foreign media influence activities.

Thank you. I look forward to your questions.

[The testimony of Ms. Wang follows:]

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Chairman Gallagher. Thank you very much, Ms. Wang.

On to questions.

Mr. Garnaut, your testimony -- you talked about your seminal piece, "Engineers of the Soul," the Stalinist concept. And as Mao put it, the Party's purpose is to ensure that literature and art fit well into the whole revolutionary machine as a component part, that they operate as powerful weapons for uniting and educating the people and for attacking and destroying the enemy.

So how would a platform like TikTok with a black box algorithm fit into that CCP revolutionary machine?

Mr. <u>Garnaut.</u> Well, we have an indication from how the Party works with WeChat. So WeChat is a very censored platform where people can be sort of deplatformed without even knowing they're being deplatformed. Very heavily censored and propaganda material is promoted all the time.

I think TikTok is a more sophisticated capability where it has the ability, at least in theory, to micro-target messages to different constituencies in different parts of the world or different demographics, and it has got an algorithm which nobody has access to, but it's in China, and the Chinese state has not allowed that algorithm to be sold or taken outside the United States.

Chairman Gallagher. It's export-controlled, right?

Mr. <u>Garnaut.</u> That's right. That's right.

So what we have is a -- I'm not here to say that I've done the work to analyze, you know, how -- with any confidence whether TikTok is distorting the information environment at the moment on any particular subject. I think that's a -- you know, that's an empirical question to ask. But it's got that capability. And by combining the capability that it has with the intent that we're talking about, particularly when you go back to some of the Politburo study sessions that Xi Jinping has hosted over the last 10 years about being able to use short videos to micro-target constituencies, I think you have the combination of capability and intent, which could be a formidable information-shaping tool.

Chairman <u>Gallagher.</u> Let's dig a little bit into some of the data that we have from the Israel-Hamas war, which I fear is providing us a real-time case study of how one could engineer the soul of young Americans.

This is going to veer into some simple math, which is always dangerous for a Marine, but bear with me for 1 minute. And we're going to have some displays with this.

There are roughly -- there we go -- twice as many monthly active users on Instagram compared to TikTok. If you look at publicly accessible data, this ratio holds for when it comes to a lot of viral topics. For example, there's about twice as many posts on Instagram as TikTok for Taylor Swift, the Barbie movie, Democrats, and Donald Trump. For pop culture and political topics.

But where it gets interesting, however, is if you start searching for topics that might be controversial for the CCP. For example, there are about five times as many posts with the hashtag "Stand with Israel" on Instagram compared to TikTok, suggesting that, for whatever reason, pro-Israel content is underrepresented on the platform.

And then the closer you get to topics the CCP disapproves of, the higher this ratio becomes. So it's a 12-times disparity for "Stand with Ukraine." It's about nine times for "Uyghurs." It's about 30 times for "Tibet." And it's 153 times for "Tiananmen."

To be fair, the data do not, on their own, represent a smoking gun, but there's clearly a disparity in outcomes that can't be explained away.

And by the way, these are the metrics and the methodology that TikTok themselves pointed us to in mid-November when they faced accusations of rampant anti-Semitism on the platform.

But, Mr. Garnaut, could you describe how these trends might provide a window into what the CCP could do to leverage TikTok in the event of a Taiwan conflict or an American election that they may have an interest in shaping the outcome?

Mr. <u>Garnaut.</u> Look, I think the potential for, you know, radically shaping the information environment for -- particularly for young Americans is enormous. So you can imagine disinformation being channeled to particular constituencies on particular efforts on particular issues. You can imagine sorts of, you know, reconstructed, you know, fake news and videos being channeled, which might obscure, for example, the cause of a conflict over Taiwan.

So I think the ability of this platform to manipulate public opinion at crucial moments -- and I think that's the key thing. I think it's interesting and important to look at what they're doing now, but it's the potential -- when China might decide that it really needs it, I think that's the issue for deep concern.

Chairman <u>Gallagher.</u> Thank you. My time has expired.

Mr. Krishnamoorthi is recognized.

Mr. Krishnamoorthi. Thank you, Mr. Chair.

I would also like to ask a couple questions about TikTok. So just to level-set everyone about TikTok, TikTok has 150 million American users, and an astounding number of Americans actually rely on TikTok as their primary news source. One statistic is that one-third of all Americans between the ages of 18 and 30 rely on TikTok as their primary news source. As everyone knows, TikTok is owned by the PRC company called ByteDance. So, Mr. Garnaut, I just want to focus a little bit on ByteDance and its ties to the

CCP. Sir, like other PRC-based companies, ByteDance itself has a CCP internal committee, correct?

Mr. <u>Garnaut.</u> That's correct.

Mr. <u>Krishnamoorthi.</u> And the secretary of that CCP committee is a gentleman named Zhang Fuping, right?

Mr. <u>Garnaut.</u> That's correct.

Mr. Krishnamoorthi. Can you throw up the visual for a second?

We found this on the internet. This is Mr. Zhang on the right. He's not only the secretary of the CCP committee, he is the editor in chief of ByteDance and its vice president. And in that picture, he's standing next to the director of the CCP's domestic paramilitary force.

Now, Mr. Zhang has said that ByteDance should, quote, transmit the correct political direction of the CCP into every business and product line.

And that includes TikTok, right, Mr. Garnaut?

Mr. <u>Garnaut.</u> That's correct.

Mr. <u>Krishnamoorthi.</u> And though TikTok says it does not influence or censor content on the CCP's behalf, it is ByteDance that ultimately controls TikTok's algorithm, right?

Mr. <u>Garnaut.</u> That's right.

Mr. <u>Krishnamoorthi.</u> And we know this because the CCP wants it to be that way.

In 2020, when ByteDance was about to be forced to divest TikTok by the Trump administration, the CCP immediately placed export controls that stopped ByteDance from selling the algorithm to anyone. Isn't that right?

Mr. <u>Garnaut.</u> That's correct.

Mr. <u>Krishnamoorthi.</u> Let me turn your attention to this issue of American data security in TikTok. Under Chinese law, ByteDance is required to share user data with the CCP as part of its intelligence gathering. TikTok's attempt to address these concerns is an initiative called Project Texas that firewalls -- attempts to firewall American user data.

Now, TikTok claims it's independent from Beijing and will not share American data if asked. But, Ms. Wang, leaked audio from internal TikTok meetings show that ByteDance employees in China accessed American user data in 2021 after Project Texas started, right?

Ms. <u>Wang.</u> Correct.

Mr. <u>Krishnamoorthi.</u> And so regardless of what TikTok says, if ByteDance can access American user data, and ByteDance is subject to CCP control, then ByteDance, regardless of what TikTok does, can fork over American user data to the CCP, right?

Ms. <u>Wang.</u> That's correct.

Mr. <u>Krishnamoorthi.</u> CCP access to TikTok data is not theoretical. In October 2022, ByteDance granted CCP regulators in-person access -- in-person access to TikTok's back end, which hosts nearly all of TikTok's internal communications.

Again, TikTok's claims of independence to me, Ms. Wang, appear to ring hollow in light of this -- in light of these facts. What do you think?

Ms. <u>Wang.</u> That's very correct.

Mr. <u>Krishnamoorthi.</u> Let me also -- I want to turn your attention to another social media app that some of us forgot about that was actually attempted to be acquired by another PRC-based entity, and that was Grindr.

In 2018, a PRC company bought this app, which is the world's largest online dating app for the LGBTQ community. But then in 2019, the U.S. forced the Chinese company to divest Grindr. Why was that, Ms. Wang? Ms. <u>Wang.</u> The concern for the Chinese Government's access to the data on Grindr.

Mr. <u>Krishnamoorthi.</u> And what kind of data was it, and why was there a concern?

Ms. <u>Wang.</u> It's a dating app. Of course, there are personal data on the dating app. And also, the main concern is the -- you know, the employees work for the American Government and other entities that --

Mr. <u>Krishnamoorthi.</u> That's right. There were officials of the American Government who were -- whose data was on the app. There were members of the military whose data was on the app. And there was a concern that they would be blackmailed, potentially by the CCP, if they got their hands on that data.

Finally, let me just point you to this, which is that TikTok claims that its location information can't be used to track U.S. data -- I'm sorry -- U.S. users. However, isn't it true that ByteDance employees in China tracked down U.S. journalists with this data?

Ms. <u>Wang.</u> Correct.

Mr. Krishnamoorthi. Thank you.

Chairman <u>Gallagher.</u> Mr. Wittman's recognized for 5 minutes.

Mr. <u>Wittman.</u> Thank you, Mr. Chairman.

I would like to thank our witnesses for joining us today.

Today's hearing is titled, "CCP's Strategy to Shape the Global Information Space." I would argue that this is very much like what we term in the military, and that is shaping the battle space. I would argue that this is the information battle space. China, the CCP, is all about shaping how, potentially, they can gain an advantage within that area.

Ms. Wang, would you say that China is indeed trying to shape this information battle space to their own advantage?

Ms. Wang. Absolutely.

Mr. <u>Wittman.</u> And in doing that, they are using various social media platforms -- you heard very eloquently about what they're doing with TikTok -- but using other ways of shaping information to be able to influence the United States, be able to influence people within the United States, to create sympathy towards the Chinese Communist Party.

And in that realm, we know that efforts strategically to influence are really about limiting the freedom of action by your adversary by slowing and shaping decisions by your adversary. So what you want to do is to gain an advantage with that.

Would you say that China, in their efforts through ByteDance and TikTok and their other efforts to influence information to shape that information battle space, do you think that they are having indeed an influence on slowing decisions here on making things more friendly to their viewpoints here within the American population?

Ms. <u>Wang.</u> I think the results are varied. Definitely it's working in the Chinese language space. As Miles mentioned, the Chinese Government or its affiliate entities have bought so many newspapers and news websites that are catered to the Chinese diaspora. And also, you know, WeChat is so widely used within the diaspora, and, you know, the censorship and the surveillance is quite severe. So it's quite effective within that space.

Outside of the Chinese language space, I view, you know, the effectiveness is not that obvious. You know, I think that is due to the very vibrant independent press in the U.S. There has been very good investigative journalism into CCP's disinformation. It's also because the U.S. Government has paid a lot of attention. There has been funding from the U.S. Government into doing research on this issue. I mean, our Freedom House's project Beijing Global Media Influence is funded by the State Department. The fact that we're holding a hearing today discussing this issue is a testament that, you know, the disinformation campaign by Beijing is not working as well as it hoped.

Mr. <u>Wittman.</u> But you do point out that their influence is growing their ability to shape this information battle space -- which is part of what they're doing around the world to gain an advantage -- is gaining some traction.

In that realm, what would your suggestion be for this committee -- and for that matter, our Nation -- to communicate the efforts that the CCP is using to project propaganda, to essentially censor certain pieces of information through platforms like TikTok -- to be able to direct that -- and also, not just in keeping information from going out, but actually putting out disinformation, which is even more nefarious than blocking information, as the chairman showed with those graphs?

How do we go about explaining to the American people the emergence of this threat and then what we need to do to counter this threat?

Ms. <u>Wang.</u> I think, number one, really, we need a law to force transparency by social media companies. You know, we have all this speculation. There is some evidence about what TikTok is doing in terms of promoting CCP propaganda, censoring information that is critical of CCP. We don't know enough. We don't have the full picture because there isn't laws that are forcing social media companies to disclose that information.

You know, we worry about the data being accessed by the Chinese Government. We can have laws to prevent that from happening. I think this would be a very effective and powerful law to, you know, counter CCP disinformation.

And secondly, I really wanted to go back to the Chinese language information space because this is really, you know, where Beijing has made, you know, progress there. And being a member of the Chinese diaspora, there is just so much disinformation. There just isn't good information in this language.

I know so many Chinese people. They have circumvented the censorship to read the news outside of the Chinese firewall, but they couldn't get good information just because the whole space is so flooded by CCP's disinformation.

So the Congress needs to investigate in the Chinese language space to provide the information that is accurate and fact-based.

You know, we have the Voice of America. We have Radio Free Asia. But we need more. You know, we need the kind of information that actually speaks to the concerns of the community that, you know, give information that they want to hear, they need to hear.

Thank you.

Mr. <u>Wittman.</u> Thank you, Mr. Chairman. I yield back.

Chairman Gallagher. Ms. Castor.

Ms. Castor. Thank you, Mr. Chairman.

It's clear that technology, the internet, and social media have evolved very quickly, and the Chinese have used it to exploit for their own ends and information warfare.

So, Mr. Chairman, I really want to compliment you on calling this important hearing, and I hope we have more on it. I think one of the things the Congress can do is shine a light on what is happening. But that's no substitute for, as Ms. Wang recommends, really adopting new laws.

Other countries have adopted online privacy laws, design codes, and things like that, and there's simply no reason for the U.S. Congress not to have acted already.

Dr. Dunn knows this very well in the Energy and Commerce Committee. Last year, in the last Congress, we had a bipartisan bill on privacy, the American Data Privacy and Protection Act. It passed out of committee. It never made it to the floor. This would be something that our committee, I hope, would focus on as we make recommendations to the standing committees to do that.

Ms. Wang, is that the kind of recommendation -- when you say the Congress needs to act on privacy protection and transparency on algorithms -- that needs to happen?

Ms. <u>Wang.</u> Correct. I think there's a broad, you know, consensus among civil society organizations who work on tech and democracy issues that we need a comprehensive data protection law. We need a transparency law to force social media companies to disclose this kind of information.

I mean, you know, like, TikTok can tell the Congress, if Congress forces TikTok to tell in terms of their communication with the Chinese Government, what kind of information they censor or promote, you know, within the U.S. So yes.

Ms. <u>Castor.</u> And you highlight as well that these Big Tech platforms are often designed to encourage constant user engagement and viral content, and that has particularly -- it has particular import on children, because kids and young people are not -- their brains haven't developed so that they can objectively understand what kind of propaganda and false information is pushed at them.

So in addition to a privacy law, the Congress has been slow to enact any kind of design standards, requirements to say that states have acted. This would be another area that I would hope the committee would recommend.

I've worked for many years with experts on the Kids PRIVACY Act to update the Children's Online Privacy Protection Act. That needs to happen. There is a bill moving in the Senate and should be moving in the House too, KOSA, that would put in place some design standards so that children are not constantly encouraged to be on their devices.

I hope you all saw a recent Wall Street Journal expose. This is kind of getting a

little off topic, but it shows how the online platforms are so motivated by profit that they're willing to allow sexual content, sexualizing of just searches.

This is something that we can tackle, and it would help -- it would go a long way to empowering the American public to combat this information warfare, the constant propaganda that the Chinese Communist Party is going to press at Americans and press on to young people.

Ms. Wang, other places have adopted design codes. Is this also something that you would recommend that Congress act on?

Ms. <u>Wang.</u> I can't speak on the children's issue because that's not within my expertise, but I would say, you know, in order to counter the Chinese Government's disinformation, a comprehensive transparency and data protection law would be very effective.

Ms. <u>Castor.</u> Dr. Yu, do you agree -- you said that these Twitter, Facebook, YouTube, have become much more systemic, sophisticated, dangerously effective. Do you agree that Congress should act on privacy and design codes online?

Mr. <u>Yu.</u> Well, Congress should make sure that there is the issue of reciprocity. In other words, even Twitter and Facebook are banned in China, and we should demand some kind of reciprocity that, unless China really opens up a market to our companies --

Ms. <u>Castor.</u> How about transparency on these algorithms? We don't know -- the average person has no idea, a child has no idea, that they are being steered in a certain direction. That kind of transparency is important, isn't it?

Mr. <u>Yu.</u> Absolutely. Absolutely. Privacy is always the major challenge in the age of information explosion right now, particularly social networks.

I will say, one of the major things that the Congress should do is -- I think, you know, you're doing something in that direction. That is, previously, we always -- the

companies that are dealing with China have a problem with China, so they view that as their company's problem with China. So they hire the lobbyists, you know, people with access to China -- Dr. Henry Kissinger is very prominent -- to solve the problem for them. So they rarely contact U.S. Government.

So that's why Commerce Secretary Raimondo's visit to China recently is a very rare breakthrough in the sense that, for the first time in many, many years, is a U.S. Government, a Cabinet Secretary speaking on behalf of U.S. business in China. That's actually the pattern that the -- you don't see that. So we should do more of that.

Now, yes, algorithm is very important. I think of, for example, TikTok. TikTok -- you know, the reason of this danger -- here is the danger of this. If you go to China and you ask 10 people what you view about Uyghurs, nine of them will say they're terrorists. The reason that's the case is because China has control not only of information access, but also interpretation of the information.

So TikTok's major aim now is to grab the market as big as possible in the West so that, when they reach a critical dominant status, some day, the majority of people using TikTok will say, American democracy is a failure. Chinese democracy is great.

So that's ultimately -- on a strategic level, that's the danger of that. So I agree with much of what my panelists said.

RPTR BRYANT

EDTR ROSEN

[8:24 p.m.]

Chairman <u>Gallagher.</u> We're out of time. Thank you.

Mr. Luetkemeyer.

Mr. Luetkemeyer. Thank you, Mr. Chairman.

Chinese democracy, is that an oxymoron?

Mr. <u>Yu.</u> Absolutely.

Mr. <u>Luetkemeyer.</u> Thank you, sir. Dr. Yu, I appreciate you past comments there. I was kind of taken aback by that, Chinese democracy.

In your testimony, you stated that some foreign senior U.S. Government officials have become registered agents for the Beijing regime and its CCP-controlled business interests in the U.S., which is extremely concerning.

Would you like to elaborate a little bit further on that, give us some explanation on that?

Mr. <u>Yu.</u> Yes. As I said, China is very keen on cultivating proxies. They can -- they normally use people of previous administration positions. Normally, for the American, it's just a business opportunity; but for them, it's one of the ways to carry their message over there.

Mr. <u>Luetkemeyer.</u> Let me interrupt just a second here. So what's the genesis behind doing this? What motivates an individual who is an American citizen, I assume.

Mr. <u>Yu.</u> That's right.

Mr. <u>Luetkemeyer.</u> Is it money? Obviously, they don't understand, perhaps, the threat that China poses for whatever they're trying to do or are they just naive? Are they just -- have they been turned to become Chinese supporters?

Mr. Yu. No. They're going to convey the message that is very sophisticated and subtle that for the average individual is hard to decipher. For example, one of the things those China brokers will bring back from Beijing to the American public always say, the U.S.-China relationship is the most important bilateral relationship in a century. The reason the Chinese Government wants you to believe that is because China's Government wants the world to believe all that matters in the world is China versus the United States while, in fact, it's China versus the rest of the world. That's a very subtle message to convey.

So that's why China focuses on the United States, blames the United States for everything that is going wrong in the bilateral relationship. Forget the fact that virtually everybody in Asia Pacific has a China problem. Look at China's neighbors. Everybody is afraid of them.

Mr. <u>Luetkemeyer.</u> That's what concerns me is that everybody else can see that they are bad actors out here in the world. Yet, how can some of our own people, unless they've turned against us, be willing to be advocates for and basically mercenaries for the Chinese Government?

Mr. <u>Yu.</u> That's right. Many of the people carry back the message with the central theme that China is a normal country just like everybody else. We forget some of the three major fundamental realities about China we don't normally mention. One, China is profoundly a nonmarket economy.

Mr. Luetkemeyer. And I assume they are --

Mr. <u>Yu.</u> Number two, China is a communist country. So a lot of people try to sort of downgrade the degree to which China is a communist country ruled by one party. Number three, China has a global ambition for dominance.

So those people bring the message from Chinese Party leadership say, Oh, we're

the victim of 100 years of humiliation, that sort of thing. So that's why it's very dangerous for them to --

Mr. <u>Luetkemeyer.</u> Thank you for that. You can answer another question for me here, okay?

In 2020, the House Foreign Affairs Committee released a damning statistic that said that since 2013, which is about 10 years ago, the PRC has been the largest source of foreign donations to universities. Do you think this -- and that number is about \$6 billion, what I heard today in another meeting.

Do you think this has any correlation to the anti-Semitic and pro-terrorism protests happening around the college campuses today?

In other words, is TikTok having an influence with all the things here going on and all the Chinese money that's going into these universities? Is it having an influence on our youth in the universities with regards to the anti-Semitism that we see, the pro-terrorist activities that we see?

Mr. <u>Yu.</u> Absolutely. When I worked in the Trump administration at the State Department as a China policy adviser, we discovered that just at a very preliminary survey, there was 1.3 billion Chinese dollars poured into American universities unreported, as required by law. So that translates into a lot of influence.

And in many prominent universities, like Harvard University, for example, they conducted a survey on behalf of Chinese Government to prove that 93 percent of Chinese people support the Chinese Communist Party, so used Harvard's prestige to support the Chinese propaganda. Harvard University didn't really do that research. Harvard University subcontracted a Chinese firm based in Beijing to do that.

So this is basically a disgrace. I mean, I think, you know, you can see the Harvard administration's cowardice in the context of the Hamas atrocities. That's just the tip of

the iceberg.

So I think Congress should adopt some kind of legislation more comprehensive, to the tune of 1947 National Security Act, to mobilize the Nation to deal with the preeminent threat posed by China.

So that's why we cannot do it piecemeal. We have to do it holistically. In the old days, there were a lot of immigrants from the communist world. That's why Congress have people like Tom Lantos Democrats and Solarz. And many of you understand the intrinsic logic of our threat. So that's why they can come up with some of the very effective methods.

Chairman <u>Gallagher.</u> The gentleman's time is expired.

Mr. <u>Luetkemeyer.</u> Thank you.

Chairman Gallagher. Thank you.

Mr. Moulton is recognized.

Mr. Moulton. Thank you. Thank you, Mr. Chairman.

You know, listening to our colleague, Ms. Castor's impassioned case for our inaction, how there's so much more that we could do, reminds me a little bit of how we did react after the attacks on 9/11.

Mr. Chairman, you and I are both veterans of the war on terror. And as a Nation, we enacted extensive defensive measures to protect our citizens from the type of terrorist attack that we saw on 9/11. The safety of Americans since 9/11 has been, in part, because of those defensive measures, not for lack of trying by our adversaries.

But today, China is attacking our businesses, our citizens, our kids through the internet every single day. China is on offense, and we have done nothing, nothing defense.

I can make a strong argument for why we should be on the offense ourselves, to

spread democracy, freedom, Western values and perhaps even act in the name of deterrence. But in the meantime, we've really failed to act. We're not doing anything. And our congressional inaction is leaving our kids and our families defenseless from Chinese manipulation on the social media they rely on every day.

Now, another place where we know China is acting is to interfere in elections. And looking to Australia, China seems to have used Australia as a test case for undermining democracy.

Mr. Garnaut, you noted in your testimony that the Australian Government had determined as early as 2017 that Chinese operations were focused on, quote, "all levels of government and designed to gain access and influence over policymaking."

What did China do to interfere and what tactics did the Chinese Communist Party employ?

Mr. <u>Garnaut.</u> So the report itself was classified, but I can talk from open sources that the Chinese Government was working to -- it had co-opted Chinese-language media, for a start. It was using businesspeople I think as access to politics and for funding politics. I'll just speak in general terms at the moment.

And it was finding ways to transmit threats to people in Australia, particularly in the Chinese community, to change the way that they behave, particularly the way they engaged in or didn't engage in political conversation. And there was also a lot of effort to, through deceptive means, tap into our research institutions in Australia.

Mr. <u>Moulton.</u> My understanding is Australian politicians came together quite aggressively and decisively to take action, to establish laws. How did that happen? How did Australian politicians come together to do that so quickly, and what was most effective?

Mr. <u>Garnaut.</u> There were a couple of elements. One, there was some I think

really courageous and important pieces of investigative journalism. So acts of -- there was some very prominent media exposes of politicians taking money from people that seemed to be Chinese proxies.

And that money was linked to statements changing or challenging party line -- Australian Government lines on the South China Sea, for example.

The work that I was doing, there was very important collaboration between the linking what could be seen and understood in the open-source world, working with the intelligence agencies.

And I can't comment on the content of that report, but the Prime Minister at the time, Malcolm Turnbull, said that that report and the investigations that informed it were galvanizing for Canberra at the time. And there was --

Mr. <u>Moulton.</u> Bringing us back home to America, DNI's 2023 Annual Threat Assessment found that China is already meddling in our elections, including at the local level. This isn't a problem for us to address later. It's happening here and now.

So, Ms. Wang, in light of that clear and present danger, how can Congress act now to protect our democratic institutions from these threats?

Ms. <u>Wang.</u> Can you be more specific for the kind of threats you're talking about?

Mr. <u>Moulton.</u> The same thing that we're seeing from China and Australia that we just discussed.

Ms. <u>Wang.</u> In terms of interfering with the American political process, I think, I mean, it goes back to -- and social media is a major way. And it goes back to enacting laws to force companies, Chinese social media companies to disclose the kind of content they are pushing on behalf of CCP. And the U.S. Government can definitely do that.

We are having all these discussions of what, you know, the Chinese Government is doing and tries to do. I mean, we can have a full picture if we have a law to force that to

happen.

Mr. Moulton. Thank you, Mr. Chairman.

Chairman <u>Gallagher.</u> Mr. Barr.

Mr. <u>Barr.</u> Thank you, Mr. Chairman.

Dr. Yu, you mentioned the National Basketball Association, so I want to ask you about that. I represent the University of Kentucky. There are currently 26 Kentucky Wildcats in the National Basketball Association. So I count myself as one of the 2.2 billion NBA fans worldwide.

And with 210 million followers across social media platforms, NBA social media platforms, the NBA is arguably the most popular sports league in the world. But the NBA is big business in China. NBA playoffs are broadcast on State-run TV in China, and the NBA derives \$5 billion from China every year.

ESPN examined investments of the 40 principal owners of the NBA and found that they collectively have more than \$10 billion tied up in China, including one owner whose company has a joint venture with an entity that's actually been sanctioned by the U.S. Government.

Now, I think, on the one hand, exporting American basketball into China could be quite advantageous in the cultural competition that we have.

On the other hand, because NBA players and owners have so much of a financial stake in China, I worry that it is a risk. And we saw this with LeBron James on full display criticizing the Houston Rockets general manager for actually defending pro-democracy activists in Hong Kong.

Talk to me about the NBA, China's influence over the NBA, what risks there are, and does Congress have a role in helping the NBA see the light?

Mr. Yu. That's a very good question, Congressman. And I'm a big fan of the

Kentucky Wildcats myself.

So let me put it this way: The U.S.-China relationship should never just be a bilateral relationship between governments. There is a trilateral side of that too, that is between the American people and Chinese people. Chinese people are just like everybody else, love NBA, love basketball. And so there's a huge market. That should be normal.

The problem is the Chinese Government controls all the access of civil engagement. So that's the problem. So you have to really make sure that there is some kind of legislation that will guarantee Americans equal access to the Chinese market without the Chinese Government's unlawful interference on issues such as a tweet by a basketball manager and that will cause the complete suspension of the entire broadcast business. That is not only immoral, but also should be illegal some way. You can find some kind of legislation to do that.

So that's why I think -- I had used the word -- well, I'm not going to say this. But I think it's very important for us to engage to reach a deal with the Chinese Government not just to believe that China only is represented by the Chinese Communist Party, and that's a very important distinction.

I mentioned that I have some government experience working in government previously. The single most violent reaction from the Chinese Communist Party is American statement that the Chinese Communist Party is not the same as Chinese people. That drives them crazy, nuts, because that's their biggest fear. And their fear is that the Chinese people will identify with American values and principles, including our passion for basketball.

Mr. <u>Barr.</u> Well, we want the Chinese people to love American basketball but not the CCP.

Mr. <u>Yu.</u> That's exactly, particularly the Kentucky Wildcats.

Mr. <u>Barr.</u> Thank you. Yeah, go Cats. Thank you.

TikTok, real quick. Last year, TikTok was second only to YouTube as the most used social media platform by American teenagers. A third of TikTok's adult U.S. users got their news from the platform in 2022. A billion monthly active users, eight new users every second.

I am worried about TikTok's selective promotion of certain topics and narratives to curate a CCP-friendly political landscape. We hear about proposals to ban TikTok, to force a divestiture so that there's an American-controlled TikTok. What is the policy solution?

Mr. <u>Yu.</u> My recommendation would be this: I think right now, the biggest problem is that we treat China subconsciously as if it's just another competitor, economics trade and even military sense.

We fundamentally disagree on political issue systems. So unless we solve that problem, this problem is going to continue with TikTok and many other things.

So I would recommend that Congress would enact some kind of law that identify China as a nonmarket economy, the Chinese Government as antimarket, as antibusiness. So every business from China, TikTok included, who wants to do business with the United States, we have to place burden of proof on them to prove the Chinese Government will not have any interference in their operation in the United States.

If we find that they violated that kind of pledge, their own pledge as they said they were willing to do, then we kick them out. So that's basically very simple. We place the burden of proof on their shoulder, then we try to catch them, because, you know, they can always play games.

TikTok, for example, you guys said, You know, listen, you can't have your server

inside China. It's like, we'll move the server from Singapore to Texas. The problem is access, as the Congressman said. The Chinese Communist Party has full access to their servers, no matter where it's served. So that's a problem.

Mr. <u>Barr.</u> Thank you. I yield.

Chairman Gallagher. Ms. Sherrill.

Ms. <u>Sherrill.</u> Thank you. Over the past decade, the Chinese Communist Party has aggressively adopted and funded a worldwide propaganda campaign, as we've heard tonight, to boost the image of President Xi and the CCP and denigrate the democratic world.

In 2016, President Xi announced that, quote, "The party's media must reflect the party's will and safeguard the party's authority."

And today the CCP has significant influence over a key source of information for millions of Americans through TikTok. The CCP exports anti-U.S. content to billions of people across the globe through print and digital media, such as through inauthentic social media accounts tied to CCP state-owned media agencies in Latin America and South Asia.

And the CCP uses the economic power of the Chinese market to build self-censorship, as we were discussing, right here in the United States.

So it's long past time that Congress addresses the CCP's misinformation and propaganda efforts before it's too late. We have to take steps to ensure that key media sources aren't controlled by a hostile foreign actor, that free and fair media coverage reaches billions of people worldwide, and that Americans at home aren't fearful of the consequences of speaking out against CCP abuses.

So, Dr. Yu, first may I compliment you on your teaching at my alma mater, which is now evidently offering more robust course selections, which is nice to hear, than when I was there. But FBI Director Christopher Wray told the Senate Intelligence Committee earlier this year that the CCP could use TikTok to shape public opinion in the United States in the event of a U.S.-China conflict, such as a potential Chinese invasion of Taiwan.

Given significant usage of TikTok by young people in particular, this type of media control by a foreign government could dramatically impact how a conflict is perceived here at home. In fact, I think many of us suspect that that is happening right now.

So if the U.S. and China were to enter into direct conflict, to what extent do you think the CCP would use TikTok to advance its propaganda and censorship goals?

Mr. <u>Yu.</u> Well, first of all, go Navy.

Ms. <u>Sherrill.</u> Thank you. Thank you, everyone.

Mr. <u>Yu.</u> And I will also take this opportunity to remind my 2014 class midshipmen in my capstone seminar, papers are due Tuesday by noon, no exception.

Ms. <u>Sherrill.</u> During Army week. Wow, you're a tough professor.

Mr. Yu. That's right. That's right.

The Taiwan scenario obviously is on everybody's mind, particularly in this part of the world. That's because the defense of Taiwan is not just about the defense of Taiwan per se. Taiwan is China's Sudetenland, to those of you who know history. China is never going to stop at Taiwan. After Taiwan, if Taiwan is taken by China, it's going to go after Japanese Senkaku, Vietnamese, and Indian territories and the entire South China Sea.

So it's a very important for us to realize the seriousness of the Taiwan scenario. If we don't stop the CCP at Taiwan, the world is going to be aflame. So that's the issue.

Now, you asked a question about how a specific company is going to play a role in this Taiwan scenario. The honest answer is I don't know, but I do know this: There is a larger -- there is a larger argument right now.

The debate, global debate about Taiwan, defense of Taiwan is fundamentally different from the debate about Taiwan status in 1970s and '80s. In those days, the issue was purely about sovereignty. Is Taiwan part of China, right? Is Taiwan a province of China or Taiwan has still maintained its status as Republic of China?

Nowadays, global dialogue has shifted to -- not just away from that sovereignty concern, to one about freedom versus dictatorship. Taiwan is a shining democracy, and you have -- to defend Taiwan is something far more important than just whether Taiwan belongs to China or not.

So that's where the apps like TikTok will play in, because they might say, Hey, listen, I want to maximize the dialogue about the sovereignty issue, whether Taiwan is part of China or not, to dominate the international opinion space on that issue alone, to avoid the discussion about the fundamental political, ideological, and lifestyle differences.

Ms. <u>Sherrill.</u> And to totally shape the narrative of --

Mr. <u>Yu.</u> Absolutely. And also, I can guarantee you -- I can guarantee you if war breaks out, you know --

Ms. <u>Sherrill.</u> That they'll first use that.

I just want to get quickly before my time expires to Ms. Wang. In talking about what we saw with the Houston Rockets, it clearly shows the power of the CCP in forcing domestic U.S. self-censorship.

In your experience, how prevalent is this type of self-censorship by major U.S. leagues, movie studios, and corporations here in the United States?

Ms. <u>Wang.</u> It's very, very pervasive. I mean, give an example of Hollywood. I mean, you can think about it. Any Blockbuster you watched in the past 10 years have portrayed China in -- or the Chinese Government in a negative light.

I don't think we can come up with anyone, because to any Hollywood producers,

when they think about making a movie, the first thing that goes through their mind that I need to make sure this movie can be shown in China, because that's a huge market. In some ways it's even bigger than the U.S. because of the population.

So when -- this is something they are thinking about first, of course. I mean, the result is that they're not going to produce anything that is going to portray, you know, Beijing in a negative light. So this problem is very, very pervasive.

Ms. <u>Sherrill.</u> Thank you.

Chairman Gallagher. Thank you.

Mr. Newhouse.

Mr. <u>Newhouse.</u> Thank you, Mr. Chairman.

Ms. Wang, Dr. Yu, Mr. Garnaut, thank you very much for being here. I appreciate your insight on this -- another one of these topics that keeps all of us up at night.

To me, based on what we've heard from you and what we've read, it seems to come down to a battle of stories, whose story is more convincing. I, for one, firmly believe that our story, the U.S. story, and our model for freedom and democracy should and will prevail.

We established the post World War II rules-based order to prevent war, safeguard human rights, and uphold international law. The CCP has fundamentally undermined these institutions over the past years and decades. And this committee, Mr. Chairman, will continue to fight for the American story and its quest for sustaining perpetual peace.

It leads me to my question for any and all of you: Where has our government, currently the Biden administration, come up short in addressing the discourse power of the CCP?

I believe the administration should not decide what is true. That's for the American people to decide. But how do we use the tools that we have? I mean, the Global Engagement Center at Department of State, the U.S. Agency for Global Media, the Cybersecurity and Infrastructure Security Agency at DHS, or something else, how do we use those tools while still respecting the First Amendment and freedom of speech in the United States?

We saw, and remind you of the disaster of the Disinformation Governance Board that was tried by this administration that was shut down after just a few short weeks due to public outcry. So it's a fine line. I'd love to hear your thoughts on how we address this.

Mr. <u>Yu.</u> Okay. So that's a very good question. Somebody said a nation is not conquered until it destroys itself. We have this culture right now, which is pretty pernicious, in my view, of self-denunciation. We look at our inadequacies as if this is systemic, this is really rooted in our fundamentals.

That's not the case. The Chinese people know this. The most powerful person in China is not Xi Jinping. It is the visa officer in the U.S. Consulate. Everyone wants to come to the United States.

And this country is a shining beacon of freedom. Each year, we grant -- each year, the U.S. granted 270,000 asylees freedom. The next biggest one -- we're the biggest one. The next one is Germany, is one-tenth of that number. So people know. They vote with their feet.

So we have no reason to doubt ourself the fundamentals. Our country is not perfect, there's a lot of inadequacies, but we constantly improve ourself. So I think that, first of all, we should have our self-confidence in ourselves. That's number one to start with.

And the Chinese Government takes advantage of that democratic discourse. And they always take one side of the discourse to maximize it as if this is basically 100 percent opinion. United States is always 50/50.

So, for example, the Chinese Government spokesperson always use -- take advantage of the tragic death of George Floyd, for example, to constantly talk about the American systemic racism, while the government itself is conducting genocide against its own minorities. Hundreds of millions of people were not free to even make a comment on those kind of things.

So that's why you see the narrative is rife. In the old days, we have a government information agency called the USIA. It centralized our effort to -- not propaganda. It's just basically to spread the ideas of American democracy. People will listen.

So I think, you know, we should really enhance our broadcasting service and our government information service. Just don't be shy about ourselves. That's what I'm saying.

Mr. <u>Newhouse.</u> Thank you.

Any thoughts from you, Mr. Garnaut or Ms. Wang?

Ms. <u>Wang.</u> I just wanted to really concur with Dr. Yu. I have friends who just recently arrived in America from China and they participated in some protest in Washington, D.C. I don't remember what protest it is. And he told me, I'm so inspired. I'm so empowered that you can just go to the street to voice whatever you think.

And just hearing this person who just arrived in America, and for the first time experienced a big protest, whatever the cause is. He just felt, you know, the sense of the rights you have, the sense of, you know, empowerment, sense of in a community of, you know, voicing an opinion so freely. You know, it touched him. And, you know, he instantly loved this country just because of this thing that he experienced.

So, you know, just to concur, Dr. Yu, you know, stay free. The biggest thing to

show to the Chinese people, you know, here is how we live. And this is appealing in itself, because I feel, you know, the desire for freedom is innate. It's in every individual on earth.

Mr. <u>Newhouse.</u> Thank you.

Chairman <u>Gallagher.</u> Freedom is the victor, as we say.

Mr. Auchincloss.

Mr. Auchincloss. Thank you, Mr. Chair.

It's clear that we have to be both on offense and defense in this information contest, and that the most urgent domain to play defense in is with TikTok, because freedom of speech is not the same thing as license of reach.

You can post whatever you want on TikTok, regardless of how obnoxious it is, without having to fear for reprisal from Congress, but that does not mean that individuals have a right to have their post viewed by 100 million people, or that the American body politic needs to allow a foreign adversary to control the algorithm that determines that reach. It seems clear that we need to have in place regulations to gain back control over this information technology.

To that end, Senator Warner has led a bipartisan effort in the Senate, with the support of the White House, to introduce legislation called the RESTRICT Act. And the RESTRICT Act puts in place a risk-based process at the Department of Commerce to identify and mitigate foreign threats to information and communications technology products and services, with his premise being that before TikTok it was Huawei or other ICT technologies that were the cause of concern for surveillance or information operations, and that instead of playing Whack-a-mole we need to always just have an agency and a process in place to determine if they have to be forcibly sold, or even banned.

I'd be interested for thoughts from any of you about whether the RESTRICT Act would be a good path forward, either now or in writing afterwards.

We can do it in writing afterwards then, but I would welcome thoughts from any or all of the three of you on that Act and that legislation in particular.

I want to turn now to going on offense, and I really want to echo, Dr. Yu, what you said. We have a great story to tell, and we need to move past this fashion of constant self-denunciation and recognize the inherent goodness and greatness of this country, and to tell a story of free speech, free enterprise, and representative government everywhere in the world.

I want to focus on three countries, in particular, that I think have outsize importance there, and I want to get your opinions on how you think we're doing in those three countries.

The first -- and I'll start with you, Mr. Garnaut -- would be Indonesia, which is a country that, my understanding is, the elites within Indonesia are relatively pro-CCP, and yet, that country a Muslim majority country. And it's surprising to me that they're so solidly in support of a country that is engaging in crimes against humanity of a Muslim minority population.

Talk to me about how we're doing with the American story in Indonesia.

Mr. <u>Garnaut.</u> I don't think it's a correct representation to say that Indonesian leaders are pro-CCP. They resisted, for example, signing up to the BRICS organization.

I think it's a mixed picture in Indonesia. And I detect a lot of pro-Beijing sentiment, but there's always a risk of co-option. And there's -- I think also, the Israel-Hamas conflict is very divisive in the Islamic world as well.

Mr. <u>Auchincloss.</u> How is the United States doing, in terms of supporting local news outlets, or otherwise, telling our story in Indonesia?

Mr. <u>Garnaut.</u> It's a little bit beyond my expertise, but I don't think that democratic governments anywhere are doing a good job of telling their stories in ways that are palatable to other countries.

Mr. <u>Auchincloss.</u> Ms. Wang, I would turn to you. You can touch on Indonesia if you'd like to, but also, if you could, Nigeria, which, by 2050, will be the third biggest country in the world, which has half of its population under the age of 18 and which is already a cultural dynamo for tech and media, and is sort of, to me, an open contest for information operations between CCP and the United States.

How are things going in Nigeria?

Ms. <u>Wang.</u> Thank you for mentioning Nigeria, because Freedom House's Beijing Global Media Influence project did an extensive survey in 30 countries. And among the 30 countries, 16 countries were identified under Beijing's influence we identified as high or very high. And I think Nigeria is one of the highest that is under Beijing's influence, which means that Beijing's disinformation campaign is quite effective there.

In terms of how the U.S. is doing in Indonesia, actually, you know, the -- our project, the Beijing Global Media Influence project was funded by State Department. So one of the things that under our project we did is to -- did in a study in Indonesia also support local Indonesia civil society journalists in their independent reporting.

So, I mean, our grant was from the State Department. So, I mean, the State Department, the U.S. Government is doing something to, you know, boost the civil society space, the independent journalism in those countries to counter Beijing's disinformation influence there. But, of course, I think the U.S. Government can do much more than it has been doing.

Mr. <u>Auchincloss.</u> I yield back.

Chairman Gallagher. Dr. Dunn.

Mr. <u>Dunn.</u> Thank you very much, Mr. Chairman.

I want to thank our illustrious panel for your service, informing the free world of this. Your expertise is very appreciated.

I'd like to begin with a brief conclusion found on the State Department's recently released special report entitled "How People's Republic of China Seeks to Reshape the Global Information Environment."

Part of the report concludes Beijing uses false or biased information to promote positive views of the PRC and the CCP, and the PRC -- this is in quotes -- "The PRC seeks to cultivate and uphold a global incentive structure that encourages foreign governments and foreign elites, journalists, and civil society to accept its preferred narratives and avoid criticizing any of the CCP's conduct."

We know the CCP leverages their three warfares. We've discussed that. Thank you for your clarity on that. Focusing on manipulating public opinion, legal warfare, and psychological warfare to gain economic leverage and international recognition.

Back in March, the E&C Committee, which I also sit on, invited Mr. Chew, the CEO of TikTok, to testify before us. I was troubled by Mr. Chew's boast of 150 million American users. And a very bipartisan group of congressional colleagues is working together to protect Americans from this Chinese-owned app.

Separate from the data breaches and privacy concerns we have with TikTok, the sheer volume of CCP propaganda and promotion of antidemocratic values fits squarely within the CCP's multipronged warfare strategy, and their content is relentlessly pro-CCP.

In fact, any TikTok data that is viewed, stored, or passes through China briefly is subject to the laws of the PRC. And their court system, of course, reports to and falls under the control of the CCP.

I asked Mr. Chew directly if TikTok was spying on Americans. And he first denied

it. Upon being confronted with proof of that, he attempted to redefine the word "spying." But we know that answer. And in fact, a 2021 report by Lithuania's National Cybersecurity Center outlines, you know, all the risks and problems with that. And it outlined how the privacy of European users are violated in clear cases of unauthorized collection of data.

Worse, Xiaomi phones, that's another one, sold to Europeans had a list of 449 words and phrases which would be automatically censored on their device. And these phrases included things like "long live Taiwan" and "democratic movement," the analysis conducted on devices which had been manufactured and sold to Europeans during Mr. Chew's time as the chief of operations for Xiaomi. Obviously, we wonder what TikTok is doing under the same leadership.

Mr. Garnaut, you succinctly warned of the influence of TikTok, citing how ByteDance's development journey followed Xi Jinping's offer to meticulously build an external discourse mechanism and utilize the role of existing emerging media, a quote from Xi himself said to -- this was told to a study session of China's politburo.

Can you expand on the risk of TikTok to the Western users? Mr. Garnaut.

Mr. <u>Garnaut.</u> I just couldn't hear the last part of your question. I'm sorry.

Mr. <u>Dunn.</u> Well, I was asking, you know, it's obviously TikTok -- can you just -- do you have a sound bite on how -- we have 40 seconds left. Do you have a sound bite on how TikTok is a risk to American users?

Mr. <u>Garnaut.</u> I think the primary risk of TikTok, controlled effectively by Beijing, is it can shape the narratives. It can elevate favorable opinions and suppress others in a way that could be decisive. It could influence public opinion at decisive moments in really important and dangerous ways.

Mr. Dunn. Thank you so much. You know, with 12 seconds left, let me just

take a moment to thank the expert witnesses that we have here tonight for courageously sharing your insights with us, and also, for your very cogent answers. You're an unusually erudite and polite group to work with, a productive group to work with. Thank you very much.

And, Mr. Chair, I yield back.

Chairman Gallagher. Thank you.

Mr. Torres.

Mr. Torres. Thank you, Mr. Chair.

When it comes to the struggle to win the hearts and minds of the international community, particularly the Global South, China seems to have a natural advantage over the United States.

China has an authoritarian message that resonates naturally with authoritarian regimes. China can easily tell those regimes, unlike the United States, we, the CCP, will never sit in judgment of you. America will come to you and give you a lecture. We will come to you and give you infrastructure.

And tragically, we live in a world where there are more autocracies than democracies, and those autocracies seem ideologically predisposed to buy what China is selling.

So, Mr. Garnaut, what can the U.S. do to overcome the appeal of China's autocratic messaging to autocratic regimes?

Mr. <u>Garnaut.</u> This is a real challenge, China's ability to co-opt elites. I think that is the fundamental problem here. And, in my view, the most important thing is to illuminate improper financial dealings and, to the extent that that's possible, to cut off the gray income flows to elites in countries where institutions are not robust.

If you cut off the bribery, then I think Beijing would be less popular in many

countries.

Mr. <u>Torres.</u> China is known for exercising both discourse power and economic coercion, and these two seem to be mutually reinforcing.

So take -- a recent example is Elon Musk, who owns and operates X, formerly known as Twitter, and who has considerable business interests in China.

In a recent interview with Andrew Ross Sorkin of The New York Times, Mr. Musk had colorful language for advertisers fleeing his social media platform X. Without quoting him verbatim, he essentially told his advertisers to go to hell.

Ms. Wang, do you think Musk would deliver the same kind of tough talk to the CCP?

Ms. <u>Wang.</u> Well, I mean, a good anecdote or evidence that he wouldn't is that, I mean, Elon Musk tweets constantly when he's in the U.S., right? But when he was visiting China earlier this year, he was completely silent for, I think, at least like a day or two when he was in China, because Twitter is banned in China. So he's apparently complying with Chinese laws, complying with Chinese practice of not accessing Twitter.

I mean, Elon Musk has, you know, publicly said he thinks that Taiwan should be part of China. So there are rhetorics that clearly shows, I mean, he ideologically aligns with the CCP. And also --

Mr. <u>Torres.</u> And Mr. Musk also said that he is committed to core socialist values. Do you think he is actually committed to core socialist values, or does he feel coerced by the economic and discourse power of the CCP?

Ms. <u>Wang.</u> Well, I think economics definitely, I mean, in the back of his mind, just because of the huge interests he has in China.

And, you know, I mean, a lot of companies have interests in the U.S., a Chinese company or American companies. But the American Government doesn't, you know,

coerce or leverage that for foreign companies' access to the U.S. Government. American Government doesn't even have the power to, you know, tie political goals to business access. But the Chinese Government can do that. So that's a very powerful tool to compel foreign companies to do that.

I mean, Elon Musk, you know, Tesla, China is Tesla's second market, and Tesla's Shanghai factory is the world's largest electric factory.

Mr. <u>Torres.</u> Dr. Yu, I found myself struck by the following statement in your testimony, quote, "The propagandists determined to undermine America's confidence are aided and abetted by our country's self-denunciation, from opinion-setting editorial boards to opinion-forming classrooms that only see vice in the world's oldest continuous democracy but ignore systemic and inherent goodness at its core." Eloquently put.

I share the view that there seems to be an American culture of self-loathing spreading virally on social media platforms and college campuses. And it's hard to imagine more compelling evidence of America's cultural self-loathing than the trending of Osama bin Laden's letter to America on TikTok.

Do you agree with that assessment?

Mr. <u>Yu.</u> I agree. I think, you know, one reason I said that -- the way you read it actually sounded much better than when I wrote it. Yeah. So let me put it this way --

Mr. <u>Torres.</u> I'm happy to read more.

Mr. <u>Yu.</u> When Americans criticize our government, that shows our sense of responsibility. We wish this country to be a more perfect union, right? That's what I think.

When the Chinese Communist Government criticizes us, they want us destroyed. Because it doesn't matter which party is in charge, Democrats or Republicans. It's not the policy per se. It's the very existence of the United States that could inspire the Chinese people. That's what they fear about most.

So that's why I think, you know, we should have self-confidence in ourselves and to believe the virtue of our democratic system is infinitely better than anything the Chinese Communist Party could offer.

Back to the question you were asking just a bit earlier, in 20 seconds, ultimately the Chinese model of governance will not prevail. You look at even Chinese-American companies, how many are going in? No. Yes, Elon Musk is there, but a majority of the companies are already getting out.

Showing up at the obsequious dinner in Silicon Valley for Xi Jinping are those people who already have their investment in China. But people who are not -- who did not show up are the CEOs of Google, Facebook, Microsoft, Media and AMD. Many companies didn't go there because they know China is not a very good environment for them to invest. As the Secretary of Commerce Raimondo said, China essentially is uninvestable.

Mr. <u>Torres.</u> Thank you.

Chairman Gallagher. Mr. Banks.

Mr. <u>Banks.</u> Dr. Yu, you played a leading role in the Trump administration's efforts to counter Communist China. I'm just curious, yes or no, do you think those efforts were motivated by anti-Chinese or anti-Asian racism of any sort?

Mr. Yu. Absolutely not.

Mr. <u>Banks.</u> I didn't think so either.

In 2020, I raised serious issues concerning Yu Ben Meng, then the chief investment officer of calPERS, America's largest State pension fund, for being a part of China's so-called Thousand Talents Espionage Program, and for having worked at a Chinese Government agency. I was immediately called a racist for calling attention to this issue. Historian Niall Ferguson, who I generally like and respect -- I've read a lot of what he's written -- claimed that I was trying to, quote, "have a go at a Chinese-born U.S. citizen."

Dan Primack of Axios said that I was engaged in a, quote, "red scare." The calPERS CEO called my letter a, quote, "racist attack on an Asian American." And then several other figures on Wall Street piled on and said similar things.

In 2015, Yu Ben Meng had said that, quote, "The opportunity to work for the motherland was a responsibility and honor unmatched by anything." He even admitted that, quote, "Of course, it empowers the Chinese regime to have the money flowing in from calPERS," the State pension program where he was the chief investment officer tasked with deciding where those investments go.

But apparently, you have to be a racist to suggest that this guy might not have America's best interests or the best interests of the Californian retirees whose pension funds he was investing, probably not have their best interests at heart.

I was proven right in the end. Meng had not only directed billions of Californian retirees' savings to businesses tied to the Chinese military, he soon resigned after a drawn-out investigation made clear that he had steered those investments toward Chinese companies that he held shares in.

A few months later, when a Democrat colleague and I introduced a resolution condemning the Chinese Government for its negligence in the COVID outbreak, progressives, like Congresswoman Judy Chu, immediately attacked us for putting Asian Americans, quote, "at risk."

So, Dr. Yu, my question is, the CCP obviously benefits from the false narrative which equates tough on China policies with anti-Asian racism.

Do you think that the CCP intentionally promotes that narrative, and doesn't it

play right into their hands?

Mr. <u>Yu.</u> Let me put it this way: There is a movement called anti-Asian hate in this country. I've been drafted to join in. I refused, because there are always ignorant people anywhere in the world. They have innate biases, because of education, because of their parochial view of the environment. So those are people everywhere universal.

But fundamentally, the fundamental system of this country, the people, the idea that this Republic was born with, that is, all men are created equal, create nothing but Asian love for people like my background.

For those people who call any Chinese American or any Asian American, any ethnic groups who aspire to be free and democratic some kind of, you know, Uncle Tom or some other bad names is absolutely racist itself, because it assumes that people from different background only care about their ethnic identity. There is no political aspiration to be free like every other human being. And that is really insulting to a lot of people.

Hundreds of millions of people in China do not think of themselves not just a Chinese person, not just like Tibetans or Uyghurs or other ethnic -- or other Christians. They think of themself as a person, as an individual. Every individual should have their innate right to be free and democratic.

So that's why I think those people who are very trigger-happy to label anybody who disagrees with them from a different background as some kind of a -- has some racial motivation is absolutely nonsense.

I can testify to you that I have many, many Asian-American friends that are on my side. They're just like everybody else.

Mr. <u>Banks.</u> In the few seconds that I have left, I mean, don't you believe that the CCP uses this strategy and effectively so, and even used it to shut down the very effective

Trump-era Department of Justice China initiative?

Mr. <u>Yu.</u> They use it very effectively, because they're aware of this fear of being labeled as being racist. Listen, there is nothing more racist than people who label other people as racist out of thin air.

Mr. Banks. Amen to that.

Thank you. I yield back.

Chairman Gallagher. Thank you.

Ms. Brown.

Ms. Brown. Thank you, Mr. Chairman.

The Communist Party use of disinformation on social media and other platforms is shaping and worsening divisions in American society. We have discussed in this committee how the CCP amplifies, creates, and distorts fake information to pump out to a broad domestic and global audience.

Of course, the CCP also uses disinformation to shape public perception and negative attitudes towards the United States and nations across the world.

Now, I want to turn to one specific avenue of disinformation the CCP has picked up and run with, particularly since October. Anti-Semitic conspiracy theories about Jewish people, Israel, and the American Jewish community.

To any of our witnesses on the panel, how much of a rise in anti-Semitic propaganda from the CCP have you seen targeted at the Chinese domestic population since Hamas' horrific attack in Israel?

Ms. <u>Wang.</u> Are we speaking in the social media inside the country or -- inside China, or in the U.S.?

Ms. Brown. Inside the U.S.

Ms. Wang. I haven't seen good studies in terms of, you know, whether the

Chinese Government is behind the rise of anti-Semitic content on TikTok.

It goes back to the -- you know, the recommendation I made earlier in terms of, you know, we can make it happen. We can have a law. Congress can pass a law to make, you know, social media companies disclose, you know, what kind of content they are promoting at the behest -- at the request of governments, including the Chinese Government.

Ms. Brown. In China?

Ms. <u>Wang.</u> Within China? Definitely. There -- I mean, this is an area of study. The Chinese Government definitely propagate anti-Semitic, anti-Israel rhetoric within the Chinese social media.

It is very clear since the October 7th attack by Hamas, just as there's a dramatic rise of anti-Semitic content on the Chinese social media. And Chinese state media is part of that. Chinese state media is a big reason why there's so much anti-Semitic rhetoric on Chinese social media.

Ms. <u>Brown.</u> Dr. Yu, I see you. Do you want to briefly chime in?

Mr. <u>Yu.</u> Yes. I think China is the regime that requires and demands, as a matter of fact, a unanimity of opinions. If the government decides this is the right opinion, then everybody has to follow it.

So that's why when Chinese Government refused to denounce Hamas, and that's it. So everybody would know if you are expressing a pro-Israeli position, you'll be punished. As a matter of fact, that's exactly what happened. So now it's very dangerous to be pro-Israel inside China without suffering some kind of a punishment. So that's the climate of the environment.

But I think, you know, I think, of course, government is -- the reason why China chose this moment to take decisively an anti-Israel position is because China regards

Israel as a close ally of the West in the Middle East region.

So that's basically the trigger. Of course, there's also other reasons that can date all the way back to Karl Marx's anti-Semitism, about which I wrote an article recently. So I will be happy to share later.

Ms. <u>Brown.</u> Mr. Garnaut.

Mr. <u>Garnaut.</u> Just a general comment that -- reinforcing my colleagues here. Chinese state media has been strongly one-sided against Israel in its coverage from the beginning of this crisis.

Ms. <u>Brown.</u> Okay. Thank you. As we, unfortunately, know all too well, online disinformation leads to dangerous conditions for American Jews at synagogues, community centers, and on college campuses.

As our American Jewish community and other communities, like the Muslim and Palestinian populations in the U.S. face a rise in hate crimes and attacks since October, I urge this specific point to be a top priority for us all.

We cannot allow foreign actors, including Iran, Russia, and the Chinese Government to inject anti-Semitism or any other hate into American discourse.

Mr. Chairman, I ask unanimous consent to enter into the record a statement from Amanda Bennett, CEO of the U.S. Agency for Global Media, which emphasizes these very critical points.

Chairman <u>Gallagher.</u> Without objection, it will be entered in the record. [The information follows:]

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

Ms. <u>Brown.</u> Thank you, Mr. Chairman. And with that, I yield back. Chairman Gallagher. Thank you.

Mr. Johnson.

Mr. Johnson. I'll start with TikTok. It seems to me that all of the evidence and all of the testimony and all of the data we have heard about TikTok tonight makes it very clear that this is nothing more than a terrible and toxic piece of CCP malware that is a conduit for propaganda. And I would just ask anybody out there who still has it on their phone to take it off.

Secondly, I guess I would turn to you, Dr. Yu. I really liked in your testimony as you talked about discourse dominance, really policing speech, because that is clearly what the CCP attempts to do not just in China but globally.

Unfortunately, it seems to me that one arena where they have been pretty successful is with multilateral organizations. In 2018, as you well know, they successfully proposed what is now ridiculously called the win-win approach, whereby countries guilty of human rights abuses aren't held accountable, but rather, there's a commitment to dialogue.

This is very transparently an attempt to reduce scrutiny over the Chinese Government's human rights abuses. And since then, it seems like there are all kinds of ways in which the United Nations and other multilateral organizations don't hold China accountable. And China works hard to make sure that they are not held accountable.

So Dr. Yu, give us some sense. Am I wrong about that? Is this, indeed, a legitimate threat?

Mr. <u>Yu.</u> Well, Congressman, thank you for the question. And I think you know the dialogue, you know, of win-win. Those were code words from the Chinese

Government which mean totally different things.

They are a very soothing word that we hear, then feel like good about the Chinese, the word is "rational." That's why I have this big problem with the word "competition" with China, because competition means two things: one, competing. Like all races, you have one winner, right? You cannot have two winners. That's not competition, right? So that's why the win-win is just nonsense. It doesn't exist.

And most importantly, because China frames this U.S.-China engagement in the overall context of an epic struggle of you die or I live. Therefore, it would be unimaginable for them to accept losing. They must win, because this is about the regime's survival, right?

So that's why win-win is just an illusion. So that's why competition is not really -- another thing is competition assumes both sides are competitors competing by the same sets of rules. China doesn't follow rules. So this is all sort of a massage of the semantic words.

Mr. Johnson. So what are we to do about it? I think Jake Auchincloss and I take turns every other meeting with one of us talking about how, you know, if we are pulling back a little bit from engagement with the Chinese Communist Party, that doesn't mean that we should go toward isolationism. Instead, it should mean that we pull our allies in the Global South ever yet closer.

Mr. <u>Yu.</u> Yeah.

Mr. Johnson. It seems to me that those coalitions at the United Nations and elsewhere can be an incredible American asset, but -- so what do we do at these multilateral organizations at the U.N. where the do-gooders just refuse to hold China accountable?

Mr. Yu. All things boil down to the Leninist question, what is to be done?

Because you ask the question, right? Many ways. I think we talk a lot about the TikTok and other malign devices and actions. We feel we have a sense of helplessness. That's because our systems are fundamentally incompatible with the Chinese system.

We cannot ban legally an app from the Chinese Communist Party which everybody agrees is very, very bad. That's because the Trump administration did issue ban, the executive order banning WeChat and TikTok. Within weeks, it was overturned by a court in California.

So unless we change the legal framework, place national security above normal business things, Congress has a lot of work to do to frame that in the overall context of national security, the way we did it in 1947, right, with the National Security Act to combat the existential threat coming from the Soviet Union.

And this issue is going to continue. We're going to talk, maybe a year from now we'll still be talking about TikTok. So that's the problem. We have to do something that's more comprehensive. And the same way we have to do with the multilateral organization, because the United States is just one part of the multilateral organization, but we're the leader.

RPTR DETLOFF

EDTR ZAMORA

[9:23 p.m.]

Mr. Johnson. This discourse power is real. This propaganda is real. And with that, Mr. Chairman, I will yield back.

Chairman <u>Gallagher.</u> Don't forget soybean power, Mr. Johnson. Sorry. Ms. Stevens.

Ms. <u>Stevens.</u> Thank you, Mr. Chair.

This is such an important hearing to expose and discuss CCP propaganda here in the United States of America. I want to thank you all for your testimonies and answering of tonight's questions.

I want to dig at a little bit more of the why and particularly around the why the cost. So why is the CCP investing in propaganda in the United States? And that's not a naive question. Is it economics? Is it political disruption? Is it greater influence? What is the end goal?

And based on some of what was written here for tonight, what is our understanding of how far the CCP is willing to take this propaganda machine that they are perpetrating and putting down here in the United States of America? If we have a sense of the dollars or the types of investments.

Because we know -- and I speak to you as a Member of Congress representing Michigan -- we've got a whole heck of a lot of other things that we are reckoning with when it comes to the CCP. We are reckoning with unfair trade practices. We are reckoning with a trade imbalance, a trade deficit, illegal dumping, currency manipulation, IP theft and whatnot. Why propaganda? Why are they going this way, and what are they getting out of it? And I can tell Dr. Yu is just chomping at the bit to answer the question.

Mr. <u>Yu.</u> No, I was just being amazed by the complexity and the sophistication of your question.

So here's the thing. Very simple. United States is the most consequential country in the world. You like it or not, we actually can make a lot of things happen.

Number one, not only because we're economically strong, not only because we're military strong, but also, we have a huge global alliance. The alliance -- our major allies in the world. Particularly, our major allies are all around China's periphery: South Korea, Japan, Philippines, India. You name it, right? Australia. And China has huge, uncompromising territorial dispute with every one of them.

So that's why we are so important to them. If they can talk us in to follow their orbit, then their problem in the region is solved.

Ms. <u>Stevens.</u> We are a private sector company.

Mr. Yu. Exactly. We are a company. We are the largest investor to China. But it's important for the regime's survival for economic development. So everything we do, we do it in the big country way, and that has a global impact, particularly impact on China.

And the U.S. dollar is also very important. That's why they want to change the system. But before they change the system, they have to change our hearts and minds, particularly our leadership's willingness to resist.

Ms. <u>Stevens.</u> How are we acquiescing to a nation that commits genocide?

You know, we've got a chairman of this committee, a ranking member of this committee who've, you know, brought private sector partners to the table, and it's blind eye, blind eye. We attempt to put up the guardrails here.

And I appreciate that your response wasn't sarcasm, because a lot of times we

view propaganda through the lens of history, and it looks much more simplistic. And we here in America really, you know, uphold the standards of individual freedom and whatnot, but these are broader social mechanisms of which I very much appreciate our conversation here tonight.

But the other point I'd like to make with my remaining time is around data privacy and third parties. You know, obviously, we don't have the data privacy legislation that we need to be successful, but it's these third-party brokers that are now getting access to our data that are also helping to inform decisions, particularly if that third-party broker is from the CCP.

And so how can we install guardrails in industry applications who have AI or other data analytics to make sure that it's not being transferred directly back to CCP-controlled servers that, through data brokers or data-sharing requirements, are, you know, just benefiting Chinese companies?

With 30 seconds, Ms. Wang?

Ms. <u>Wang.</u> I think we can have law to restrain transnational data transfer. I think this is something that can be done. The other is to enforce, implement data minimization on social media companies. If the social media companies can't collect the data in the first place, then they can't sell the data.

So I think these are two, you know, ways to address the issue.

Ms. <u>Stevens.</u> Great. Thank you.

I yield back.

Chairman <u>Gallagher.</u> Mr. Gimenez.

Oh, I have you here. Were you here at the -- okay.

Mrs. Steel.

You're a gentleman, Mr. Gimenez.

Mrs. <u>Steel.</u> Thank you, Mr. Chairman. And thank you for having these hearings because I'm learning so much from each hearing and each witness coming out.

And CCP censorship and disinformation is dangerous to Chinese citizens and democracy. It is alarming and disheartening to hear about Chairman Xi's technical and propaganda campaign against his own people.

I'm not going to read my introduction, but I want to just go straight to the question.

Ms. Wang, you have been talking about the more transparency for data related to social media, and then you said that we need a transparency law. United States is very transparent. The problem is CCP. So how and what kind of transparency law is going to be really helpful?

Ms. <u>Wang.</u> I mean, I would say, one, you know, you can have a law to force TikTok to be transparent about what kind of information it's promoting, it's censoring, it's suppressing, especially if those kind of actions are taken in response to a foreign government's request. So that's a very clear example. If there's a law says that you have to do that, then TikTok has to disclose that information. Then we all know we can discuss based on that kind of information. You know, that's just one example.

Mrs. <u>Steel.</u> We can do that, but they are not really releasing it, because we have a lot of problems, just universities. UC Berkeley received \$220 million from CCP and never reported it.

So my bill is coming up next week. But, you know, not just that. For all the ports, same thing too. They are controlling our trains and they are controlling data tracking systems. And they are doing it -- no matter what kind of law that we create here, it's very tough to CCP to respond. And we don't have any problem with Chinese people. We have a problem with the CCP.

So, you know, we really have to study a little more about that. So you know what? Like, I keep thinking about it, that how can we have them to become transparent? Because nothing's transparent, you know, about CCP. And not only that, they are just investing so much. They are the one building all these infrastructures, Africa. And how about Indo-Pacific region and all these poor countries? We are talking about Indonesia, Malaysia, and other countries, and at the same time, you know, South America. But they are the one building it, and these countries cannot pay for it. Then they are the one controlling it.

So it's very important that we work together, our allies, and, you know, we can go out there, that, you know, stand up to actually the CCP.

So, Mr. Garnaut, your comments on Taiwan, although not surprising, cannot be ignored. You stated that Chairman Xi is working to position the U.S. as the aggressor should the CCP invade Taiwan. They are ready to do it in 2027.

How will they use misinformation to achieve this goal, and who will be used as a pawn in the CCP's plan to invade Taiwan, and what do we need to know to prevent these actions?

Mr. <u>Garnaut.</u> I think the first job is to read the signals clearly that are coming out of China to hear and understand and read Xi Jinping's words in context and understand what he is saying.

I think that, often, the Chinese Communist Party is most effective in shaping narratives not necessarily by what it promotes, but what it suppresses and its ability to impose a cost on people who want to talk about these problems and challenges. So I think one of the most important things that can be done is to shine, you know, a light to support people who, like my colleagues here are, you know, courageously taking risks to talk about these challenges, and to do a much better job of caring, learning, focusing, paying attention, and understanding the historical context and the political context with -- for how China is speaking so you don't get caught in these discourse traps.

Mrs. <u>Steel.</u> Thank you, Mr. Chairman. I have a question to Dr. Yu, but I'm going to just submit as a written request.

Chairman Gallagher. Okay. Thank you.

Mr. Gimenez, the true gentleman.

Mr. <u>Gimenez.</u> Thank you, Mr. Chairman.

Ms. Wang, I'm going to say three words: incessant, pervasive, relentless. Can they describe the CCP's activities here in the United States and elsewhere around the world when it comes to trying to mold the minds and opinions of young people in the United States and around the world?

Ms. <u>Wang.</u> I would say they are pervasive and relentless, but not necessarily incisive, because sometimes I don't -- oftentimes, I don't think they do a very good job just because the system is rigid.

Mr. <u>Gimenez.</u> I said incessant. Incessant.

Ms. <u>Wang.</u> Yes. Yeah, yeah. That, I agree, that they have been doing disinformation across the globe, and they're investing more money into global disinformation campaign, and they have become more -- you know, they're doing more in more languages, targeting an audience in different geographies. And also, they are, you know, reinventing new ways of doing disinformation, such as -- including the use of AI of creating, you know, disinformation campaign, including the use of foreign social media influencers. You know, the TikTok influencers, Instagram influencers.

So they are creating -- having creative ways of doing the disinformation for sure.

Mr. <u>Gimenez.</u> Look, it appears that they're having pretty good luck. If the correlation between their activities -- if you look at what the general populations -- and

the question is, in general, in the conflict between Hamas and Israel, do you side with the Hamas or Israel -- when you look at 18- to 24-year-olds, it's 52-48. When you look at folks my age, it's 95-5. When you look at people 25-34, it's 71-29, and it keeps going down until you get to people my age where it's like 95-5.

I find it alarming to think that young people actually would side with Hamas on the conflict between Israel and Hamas. But to me, that's an indication that what they're doing is working.

There's also one other word that I'm going to use, is "subtle." And when I was a young boy in Cuba under a communist regime, I was being indoctrinated subtly, but I was being indoctrinated. I had to wear a little red and black armband. I had a coloring book and a stamp book of the revolution where I would have to get all these things and get rewarded.

And the reason I'm here is because my -- I asked my father once the question of whether -- you know, who was better, the United States or the Soviet Union, and they were teaching me in school it was the Soviet Union. And he said, oh, yeah? Okay. A month later, we were here in the United States. And so it's also subtle.

And it goes beyond that too. Even in movies, there's a subtle message. In the movie "The Martian," he's stuck in Mars. The U.S. sends up a rocket to try to, you know, supply him, you know, until the next Martian mission. That blows up. It just so happens that the CCP has a spare rocket, okay? And they're the ones that send the rocket up to save, you know, the American, making them the good guys.

In the movie "2012," the ships that were built to save mankind were built, you know, by the CCP in China. And so all that is subtle messaging that they're good. It's okay, that the CCP is fine.

Mr. Yu, you said that Amazon, two-thirds of their vendors are actually from China.

Is that correct?

Mr. <u>Yu.</u> That's correct.

Mr. <u>Gimenez.</u> Did you know that when you buy from Amazon -- you have the faintest idea where that product's coming from?

Mr. <u>Yu.</u> In most cases, you can figure it out if you have alertness.

Mr. <u>Gimenez.</u> Not really, though. You really can't. If you're a normal buyer from Amazon, you can't tell where that product is coming from or where --

Mr. <u>Yu.</u> Generally, I agree with you, yes.

Mr. <u>Gimenez.</u> Okay. So that's why, you know, we'll be introducing some legislation to correct that.

Mr. Yu. I would hope so.

Mr. <u>Gimenez.</u> Good. It's called the Country of Origin Labeling Act, and that all online vendors have to tell you where that product comes from. Not to say it has to be banned, but at least you know where that product is coming from.

Mr. <u>Yu.</u> Congressman, there's also enormous amount of economic crimes committed by many of the sellers in China against Amazon, by the way. They fake their reviews to gain an advantage. They stole Amazon's corporate data, right? So they dominate -- I'm not saying it's criminal, but they dominated some of the key home security devices. Internet router and WiFi extender. You cannot buy anything but those made in China. And then many of the WiFi have a factory-set passcode. So in other words, they have access somewhere in Fujeng (ph) and Guangdong to want to come in your house. So that is a massive data collection risk. Congress must address that.

And because commerce servers are in the United States, so the Chinese do not feel very safe. So now they created this thing called Temu and Shein to basically try to

squeeze Amazon out of the huge market share. And the Congress also should look into that. I believe this committee actually looked into that at some point.

Those are very dangerous. They want to not only dominate the information space, but also e-commerce space. And there's also a lot of tax evasion because of the distance, because of the nature of the e-commerce. So I really urge Congress will look into this issue seriously.

Mr. <u>Gimenez.</u> Thank you. And my time is up.

Mr. Chairman, I would hope that -- we've been talking a lot about TikTok.

Chairman Gallagher. Yeah.

Mr. <u>Gimenez.</u> -- that we have our own internal -- some kind of hearing just on TikTok. What are we going to recommend to Congress that we do about TikTok? I've heard enough that TikTok is a malevolent influence on our country, and I hope that we could come up with a recommendation for Congress to pass some legislation. Thank you.

Chairman <u>Gallagher.</u> I share that hope. Thank you.

Mr. LaHood.

Mr. <u>LaHood.</u> Thank you, Mr. Chairman.

I do want to talk about the CCP's digital policy and the troubling nature of that. Before I do that, the title of tonight's hearing is, "Discourse Power: The CCP's Strategy to Shape the Global Information Space." And when I -- I look at a few things.

China borders roughly 17 different countries. They don't have a good relationship with any of those 17. They live in -- China's a surveillance state. They have no natural allies. No one wants to immigrate to China. They are really untrustworthy in many different ways.

So when I think about -- that seems like a strategy or a recipe for failure in them

shaping the global information space. So how am I wrong about that?

Mr. Yu?

Mr. <u>Yu.</u> Thank you, Congressman. You're not wrong about that. But you have to understand that the -- that's why one of the most important -- the national policy of China is the leverage and dependency.

China recognizes its unpopularity. I mean, they know it at the highest level. Therefore, they want to create a global dependency on China economically and tradewise and also, most importantly, technologically. So they want to dominate those areas so you have to really rely on China for those kind of things, even though you don't like it, but you have no other choice.

I think deep inside, a lot of businessmen in the U.S., they don't like the way how China handles foreign companies. But, you know, all international capital goes after cheap labor, right. There's a lot of market as well. It's always temptation.

So China always represents a possibility. The reality is terrible. So that's why they hook you on that, and then you cannot really get out. So that's why I think there is a beguiling part of the Chinese national policy.

Despite the obvious fact, as you said very correctly, China is not an appealing country. No one wants to go there. But if you want to make a -- you know, Wild West was terrible. Gunshots, you know, all kinds of other bad things, but it's very attractive to a lot of people. So that's -- maybe it's not a very apt comparison, but it is very much similar because certain people like that.

But the more and more people in the country -- in the world realize it, that actually is not ultimately going to be the solution. The more China engages with certain countries, China will become less popular in those countries. Look at the EU. Look at China's peripheries. Those countries are dealing with China most frequently. So China's popularity in those countries, very low. China's unpopularity ratings in Japan, South Korea, Vietnam, Taiwan, India, and Australia is in the middle to upper 80 percent, right? In the United States right now, it is 83 percent unfavorable. So China's not really appealing country.

But a lot of cars are made in China. A lot of cheap goods were made in China, sold to us through Amazon, through Temu, through Shein. So therefore, there is that kind of contradiction of the economy there.

Mr. <u>LaHood.</u> Go ahead, Mr. Garnaut.

Mr. <u>Garnaut.</u> I'll just point back to the end of 2012 when Xi Jinping came to power, just so we don't underestimate his capabilities and the system's capabilities.

You know, I was in Beijing talking to people who were around him, and I was aware that there was, you know, a group of powerful people in China who wanted to take China down the sort of course that it's gone down since, and it seemed almost unimaginable that it could succeed at that point.

We've had 20 years of weak leaders with no single leader being able to confidently control the military. Corruption was everywhere. The internet seemed to be kind of extending people's knowledge boundaries. People were traveling abroad.

Within a few years, Xi Jinping did what seemed to be unimaginable and turned and bent the internet from an agent of freedom, an opportunity, to the opposite.

So my point is just, I wouldn't underestimate Xi Jinping's China's capabilities to pursue its objectives because there is a single-minded commitment that he thinks the rest of the world lacks.

Mr. LaHood. But do you think, long term, that's a recipe for success?

Mr. <u>Garnaut.</u> How do we define success? Like, it's been a recipe so far for accumulating power.

Mr. LaHood. Ms. Wang, do you have any comments?

Ms. <u>Wang.</u> I think it's appealing to other authoritarian governments. They want to be China. They aspire to be China. But China is not appealing to a lot of people, you know, in countries like Africa or in countries in Latin America, but it's appealing to the dictators that rule over the people.

Mr. <u>LaHood.</u> Thank you.

I yield back.

Chairman <u>Gallagher.</u> Mr. LaHood's line of questioning and Mr. Garnaut's point reminds me of something that President Clinton said at the time he was arguing for WTO accession for China, which is along the lines of, good luck trying to keep the internet out of China. It would be like nailing Jell-O to a wall.

We kind of figured out how to nail Jell-O to a wall with a party-sanitized and controlled internet and digital ecosystem.

Well, first of all, thank you to our witnesses whose written and oral testimony and response to questions was fantastic, and I learned a ton over the course of the last 2.5 hours.

I want to foot-stomp something that Dr. Yu said. Correct me if I got this wrong. But you said the most powerful person in China is not Xi Jinping. It's the visa officer at the U.S. consulate because everybody wants to come to the United States.

And I think that's -- evinces something that Reagan said to the British Parliament in addressing the Soviet Union, which is that one of the simple but overwhelming facts of our time is that, of all the millions of refugees we've seen in the modern world, their flight is always away from -- not toward -- the communist world.

Today, on the NATO line, our military forces faced east to prevent a possible invasion, but on the other side of the line, the Soviet forces also faced east to prevent

their people from leaving.

So it should remind us, even when we're dealing with very complex and difficult issues, that on this battlefield, smokeless or otherwise, we have advantages. We are the good guys. And so thank you to our witnesses for reminding us of that fact.

Questions for the record are due 1 week from today, on December 7. And without objection, the committee hearing is adjourned.

[The information follows:]

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

[Whereupon, at 9:47 p.m., the committee was adjourned.]