



U.S.-CHINA ECONOMIC AND SECURITY
REVIEW COMMISSION

**Hearing on
“China’s Propaganda and Influence Operations,
Its Intelligence Activities that Target the United States,
and the Resulting Impacts on U.S. National Security”**

**Thursday, April 30th, 2009
Room 485, Russell Senate Office Building**

Opening Statement of Commissioner Peter Brookes

Thanks for that introduction, Bill. Good morning, everyone. The topics of today's hearing have been made all the more relevant and timely by a series of recent media revelations related to the Chinese government's employment of propaganda, espionage, and cyber espionage in its relations with the United States. Earlier this year, media reports emerged that the Chinese government plans to spend an estimated 45 billion *renminbi*, or approximately 6.6 billion U.S. dollars, to upgrade its foreign language news coverage, to include plans for a 24-hour English-language news network that would present world affairs from the viewpoint of Beijing. While it is the right of every government to seek to peacefully promote its views to international audiences, it is also prudent to examine the effects that such increased propaganda efforts could have on U.S.-China relations.

Even more striking, however, and of greater concern, have been recent revelations of alleged Chinese espionage within the United States. In just one such example among many others, earlier this month the owner of a firm in Newport News, Virginia was sentenced for illegally exporting to China technical data related to systems components for space launch vehicles. This has been followed by alleged hacker penetrations into defense contractor computer systems related to development of the F-35 fighter aircraft, as well as alleged probes of the computer networks that control electrical grids within the United States. While public identification of the hackers in these instances has not been conclusive, the electronic trails in both instances have reportedly led back to China. Whether coming in human or electronic form, such espionage is of serious concern to both the national security and the future economic security of our country, and we at the Commission hope that our efforts this year will help to further clarify these complex issues for both the Congress and the broader public.

With that, I'll turn the floor over to our first witnesses. Our first panel will deal with “China’s External Propaganda Efforts,” and our first speaker will be Dr. Nicholas Cull of the University of Southern California...

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