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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”

Let me begin by stating the obvious. The People’s Republic of China is neither the people’s nor is it a republic. The PRC is an oppressive totalitarian police state that is governed by the Communist Party that allows less than five percent of the population to become members. The Chinese Communist Party has become, in effect, China’s new royalty whose primary goal is to retain power.

As the growing awareness of the threat posed by China gains, hopefully, some momentum, I suspect, even this Commission is divided as to where the major emphasis of our attentions should be. There is the pervasive violation of human rights and civil liberties of its own people, there is the oppressive occupation of Tibet, there are the repeated violations of copyright and other trade and economic related matters and there is the daily deluge of cyber attacks targeting the infrastructure of our national security. The Chinese make political mischief for our nation at every opportunity and there is the massive attempt to obtain, by any means, this nation’s technology. Regardless of one’s emphasis, there is enough reason for worry that should be of concern for all of us. There is no doubt the Chinese view the United States as its number one adversary. The totality of the threat by the Chinese is the greatest threat to our national security that we face today.

From the standpoint of this panel’s portion of these hearings, “China’s Espionage and Intelligence Operations Directed at the United States,” we should note that never has this country faced such massive attacks, on virtually all fronts, from a single country as China does right now. But, from the standpoint of the human aspects of that effort, there is a clear distinction from past and present adversaries, that is, the Chinese almost total dependence on those of a like ethnicity to accomplish their goals. Further, not all Chinese spies steal technology and not all restricted technology acquired by the PRC is stolen by intelligence officers. Indeed, if one looks those investigations that have been in the public eye, the two most prominent cases where there is little doubt there was a PRC intelligence service presence, Larry Wu Tai Chin and Katrina Leung, neither of those cases involved the acquisition of technology. Conversely, if one looks at a number of other high profile investigations such as Wen Ho Lee, Peter Lee, Min Guo Bao, etc., which involved highly classified technologies, there is no apparent PRC intelligence service presence. And this even applies to Chi Mak, where government and media assertions that he was a long-time intelligence operative are less than clear to me.

This simply serves to confuse the whole issue. One may ask something of an academic question, “Is it truly an intelligence operation in the absence of the presence of an intelligence service?” Often times it is practically impossible to determine if an activity is truly being run by the PRC’s intelligence services, or is this being run by academic or even, business interests. The old saying that if it “...walks like a duck, quacks like a duck and looks like a duck, then it’s probably a duck,” doesn’t apply to Chinese operations. Further, I’m still convinced that the Chinese collection effort remains largely decentralized, even after the implementation of its

highly touted “863 Program,” with little coordination between the military and civilian intelligence agencies, academic institutions and increasingly, business interests where there is as much a tendency to compete as there is to cooperate. But while in the past I’ve opined that the Chinese have been much better at collecting information than putting it to use, I get the impression that they have improved considerably in their ability to implement their ill-gotten technology into weapons systems by making use, for instance, of dual use technologies that can have both civilian and military applications.

The primary goal of the Chinese intelligence and security services is to ensure the Chinese Communist Party remains in power. That applies to both the civilian intelligence agencies, the Ministry of Public Security, the *Gonganbu* as well as the Ministry of State Security, the *Guojia Anquanbu*. This is one of the enduring characteristics of Communism in general and certainly applies to the Chinese. As a result, these services are given status and privileges, far beyond their counterparts in the West. They are also given immense power and they are the single most feared part of Chinese society. Unlike the People’s Liberation Army, where conscripts are an integral part of its ranks, the ranks of the MPS and the MSS are much more select and it is within their own self interest to ensure that the CCP remains in power. It is these services, and especially the MSS, that are at the forefront of the espionage and intelligence operations within the US, an arrogant, confident and freewheeling service which can have no doubt that they have the complete confidence of the CCP’s leadership.

My experience is that there is, often times, little specific targeting of information or technology by the Chinese, but instead, they take the approach that just get the information to us and we will sort it out later. But there is an almost total dependence on Chinese-Americans to accomplish their technological acquisition effort. The Chinese don’t just hope that Chinese-Americans, the “Overseas Chinese” from their standpoint, will aid in their effort, they don’t just expect that this will occur, they simply assume that all ethnic Chinese will be of service to mother China. The Chinese can’t envision that an ethnic Chinese could have loyalties to any other country but their own. They are, after all, Chinese!

Their considerable successes have largely centered about first generation Chinese-Americans who were born in China, made their way to the United States, but who have retained a strong cultural identity and family ties to their homeland. The Chinese have been largely unsuccessful in gaining the support of second generation, and beyond, Chinese-Americans, many of whom even reject their Chinese language and culture and are more interested in becoming fully Americanized without divided loyalties.

But we, as a country, make it relatively easy for the Chinese. We allow them to purchase our companies, to send literally thousands of their students to study in this country in all disciplines, delegations have almost a free rein in traveling about the country and politically, we haven’t shown any political will to punish the Chinese for their frequent violations and activities, i.e. the Hainan Island incident, undervaluation of their currency, the harassment of our ships in international waters, the sudden cancellation of ship visits to Hong Kong, etc. Our approach, even including Tiananmen Square, was to get the incident out of the news as quickly as possible. I believe it’s time for this country to practice a stricter reciprocity in dealing with the PRC. And while we, as a country, look at long term goals as the next election cycle, the Chinese have no such obstacles in planning for the future. They will simply stay the course and grind away, eventually expecting to wear you down until they obtain whatever goal they were seeking.

I look forward to our discussion.

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