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6 THE UKRAINE CRISIS: IMPLICATIONS FOR U.S.

7 POLICY IN THE INDO-PACIFIC

8 Thursday, May 19, 2022

9 House of Representatives,

10 Subcommittee on Asia, the Pacific,

11 Central Asia and Nonproliferation

12 Committee on Foreign Affairs,

13 Washington, D.C.

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17 The subcommittee met, pursuant to call, at 8:16 a.m., in
18 Room 2172 Rayburn House Office Building, Hon. Ami Bera [chairman
19 of the subcommittee] presiding.

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22 Mr. Bera. The Subcommittee on Asia, the Pacific, Central
23 Asia, and Nonproliferation will come to order.

24 Without objection, the chair is authorized to declare a
25 recess of the committee at any point. And all members will have
26 5 days to submit statements, extraneous materials, and questions
27 for the record, subject to the length limitation in the rules.

28 To insert something into the record, please have your staff
29 email to the previously-mentioned address, or contact the full
30 committee staff.

31 Please keep your video function on at all times, even when
32 you are not recognized by the chair. Members are responsible
33 for muting and un-muting themselves. And please remember to mute
34 yourself after you finish speaking.

35 Consistent with remote committee proceedings of H. Res. 8,
36 staff will only mute members and witnesses, as appropriate, when
37 they are not under recognition, to eliminate background noise.

38 I see that we have a quorum and will now recognize myself
39 for opening remarks.

40 First off, I want to acknowledge that we had a late night
41 of voting last night, so members may be a little bit groggy this
42 morning. But I want, I do want to thank our witnesses and members
43 of the public for joining today's hearing on this important topic.

44 Obviously, as we look at Vladimir Putin's illegal invasion
45 of Ukraine, it is a stark reminder of the threats that a single

46 individual can pose when unchecked in making decisions. And as
47 we think about, you know, the analogies of the Putin invasion
48 of Ukraine, you know, with my jurisdiction, our jurisdiction over
49 the Indo-Pacific, it certainly gives us pause as we think about
50 some of the autocratic regimes in our region, particularly Xi
51 Jinping's PRC. And the analogies are pretty dramatic.

52 You know, we spend a lot of time thinking about who are the
53 influencers around Xi Jinping, who are folks that provide him
54 information, et cetera, much in the say that, you know, we are,
55 you know, thinking about who are the influencers around Vladimir
56 Putin. And I think that is why this, this hearing is so important
57 right now.

58 Especially, you know, having traveled to Ukraine in February
59 of this year, you know, having spent the first months of this
60 year, as well as last fall, with the Administration thinking about
61 how we could deter any missteps by Vladimir Putin's Russia. We
62 also spend the same time thinking about, you know, how do we deter
63 Beijing and Xi Jinping from making a misstep.

64 We also are spending a lot of time thinking about what is
65 China learning from, you know, the Russian invasion. Lots of
66 different analogies when we think about, you know, the economic
67 consequences to Russia. It was relatively easy for the United
68 States, as well as our allies, to disinvest from the Russian
69 economy. When we think about that in terms of Beijing and the

70 PRC, might not be quite as easy to disinvest and do that.

71 We have learned lessons: the importance of multilateral
72 coalitions. And I commend the Biden administration for the work
73 that they have done, you know, from the early days of the
74 Administration restoring U.S. leadership in NATO, restoring our
75 relationships with our European allies. Had that work not been
76 done, it may not have been as easy to put together a multilateral
77 coalition.

78 I also want to commend our Indo-Pacific allies and partners
79 in their response to the -- to Putin's invasion of Ukraine. They
80 have been steadfast, you know, whether it is the Republic of Korea,
81 Japan, Australia, other democracies in the Indo-Pacific region
82 really have stood together.

83 I think that emphasizes, as President Biden travels to the
84 region for meeting with President Yoon in Korea, as well as the
85 Quad meetings that will take place in Japan, again emphasizes
86 the importance of multilateral relationships, whether it is the
87 Quad, Quad Plus, or other relationships.

88 Just, again, reemphasizing how important this is.

89 So, with that, let me keep my comments short. I know that
90 Mr. Chabot will be joining us fairly soon. And we have a great
91 group of witnesses. So, let me go and introduce the witnesses
92 right now. And, you know, again, we want to thank you for being
93 here.

94 First we have Dr. Tanvi Madan, Director of The India Project
95 and Senior Fellow in the Foreign Policy Program at the Brookings
96 Institution. Her work explores India's role in the world and
97 its foreign policy, focusing in particular on India's relations
98 with China and the United States.

99 Next is Charles Edel, the inaugural Australian Chair and
100 Senior Advisor for the Center for Strategic and International
101 Studies. He spent 3, 3.5 years in Australia teaching at the
102 University of Sydney, and was previously a professor of strategy
103 and policy at the U.S. Naval War College. He also served on the
104 Secretary of State's Policy Planning staff from 2015 to 2017,
105 during which he advised on security and political issues in the
106 Indo-Pacific.

107 Our next witness will be Dr. Bonny Lin, the Director of the
108 China Power Project, and Senior Fellow for Asian Security at CSIS.

109 She was previously a political scientist at the RAND Corporation,
110 where she analyzed different aspects of the U.S.-China
111 competition and China's use of gray zone tactics. She also served
112 as Director for Taiwan, as well as Country Director and Senior
113 Advisor for China in the Office of the Secretary of Defense from
114 2015 to 2018.

115 Last we have Dr. Blumenthal, Mr. Daniel Blumenthal, Director
116 of Asian Studies at the American Enterprise Institute, where he
117 focuses on East Asian security issues and Sino-American

118 relations. He has served in and advised the U.S. Government on
119 China issues for over a decade, including as a Senior Director
120 for China, Taiwan, and Mongolia in the Department of Defense from
121 2001 to 2004.

122 I thank all of our witnesses for being here today. And will
123 now recognize each witness for 5 minutes. Without objection,
124 your prepared written statements will be made part of the record.

125 I first invite Dr. Madan to give her testimony.

126 STATEMENTS OF TANVI MADAN, PH.D., DIRECTOR, THE INDIA PROJECT,
127 BROOKINGS INSTITUTION; CHARLES EDEL, PH.D., AUSTRALIA CHAIR AND
128 SENIOR ADVISOR, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES;
129 BONNY LIN, PH.D., DIRECTOR, CHINA POWER PROJECT, CENTER FOR
130 STRATEGIC AND INTERNATIONAL STUDIES; AND, DAN BLUMENTHAL, PH.D.,
131 SENIOR FELLOW AND DIRECTOR OF ASIAN STUDIES, AMERICAN ENTERPRISE
132 INSTITUTE

133

134 STATEMENT OF TANVI MADAN

135 Ms. Madan. Chairman Bera, Ranking Member Chabot,
136 distinguished members of the subcommittee, thank you for the
137 invitation to speak at this hearing.

138 The Russia-Ukraine war could have several implications for
139 the Indo-Pacific, including South Asia, which I will be focusing
140 my remarks and, therefore, for U.S. policy there. One
141 implication that is already evident, most visibly in Sri Lanka,
142 is the adverse economic impact, the rise in commodity prices in
143 particular, besides the fiscal, food, and energy security
144 concerns. And these, in turn, could have political implications
145 and could create a strategic vacuum.

146 A separate and longer-term economic impact of the crisis
147 could be renewed goals, perhaps especially in India, for
148 self-reliance and building resilience, not just against Chinese
149 pressure, but also against Western sanctions.

150 A second potential implication of the Russia-Ukraine war
151 could be that Beijing might seek to take advantage in the
152 Indo-Pacific while the world's focus is on Europe. Between the
153 Taiwan or the East or South China Sea contingencies, the
154 contingency that would have the most dire impact in South Asia
155 would be further action by the PLA at the China-India boundary,
156 or at the Bhutan-China boundary that could draw in India.

157 This potential for a Sino-Indian crisis escalation has
158 indeed shaped Delhi's response to the Russian-Ukraine war.
159 Despite its recent diversification efforts, the Indian military
160 continues to be dependent, if not over-dependent, on Russia for
161 supplies and step-ups for crucial front line equipment.

162 India has also been concerned about moving Moscow away from
163 neutrality to taking China's side. Nonetheless, there is
164 simultaneously concern that Russia's war with Ukraine might in
165 any case make Moscow more beholden to Beijing, and also less able
166 to supply India. And that will have implications for India's
167 military readiness.

168 A third implication of the Russia-Ukraine war might flow
169 from what China learns from it. The hope is that Beijing is
170 dissuaded from taking military action of its own in the
171 Indo-Pacific. And our objective should be to ensure that it takes
172 this path.

173 However, Beijing could, instead, focus on reducing or

174 mitigating the kinds of vulnerabilities Russia has shown. This
175 could mean a PRC approach that doubles down, among other things,
176 on improving Chinese military capabilities and performance, and
177 ensuring that there will not be a unified international response
178 or allied cohesion.

179 One fallout of this in South Asia could be if Beijing believes
180 the Sino-Indian boundary could be a testing ground for the PLA.

181 Any resulting escalation will raise questions for the U.S. in
182 terms of the nature and level of the American response.

183 More likely, China's desire to mitigate its vulnerabilities
184 will mean a renewed, and even accelerated, Chinese diplomatic
185 and economic offensive in South Asia. South Asian countries'
186 relationships with China are different from and, in most cases,
187 deeper than those with Russia. And Beijing realizes that these
188 ties will shape their responses to an Indo-Pacific contingency
189 involving China.

190 Last month, the Chinese foreign minister already visit
191 Afghanistan, Nepal, Pakistan, and India to shore up or stabilize
192 relationships there, or to deal with headwinds. Beijing's
193 messaging has involved reminding countries of China's importance
194 to them, and also creating doubt and fueling friction about the
195 U.S.

196 A fourth implication in South Asia could flow from the war's
197 effect on the Russia-China relationship. Closer Sino-Russian

198 ties in recent years have benefitted Pakistan. However, they
199 have been of great concern to India. If China-Russia relations
200 deepen further, it could lead to increased Indian concern about
201 Russian reliability. And, again, there is concern about Moscow's
202 ability and willingness to supply Indian military or support it
203 in the international forums that will seek alternative partners
204 and suppliers, a potential opportunity for the U.S., as well as
205 its allies and partners.

206 A fifth set of implications will flow from the effect of
207 the crisis on the U.S. approach in the Indo-Pacific, including
208 in South Asia. If it leads to a reduction in American attention
209 and resources devoted to the region, it is more likely that
210 countries there will bandwagon with or tilt towards China. This
211 necessitates continued and, ideally, increased engagement by the
212 U.S. with the region, as well as by like-minded American allies
213 and partners.

214 And it requires resourcing the Indo-Pacific lines of effort.
215 That will make it more likely that countries in the region balance
216 Chinese power and influence, rather than bandwagon with or support
217 China. In addition, in the near term, any steps that the U.S.
218 can take, alone or with partners, to mitigate the adverse energy,
219 economic, and food consequence, security consequences of the
220 Russian war for South Asian countries would be helpful. They
221 would also help counter Sino-Russian messaging that it is

222 Washington rather than Moscow's decisions that are responsible
223 for their predicaments.

224 Finally, with regard to U.S.-India ties, how the two
225 countries manage differences over Russia will be crucial to both
226 bilateral cooperation in the Indo-Pacific, as well as the Quad
227 grouping in terms of the utility and necessity of the Quad. If
228 anything, the Ukraine crisis has driven home the contingencies
229 in the Indo-Pacific that seem distant or unlikely might indeed
230 require greater attention and urgency, and will require
231 like-minded countries to collaborate to detect, deter, and deal
232 with challenges in the region.

233 Thank you.

234 [The statement of Ms. Madan follows:]

235

236 *****COMMITTEE INSERT*****

237 Mr. Bera. Thank you for your testimony.

238 I will now invite Dr. Edel to give his testimony.

239 STATEMENT OF CHARLES EDEL

240

241 Mr. Edel. Chairman Bera, Ranking Member Chabot, and
242 distinguished members of the subcommittee, I am honored to have
243 this opportunity to discuss with you the implications of the
244 Ukraine crisis and how it affects American policy, particularly
245 in the Indo-Pacific.

246 I commend the subcommittee for convening this timely and
247 important hearing, because while we are currently focused on how
248 the United States can build a coalition to push back against
249 Russia, Beijing is watching and measuring global response to
250 Russian aggression.

251 Over the last several years, and especially during this
252 crisis, Russia and China have been learning from each other, both
253 in terms of what they think works, and what they think they can
254 get away with. Their goal has been, and continues to be, to show
255 that the United States and its partners that their responses are
256 insufficient, unpalatable, and unsustainable.

257 Now, while I think it is too early to render ultimate judgment
258 on Russia's actions, it is not too early to think about what
259 responses offer the U.S. its partners a template to build upon,
260 of assembling coalitions, developing consequences that bite, and
261 deterring further actions of intimidation, coercion, and force.

262 My written testimony provides an overview of the responses

263 of the region. But suffice it to say, the responses are varied
264 and not as strong and robust as they have been in Europe.

265 While the Chinese invasion of Taiwan is the obvious potential
266 near-term flashpoint, there are an array of other events that
267 could occur in the region which may necessitate coordinated
268 response for any chance of successful pushback.

269 For the rest of my comments I would like to suggest how the
270 U.S. should build upon its template it is now creating during
271 the ongoing and unfolding Ukraine crisis, sharpen it, and apply
272 it to the Indo-Pacific region. Such a template should possess
273 several key features, including preparing a list of punitive
274 sanctions to impose on Beijing in a crisis.

275 In responding to Russia's invasion, there was a robust effort
276 by multiple countries to draw up a list of economic targets, rank
277 their severity, and synchronize imposition to maximize effect.

278 To have any hope of success in the future against a much more
279 powerful economic opponent, such measures will have to be far
280 more severe, and have to do -- and have to be acted upon earlier.

281 Congress should consider funding an interagency
282 coordination cell responsible for internal planning and external
283 coordination related to economic contingencies.

284 Second, stockpile certain critical supplies in nations
285 concerned over Chinese coercive activities. As Russia moved on
286 Ukraine, it threatened to cut off European access to gas supplies.

287 America responded by reaching out to other gas-producing nations
288 and companies to pull together alternative options and deliver
289 them to Europe.

290 In the past, China has restricted other countries' access
291 to critical minerals when it was displeased with their political
292 decisions. Prudence suggests sourcing such critical supplies
293 elsewhere. In particular, building up strategic reserves of rare
294 earth minerals, energy supplies, and medical equipment to
295 mitigate Chinese threats.

296 Third, expand support for countering Chinese
297 disinformation. A notable success in Biden's approach to dealing
298 with Putin's disinformation has been the Administration's tactic
299 of publicly releasing sensitive information. Taking a page from
300 this playbook, the U.S. should publicly discuss Beijing's
301 mobilization of military assets and paramilitary forces against
302 other states, its endemic interference in other countries'
303 domestic affairs, and its flagrant violations of international
304 law. Doing so might not halt Chinese activities, but it could
305 rally international support behind a more vigorous set of
306 responses.

307 Fourth, support front line states' efforts to build their
308 military capabilities now. As Russia positioned its military,
309 the U.S., the U.K. and others rushed to airlift sensors, weapons,
310 and ammunition to Ukraine to help the Ukrainians defend

311 themselves. For front line states in Asia, especially Taiwan,
312 but also the Philippines and Vietnam, acquiring and storing enough
313 weapons, ammunition, spares, supplies, and fuels in advance of
314 a conflict would increase these countries' capacity to resist
315 incursion.

316 Ukraine's experience should accelerate efforts by Asia's
317 front line states to acquire such capabilities, and from their
318 friends to help provide them.

319 Fifth, accelerate allied initiatives to increase their
320 presence and diversity their forward posture around the region.

321 America and European allies should increase their forward
322 presence in Europe and reinforce NATO's eastern flank. Efforts
323 to increase forward presence in the Indo-Pacific and distribute
324 that presence more broadly have been under way for a number of
325 years, but have yet to yield meaningful results. The U.S. should
326 begin rotating more of its resources into the region.

327 Finally, upgrade the legislative and bureaucratic processes
328 governing the transfer of sensitive technologies among our
329 closest and most trusted allied. Moving forward, the U.S.
330 strategy demands stronger allies who are both more capable and
331 more willing to contribute to their own and regional security.

332 The structures currently in place to share sensitive technology
333 are too cumbersome and too slow in such critical efforts to allow
334 such critical efforts to take place. While allies are America's

335 comparative advantage in the region, America is unlikely to see
336 allies either as capable or as willing to contribute to regional
337 security without changes to the legislation governing export
338 controls.

339 Some of these initiatives can take place now, others might
340 take longer, and some might only be developed in extremis.
341 Actions undertaken under duress can have value, as the U.S. has
342 shown by its admirable creativity in responding to Ukraine. But
343 actions taken before a crisis becomes acute and threatens to
344 spread, show an even greater chance of success.

345 Thank you.

346 [The statement of Mr. Edel follows:]

347

348 *****COMMITTEE INSERT*****

349 Mr. Bera. Thank you for your testimony.

350 I will now invite Dr. Lin to give her testimony.

351 STATEMENT OF BONNY LIN

352

353 Ms. Lin. Thank you. Thank you, Chairman Bera, Ranking
354 Member Chabot, and distinguished members of the subcommittee.

355 I am honored to have this opportunity, and commend the
356 subcommittee for convening this timely hearing.

357 I will focus on China's position on Ukraine, its lessons
358 learned, and implications for U.S. policy. I want to tell you
359 that what I will discuss are early PRC lessons learned. China's
360 views and lessons learned may change as the Ukraine conflict
361 continues to evolve.

362 China has shifted its position on the Ukraine conflict to
363 be less fully pro-Russia. Xi Jinping has expressed that he is
364 deeply grieved by the outbreak of war, China has engaged in
365 diplomacy, called for a cease fire, and proposed a six-point
366 humanitarian initiative, and provided humanitarian aid to
367 Ukraine.

368 China's position on Ukraine, however, is far from neutral.

369 China has not condemned Russia, or called its aggression an
370 invasion. Xi has yet to speak to President Zelensky. There is
371 no evidence that China has sought to pressure Russia in any way
372 or form. China has amplified Russian disinformation and pushed
373 back against Russian sanctions.

374 To date, Beijing has not provided direct military support

375 to Russia and has not engaged in systemic efforts to help Russia
376 evade sanctions. However, China's ambassador to Russia has
377 encouraged Chinese companies to "fill the void" in the Russian
378 market.

379 We will need to continue to closely monitor Chinese actions.

380 Let me now turn to three PRC lessons learned.

381 First, the Ukraine crisis has reinforced China's view that
382 U.S. military expansion could provoke conflict in the
383 Indo-Pacific. Chinese interlocutors have voiced concerns that
384 the United States and NATO are fighting Russia today but might
385 fight China next. China views NATO expansion as one of the key
386 causes of the Ukraine conflict, and sees parallels between NATO
387 activities in Europe and U.S. efforts in the Indo-Pacific.

388 Beijing is worried that increasing U.S. and allied support
389 for Taiwan and other regional allies and partners elevates the
390 risk of U.S.-China military confrontation. This pessimistic
391 assessment is why Beijing will continue to stand by Russia as
392 a close strategic partner.

393 Second, the Ukraine crisis has reinforced or strengthened
394 China's desire to be more self-reliant. China is investing more
395 to ensure the security of food, energy, and raw materials.
396 Beijing is also seeking more resilient industrial supply chains,
397 as well as PRC-led systems, including alternatives to SWIFT.

398 At the same time, Beijing is likely to further cultivate

399 dependency on China, such that any potential Western sanctions
400 on China or international community-led sanctions on China in
401 the future, although painful to the West and difficult to sustain.

402 Third, China is learning from Russia military operations
403 in Ukraine. But, so far there is no indication that the People's
404 Liberation Army, the PLA, needs to consider fundamental changes.

405 Because China's stand for a rapid amphibious invasion of
406 Taiwan differs significantly from how Russia invaded Ukraine,
407 the PLA is unlikely to view Russian failures as directly
408 applicable. PLA analysts have noted that Russia did not
409 explicitly execute information warfare as well as other
410 operations to undermine Ukraine's morale and will to fight.

411 The PLA will pay more attention to this and other aspects
412 when it comes to Taiwan.

413 It is possible that the PLA could adjust its military plans
414 to further overwhelm the island's defenses, to engage in
415 decapitation, and to move significantly faster. China has
416 observed that Russia put its nuclear entity and forces on high
417 alert, and NATO did not send conventional forces to Ukraine.
418 This is leading China to question its nuclear policy and posture.

419 So, let me conclude by mentioning four key take-aways for
420 U.S. policy.

421 The first is the United States should preserve the full range
422 of military options for the Indo-Pacific. And we should be wary

423 of making any major shifts to our nuclear policies or posture,
424 particularly given the potential take-aways that China might be
425 taking from the Ukraine conflict in terms of the utility of nuclear
426 weapons.

427 Second, the United States should shore up our allies and
428 partners beyond the Indo-Pacific and Europe. Beijing is try --
429 as Beijing watched the Western, and particularly G7-led community
430 among advanced democracies, it is also seeing that a number of
431 countries in the developing world are not joining in on these
432 sanctions. As a result, Beijing is trying to increase its
433 influence and, in many ways, building on Russian influence in
434 developing regions. And Beijing is likely to try to install that
435 influence and move forward.

436 Third, the United States should take advantage of a global
437 focus on Ukraine to strengthen Taiwan's defense, resilience, and
438 international standing. There are a number of measures that we
439 could take, including pre-positioning more assets to help Taiwan
440 in case it faces a similar situation in the future.

441 Finally, the United States should hold China accountable
442 for any attempts it might have to mediate in the Ukraine conflict.

443 And we should be vigilant of any Chinese proposals of how to
444 end the conflict, because those Chinese proposals are likely to
445 favor Russia.

446 Thank you.

447 [The statement of Ms. Lin follows:]

448

449 *****COMMITTEE INSERT*****

450 Mr. Bera. Thank you for your testimony.

451 And now I will invite Mr. Blumenthal to give his testimony.

452 STATEMENT OF DAN BLUMENTHAL

453

454 Mr. Blumenthal. Thank you. Can everyone hear me okay and
455 see me fine?

456 Mr. Bera. We can.

457 Mr. Blumenthal. Okay. I am trapped on a business trip and
458 got COVID. And I just couldn't get back. But I think everyone
459 is safe. I can't, I can't transmit from the computer, so.

460 Anyway, thank you so much for having this hearing. And I
461 am thrilled to be here. Thanks for your leadership, Chairman
462 Bera and Ranking Member Chabot.

463 Let me just, if there is one thing I would like everyone
464 to take away today it is that China is making a sustained
465 diplomatic case, using the Russia crisis to make a sustained
466 diplomatic case against the United States and NATO. It has been
467 for, for many, many years. But it is using its joint statement
468 of February 4th, a searing critique, it is a searing, an appalling
469 statement for the invasion, to go around the world and make a
470 sustained case for why the United States is to blame for Ukraine's
471 suffering.

472 And if there is one big take-away, it is that the United
473 States absolutely must -- it is a very competitive diplomatic
474 environment, and the United States must make a sustained
475 diplomatic case back as to why Russia is the aggressor here, as

476 to why China is the one violating its promises and the principles
477 that it made to us that led to the One China Policy, and make
478 a sustained case for why United States policy in the Indo-Pacific
479 and around the world is important to keep this country safe.

480 So, let me start off with point one, which is we are in a
481 new era. Some people are calling it a new Cold War. I might
482 quibble with that. But China, China took the opportunity of
483 Russia's invasion on February 4th to lay out a document that
484 criticizes very specifically almost all aspects of United States
485 global policy, very specifically, including AUKUS, from NATO
486 enlargement, to AUKUS, to the Indo-Pacific strategy.

487 It got Russia to sign up to Xi Jinping's theory that we are
488 in a new era of geopolitics that will replace U.S. leadership,
489 that U.S. leadership is faulty and is dividing the world into
490 blocks such as NATO, that NATO expansion is the problem, that
491 Indo-Pacific strategy is the same thing as NATO expansion.

492 And one thing we should learn from this is how seriously
493 we ought to take statements like this. If there is one thing
494 we ought to learn from Russia's invasion of the Ukraine is these
495 autocrats, as Chairman Bera said, and the small circle around
496 them do not get good information. They are isolated. Xi Jinping
497 hasn't left the country in 2, in more than 2 years. And we should
498 take very seriously what they say, particularly in Chinese. And
499 what they are saying is very clearly pro-Russia, and very clear,

500 specific, searing critiques of the U.S.-led world order.

501 Also, notably in the Joint Statement, the Chinese got Russia
502 to in that statement sign on to its One China Principle -- which
503 is not the One China Policy with respect to Taiwan -- and to single
504 out Japan. Which was shocking because Japan has been trying to
505 better its relations with Russia.

506 So, China, in my view China has really leveraged Russia's
507 invasion of Ukraine for its own purposes to say we are in a new
508 era, and the U.S. era is coming to an end.

509 The statement is diplomacy really matters. In my prepared
510 statement I go through each, each part of this extraordinary
511 document and analyze it a little bit more. But in this new, in
512 this new era it is incredibly competitive diplomacy right now.

513 So, the Chinese are pressing their case everywhere.

514 And, frankly, while the West is unified, and the U.S. and
515 the West and our, some of our Asian allies are unified, most of
516 the rest of the country is not with us -- sorry, most of the rest
517 of the world is not with us on this issue of China and Russia
518 being these authoritarian great powers, revisionist great powers.

519 And that is a real problem. I think Western unity is a great
520 thing, obviously. But the fact that so many countries, including
521 countries in the Indo-Pacific, are sitting on the sideline to
522 this one is a real problem. It is a real problem for the
523 diplomacy.

524 I think I would wake up, you know, I would say this is a
525 wake-up call to say that the statements and the policies we are
526 taking with respect to China need a lot more argument, and
527 convincing, and persuasion. Just the old sorts of diplomacy,
528 traditional sorts of diplomacy that we used to engage in are much
529 more needed now than ever in the rest of the world.

530 Another point I would make is -- this is an important one
531 -- while I applaud the Biden administration's efforts once the
532 invasion was under way, we did not deter Russia from preventing
533 -- from invading Ukraine. Deterrence failed. I think, I think
534 everyone would agree deterrence was, you know, people might say
535 that, that, you know, Ukraine is not part of NATO and so forth,
536 but I think the idea was to prevent an invasion. And we failed
537 in doing so. And so, it is important not to learn the wrong
538 lessons. Right?

539 So, our theory of deterrence was we weren't going to make
540 a political or military commitment to the Ukraine. In fact, we
541 were going to take most options off the table rhetorically, which
542 I think is a big mistake, and the Russian's escalation dominance,
543 because every time they said we are going to escalate, we sort
544 of said we are not going to, you know, we are not, we are going
545 to back down.

546 And the financial, the threat of financial sanctions would
547 deter Putin, that did not work. And it won't work with respect

548 to Taiwan either.

549 So, we are headed down a bad path.

550 So, A) we don't have a political and military commitment
551 to Taiwan;

552 B) We are now moving in a direction with respect to arms
553 sales with Taiwan, which is to direct them to only buy what we
554 decide is called asymmetric weapons, asymmetric capabilities;

555 And C) China is out making a diplomatic case that Taiwan
556 is part of China.

557 Let me focus on C for a second here. So, China for the last
558 20 to 25 years has been going around the world diplomatically
559 isolating Taiwan and convincing other countries that Taiwan is
560 part of China. Other countries don't have to buy the fact, they
561 don't have to buy the entire case. All China needs is a whole
562 bunch of countries that remain neutral. They don't need -- all
563 they have to do is to give countries excuses to sit out a Taiwan
564 conflict or pressure on Taiwan. That is what they are trying
565 to do.

566 I think it is incumbent upon us, besides doing much more
567 with Taiwan on the defense side, including joint training and
568 joint exercises and so forth, I think it is incumbent upon us
569 to make a case internationally that it is China that is the
570 aggressor; that it is China that has not renounced the use of
571 force on Taiwan; that to the extent we need to do more to deter

572 China on Taiwan, it is because, unfortunately, China is the one
573 who has put us in this situation. We are not making that
574 diplomatic case. We are not making the legal case.

575 So, where there was Western unity with respect to Ukraine,
576 eventually, the unity was around the principle of non-invasion
577 of a sovereign nation.

578 We need to come up with a principle, a similar principle,
579 which is, obviously, going to be much more complicated in the
580 case of Taiwan, to get countries around the region, including
581 in the Indo-Pacific, to coalesce around political unity to say,
582 you know what, the Chin -- we are on board with the United States
583 in resisting Chinese attempts to coerce and intimidate Taiwan
584 based on not China's definition of what the One China Policy is,
585 or China's definition of what the United States is advocating,
586 but our definition that China is using force that is a violation
587 of its fundamental principles of international law.

588 Thank you.

589 [The statement of Mr. Blumenthal follows:]

590

591 *****COMMITTEE INSERT*****

592 Mr. Bera. Thank you, Mr. Blumenthal.

593 Let me use my discretion and allow the ranking member, my
594 good friend Mr. Chabot, to go ahead and do his opening statement.

595 Then we will come back to do member questions.

596 Mr. Chabot. Thank you, Mr. Chairman. I am sorry for any
597 inconvenience. We had a number of commitments that overlapped
598 this morning. I apologize.

599 Almost 3 months ago, the world watched in horror and disgust
600 as Vladimir Putin began an unwarranted and unprovoked invasion
601 of Ukraine. His war choice shattered the peace in Europe, and
602 demonstrated just what a brute he truly is, and how brave, and
603 resilient, and inspiring the people of Ukraine are.

604 The question we must consider today -- and many of the
605 witnesses have done that very well -- is whether or not Putin's
606 illegal acts will encourage other authoritarian regimes across
607 the globe to act with such impunity on their territorial
608 ambitions. Truth be told, only time will tell the full
609 implications of Putin's transgressions.

610 Any discussion of Ukraine's meaning for the Indo-Pacific
611 begins, of course, in Beijing. While the Chinese Communist
612 Party's strategy may evolve, they are pursuing the same sort of
613 gray zone tactics Putin used before he invaded Ukraine against
614 several countries in China's region.

615 This includes military activity to advance baseless

616 territorial claims against, for example, Japan, Taiwan,
617 Philippines, Malaysia, Vietnam, and India. Such claims make
618 China the only country likely to attempt what Putin has done in
619 Ukraine. And this aggression places the CCP squarely at odds
620 with the clear desire of countries throughout the Indo-Pacific
621 to focus on trade and development, not a new arms race.

622 At the very center of the PRC's territorial ambition stands
623 General Secretary Xi's determination to annex Taiwan, by force
624 if necessary. Taiwan's strategic location would greatly enhance
625 the PRC's capacity to project power into both the Pacific and
626 Southeast Asia. It would also imperil our ability to support
627 our allies and partners, calling into serious question our status
628 as a Pacific power.

629 And as the world's leading maker of semiconductors, Taiwan
630 offers key technology necessary for the new Cold War which the
631 CCP seems bent on waging against us.

632 Most importantly, Taiwan's vibrant Chinese-speaking
633 democracy represents a direct ideological threat to the CCP's
634 legitimacy. It is no wonder, then, that the armed wing of the
635 CCP, the People's Liberation Army, has been threatening and
636 preparing to invade Taiwan for decades now. Any discussion of
637 Taiwan's defense must begin in Taipei. And this discussion must
638 focus on the harsh reality that Taiwan does not spend nearly enough
639 on its own defense, while its weapons procurements are not

640 tailored to achieve maximum deterrence.

641 The Taiwan Relations Act and the Six Assurances acknowledge
642 that what happens in Taiwan is critical to U.S. security. And
643 they establish minimum commitments for our support of Taiwan's
644 defense.

645 Unfortunately, while the CCP has engaged in the largest
646 peacetime military buildup in history, we and Taiwan haven't done
647 nearly enough. Since any war over Taiwan is likely to directly
648 involve the United States, Mr. Chairman, our time today would
649 be well spent considering what Congress can and must do to deter
650 the CCP from making Taiwan the next Ukraine.

651 Fortunately, we have a number of tools that we can use to
652 do that. This committee could offer our security assistance to
653 bolster Taiwan's defensive investments and get it the arms it
654 needs.

655 We could also enact specific reforms to speed up the delivery
656 of arms to Taiwan, including ones it has already bought and paid
657 for. We do not have regular, sustained defense planning dialogs
658 with Taipei, like we do with Japan and Korea, and NATO. We should
659 work with the Armed Services Committee to institute those
660 immediately.

661 Further, the Administration should use our diplomatic
662 leverage to push back against the CCP's lie that Taiwan is a
663 province in the PRC, so that the CCP cannot use this legal fiction

664 to its advantage.

665 And, finally, we must prepare, in coordination with our
666 allies and partners, to impose severe economic costs on the PRC
667 should they ultimately choose military action.

668 Due to the urgency of the situation, Congress should act
669 on these items before this year is out. Ukraine should serve
670 as a wake-up call to get our act together and arm Taiwan to the
671 teeth. Unfortunately, the Biden administration waited until
672 after an invasion was imminent to really begin surging weapons
673 to Ukraine, a policy which failed to deter Putin. We must not
674 make the same mistake with Taiwan.

675 And I yield back.

676 Mr. Bera. Thank you to the ranking member.

677 I will now recognize members for 5 minutes each. And
678 pursuant to House rules, all time yielded is for purposes of
679 questioning our witnesses.

680 I will recognize members by committee seniority, alternating
681 between Democrats and Republicans. If you miss your turn, please
682 let our staff know and we will circle back to you.

683 If you seek recognition, you must unmute your microphone
684 and address the chair verbally.

685 I will start first by recognizing myself.

686 Any number of questions that, you know, we could have here,
687 you know, the implications of deterring China from making any

688 missteps are huge. Let me ask a question of Dr. Edel.

689 You know, in my opening statement I talked about, you know,
690 disinvesting out of Russia. Certainly for the United States it
691 was relatively easy compared to what we think about China.

692 We have also seen the economic coercion tools that Russia
693 has used, you know, with regards to energy supplies towards
694 Europe, and Finland, and elsewhere. You know, even in
695 non-wartime we see China use economic coercion as well.

696 We have also, with the pandemic over the last 2.5 years,
697 have quickly realized the over-reliance of supply chains on a
698 single source, in this case Beijing.

699 As we are thinking about policy, you know, I think, you know,
700 for many companies, many of our companies, but also our allies'
701 companies that have massive investments in the PRC, how should
702 we think about incentivizing our companies to think about
703 redundant supply chains?

704 What makes sense, obviously, is bringing semiconductor
705 manufacturing and other critical supply chains back to the United
706 States. But there will be places, you talk about APIs with, you
707 know, pharmaceuticals, rare earth spaces. What policies should
708 we be thinking about to incentivize in a strategic way further
709 investment, not in the PRC but rather, you know, perhaps in the
710 ASEAN nations where it makes sense, Vietnam, Malaysia, Indonesia,
711 elsewhere? And what kind of policies?

712 I will start with Dr. Edel.

713 Mr. Edel. Thanks very much, Congressman. There are two
714 factors here, the first being one of market mechanism that we
715 can't push them to go where they won't go. But you asked
716 specifically about what efforts we can encourage companies to
717 diversify and diversify quicker.

718 As a point of reference I would just kind of look back to
719 the way back yesteryear of 2019 before all this started. We were
720 living in Australia. And I published a report with a friend
721 discussing how Australian companies might think about
722 diversifying both their consumers and where they source materials
723 from.

724 Australia, a close ally of the United States, over 40 percent
725 of its outbound trade goes north to Beijing. The response that
726 we got at that time was it sounds great but there are profits
727 to be made.

728 And we said it is probably worth considering the political
729 risks that are involved in that, just like you consider a whole
730 number of risks across companies. And, yet, nothing was done.

731 And, yet, when the economic hammer begins to come down on
732 Australia across a whole number of sectors after they launched
733 an independent investigation, or called for one into the origins
734 of coronavirus, most all companies were able to diversify under
735 duress.

736 So, I think two measures would I suggest.

737 The first is more briefings, more discussions with corporate
738 leaders about all the information that we have -- the Australians
739 have undertaken some of this -- to make sure that it is as clear
740 as possible that there is a political risk in investing in China;
741 that as soon as the Chinese leadership is upset with the United
742 States our companies will be punished.

743 The second one, as you had said, is thinking about the right
744 incentive structures that the U.S. Government can provide, be
745 they tax incentives or otherwise, to begin to push the supply
746 chain outside of China. I think the best test case for this is,
747 frankly, on critical minerals, because we know that we have an
748 abundance of supply in Australia, in the United States, and
749 others. We just do not yet have the processing facilities.

750 So, I would say that this is a really important test case
751 that we could do a fair amount in funding diversification.

752 Mr. Bera. Great. Thank you.

753 Ms. Lin, let me ask, or Dr. Lin, let me ask a question.
754 You know, in many ways Putin's aggression towards Ukraine has
755 manifest in his worst fears. Right? Again, you know, prior to
756 the invasion there really wasn't any indication that Ukraine was
757 going to join NATO. In fact, we said as much. The Biden
758 administration publicly stated that there was no direction of
759 NATO coming in.

760 Finland and Sweden were not thinking about joining NATO.

761 So, his aggression has actually manifest, you know, what
762 he was worried about.

763 I also, you know, when I think about the PRC and Xi Jinping,
764 we didn't change our One China Policy. His aggression towards
765 Taiwan is forcing us to rethink, you know, how we allow the people
766 of Taiwan to continue to determine their future and path forward.

767 We didn't change the calculus in the South China Sea. His
768 gray zone tactics and, you know, Xi Jinping's building up these
769 islands and militarizing the South China Sea is forcing us to
770 think about our military presence in that region.

771 You know, as Dr. Edel pointed out, Australia, you know,
772 three, four years ago I said was one of the more, most laissez
773 faire countries with respect to China. You know, Chinese
774 economic retaliation towards Australia now makes them one of our
775 most hawkish allies when we think about Beijing.

776 How do we -- you know, I know that is not how Beijing sees
777 it, but I certainly see, you know, the actions that Xi Jinping
778 is taking is changing the whole calculus of the Indo-Pacific.

779 How do we communicate to him, to Beijing, to Xi Jinping, you
780 know, and that is something that I have struggled with, I think
781 the Administration struggled with, how do we communicate this
782 is not U.S. aggression in the region, it is Chinese aggression,
783 Beijing's aggression that is changing the calculus for a region

784 that has been incredibly prosperous and relatively peaceful?

785 Ms. Lin. Thank you, Chairman Bera. That is an excellent
786 question.

787 I am not optimistic that we can convince Beijing that what
788 they are doing is aggression. But I think what we can do is shape
789 the environment in which Beijing operates in and make it clear
790 to them that if they take aggression or increasing coercion
791 against any its neighbors they will meet against resistance.
792 And it will be not only resistance from the particular U.S. ally
793 or neighbor it is targeting, but also a broader international
794 coalition.

795 So, I want to talk really briefly on what you mentioned in
796 terms of China's calculation for Taiwan. So, I think in the near
797 term I hope Xi Jinping is watching what is happening in Ukraine,
798 and he is watching that Putin did not have a good sense, good
799 grasp of his military capabilities, and that it is introducing
800 some doubt in Xi's mind about the PLA's capabilities.

801 So, my hope is in the near term that is a lesson learned
802 that China could take away which could, at least in the short
803 term, decrease Chinese military ambitions.

804 For longer term, it could be China might invest more in the
805 PLA.

806 Mr. Bera. Great. Thank you, Doctor.

807 Let me know recognize my good friend, the Ranking Member

808 Congressman Chabot.

809 Mr. Chabot. Thank you very much, Mr. Chairman.

810 Whenever one of us comes up with a more forward-leaning,
811 perhaps more aggressive-, some might term it, leaning policy
812 relative to Taiwan, we inevitably hear from somebody that adopting
813 it would be escalatory.

814 Well, I will tell you what is escalatory, building artificial
815 islands in the South China Sea, embarking on a hypersonic-enabled
816 nuclear weapons build-up, flying nearly a dozen sorties into
817 Taiwan's airspace, and engaging in one of the largest military
818 build-ups in history.

819 The PRC has been escalating for decades. We just haven't
820 really responded sufficiently.

821 Mr. Blumenthal, let me, let me ask you, how would you respond
822 if the proposals that you advanced in your opening statement are
823 met with the objective of -- objections or the point of view of
824 some that what you have suggested are escalatory?

825 Mr. Blumenthal. Well, thank you very much, Mr. Chabot.

826 And my proposals since I worked at DoD have always been called
827 escalatory. But we have done a lot of them over the years anyway.

828 So, let's just think about the things that we weren't doing
829 that we are now doing with Taiwan. We have active duty military
830 attaches and security cooperation officers on the island. Back
831 in 2002 when we were changing the law to make that possible, we

832 were told that the Chinese would, would react in a highly
833 escalatory manner. They didn't.

834 My point is that there is a lot that we can do under the
835 rubric of how we understand the One China Policy. There is a
836 lot that we have done that gets very creative: exercises, joint
837 planning, higher level discussions about roles and missions that,
838 in fact, are just very non-provocative, very reasonable responses
839 to, as Chairman Bera said, China changing its position on the
840 non-use of force with respect to Taiwan.

841 Let me put it to you one other way. It is less escalatory
842 and less dangerous to take the steps that we need to take to be
843 able to fight, should we choose to, with Taiwan as a coalition
844 partner than it would be to come in and try to fight the Chinese
845 after Taiwan is almost gone.

846 So, that's how I would think about it. Thanks.

847 Mr. Chabot. Thank you very much.

848 And I agree with that. And it has always been my view that
849 China is much more likely to act militarily to invade if they
850 think Taiwan is weak, or if they think -- question whether the
851 U.S. would actually come to Taiwan's defense, along with our
852 allies. We need to be working with our allies on this.

853 So, if Taiwan is strong and we are strong, I think we avoid
854 military confrontation. If they think we are weak or indecisive,
855 that is, that is going to be much more dangerous, I believe.

856 Let me follow up, Mr. Blumenthal.

857 There are currently substantial delays in the delivery of
858 key weapons systems to Taiwan. And many of these are, they have
859 already bought and paid for, in fact. In the case of weapons
860 that have been ordered, contracting bottlenecks and the defense
861 industrial base have been major problems.

862 Could you discuss what Congress could do, and do relatively
863 quickly, which is not necessarily the way Congress tends to act,
864 but do it expeditiously as time may not be on Taiwan's time, on
865 Taiwan's side, or on our side?

866 What can we do to deal with how slow it is in getting the
867 weapons to Taiwan?

868 Mr. Blumenthal. It strikes me that this is, you know, a
869 oversight, pressure kind of role. So, there are delays and the
870 executive branch needs to, needs to really hear about what these
871 delays are doing. Congress needs more information about policy
872 reviews the Administration is undertaking on arms sales policy
873 altogether, which hit the newspapers last week, that are causing
874 even further delays because of disagreements between the Taiwan
875 military and the U.S. policymakers.

876 So, in my experience, Congressional attention and, you know,
877 pointing to how fast we are able to get weapons into the hands
878 of, say, the Ukrainians when we want them, is a very important
879 role for Congress to play.

880 But I would add that it is also very important for Congress
881 to say the weapons systems aren't enough. We need, we need to
882 train them on them, too.

883 Mr. Chabot. Thank you very much, Mr. Chairman.

884 My time has expired, and I yield back.

885 Mr. Bera. Great. Thank you.

886 Let me now recognize my good friend, the gentleman Michigan,
887 Mr. Levin, for 5 minutes of questions.

888 Mr. Levin. Thanks so much, Mr. Chairman.

889 Thanks to the witnesses for participating in this really
890 important and timely hearing.

891 President Biden has characterized the invasion of Ukraine
892 as a battle between democracy and autocracy, and declared that
893 the world is clearly choosing the side of peace and security.

894 I agree with the President's position, but we see many
895 countries, particularly in the global south, resist the U.S. push
896 to choose sides or to characterize their own interests as aligned
897 with one side. And given the history of the Cold War, and even
898 its aftermath, it is not difficult to understand why.

899 Dr. Madan, do you believe that most countries in the global
900 south believe in or subscribe to the U.S. vision of the Ukraine
901 invasion as a fight between democracy and autocracy?

902 And how might the United States and its partners shift
903 towards a more cooperative approach concerning relations with

904 countries that might resist this competition frame that we, you
905 know, see as so obvious?

906 Ms. Madan. Thank you, Representative Levin.

907 I think the most effective argument with the global south
908 is to keep the focus on the fact that this is a Russian violation
909 of Ukraine's territorial integrity and sovereignty with the
910 unilateral use of force. This is something most of the global
911 south itself is quite sensitive to because they tend to be smaller
912 powers that do want a rules-based order, which they depend on
913 to actually protect their own interests in the absence of them
914 having their own power to do so in resisting by force.

915 And that argument will also keep them focused on the actions
916 that Moscow has taken, as opposed to Moscow making the argument
917 that they were incited to do so.

918 For a lot of these countries, whether because of the nature
919 of their own regimes, or because of their relationships, or
920 because of their sensitivities, they thought that democracy vs.
921 autocracy arguments have been used for interventions in the past,
922 will not find that a very attractive option. It might even turn
923 them off from the kind of -- from joining up or at least from
924 aligning with this point of view.

925 So, I think the focus on the actual Russian actions is what
926 will get you the most support

927 But I think it is also making sure that these countries,

928 many of which will look at a scenario in the Indo-Pacific very
929 differently, making sure to engage with them regularly on these
930 issues. And also be responsive to their concerns and
931 sensitivities when they face violations of either international
932 law directed at them, or they are facing coercion or the use of
933 force. This is, this is something I think a lot of them are
934 sensitive to.

935 But I would point out that it was countries like Kenya and
936 Bhutan, countries in the global south, who gave some of the most
937 critical statements at the U.N. General Assembly of what Russia
938 has done.

939 Mr. Levin. Yes.

940 Ms. Madan. So, I think even the global south has different
941 views of this.

942 Mr. Levin. Of course, yes. Well, thank you.

943 So, let's focus on India specifically. India's abstention
944 from the U.N. Security Council and U.N. General Assembly votes
945 condemning Russia's invasion of Ukraine were indicative of the
946 Modi Government's hesitation to side with liberal democracies
947 on this, these issues.

948 What forms of leverage does the U.S. have to push India to
949 join international efforts to persuade Putin, Putin to come to
950 the negotiating table and end this war of aggression?

951 And, you know, how could the forms of leverage that you may

952 see be effective?

953 Ms. Madan. Thank you, Representative Levin.

954 I think, I think that India doesn't need much persuasion
955 to try to get Putin to use, to get back to dialog and to stop
956 hostilities. They have themselves been adversely affected
957 considerably by the Russian invasion of Ukraine, quite direly
958 in terms of economic impact.

959 But also the fact that they cannot, they cannot rely on the
960 fact that they can protect their own borders or their military
961 will be in a state of readiness in case China takes further
962 escalatory action. Because not only has Russia's supply lines
963 to India for military, for military supplies been affected, so
964 has Ukraine, which is another supplier of military supplies and
965 components for India.

966 I think what the Administration has been doing is the
967 effective way to go, which is try to persuade India that for its
968 own interests and show what Russian actions in Europe are doing,
969 including in terms of the lessons China is learning, to get India
970 to seek to use whatever offices, good offices it has, channels
971 it has with Putin, to ensure that he does return to that path.

972 I am not optimistic that he will be convinced. The Indian
973 Government has already made clear to Putin that they would like
974 him to speak directly to President Zelensky. That has, doesn't
975 seem to have had much effect.

976 But I think all the time in terms of how do you actually
977 get India to make decisions that are more autonomous than Russia's
978 interests I think is reducing the dependence on Russia,
979 particularly for military supplies. And I think the Biden
980 administration has been looking at doing that, both in terms of
981 finding ways to further diversify India's military suppliers,
982 as well as encourage and enable its domestic production of some
983 of these military components.

984 Mr. Levin. Thank you.

985 Let me try to squeeze in one more question.

986 I am concerned about what other autocrats may take away as
987 lessons learned from Putin's aggression in Ukraine and his
988 disregard for even the very most basic human rights and laws of
989 war.

990 I think you can draw a very clear line from the impunity
991 that Russian forces enjoyed for war crimes they committed in
992 places like Syria, such as deliberately targeting health care
993 facilities and densely populated civilian centers, to those same
994 violations being committed by Russian forces in Ukraine today.

995 Dr. Edel, do you share these concerns for countries in the
996 Indo-Pacific in particular?

997 And, if so, what can the U.S. and our democratic partners
998 do to foster greater respect for international human rights laws
999 and norms against targeting civilians?

1000 Mr. Edel. Thanks very much, Representative Levin.

1001 I do indeed share those. And I would just note that some
1002 of the tools that have come online of late seem to be
1003 proliferating. And I am specifically referring to Global
1004 Magnitsky, which has been taken up in Australia this past year.

1005 New Zealand basically passed something akin to Global Magnitsky
1006 in the direct aftermath of this.

1007 So, having countries have the ability to move not only with
1008 the United Nations but on their own in response to this, and to
1009 condemn and punish, as you had sad, individuals who are culpable
1010 for direct and gross violations of human rights is, I think, the
1011 exact way to push this forward.

1012 I would say that if you want to spread and proliferate this
1013 further, having U.S. teams, particularly the Global Magnitsky
1014 teams that had been out in the region, getting them back out to
1015 talk about the utilities of these, particularly in Japan, and
1016 with South Korea and other democratic allies who I think are most
1017 likely to utilize these, would have effect.

1018 Mr. Levin. Thanks, Mr. Chairman. My time has expired.
1019 Thanks for your indulgence.

1020 I yield back.

1021 Mr. Bera. Great. Thank you.

1022 Let me go ahead and recognize my good friend from Tennessee,
1023 Dr. Mark Green.

1024 Mr. Green. Thank you, Mr. Chairman.

1025 And I want to thank our witnesses for being here today.

1026 Of course, thank the ranking member for his leadership.

1027 Obviously it is clear that, you know, what has happened in
1028 Ukraine has significantly altered our relationship with, with
1029 China. And, you know, I witnessed when I was in Eastern Europe
1030 on a bipartisan delegation with Chairman Lynch just this
1031 incredible resilience and determination of the people of Ukraine
1032 to fight back. They want freedom. They want to protect their
1033 sovereignty.

1034 And Vladimir Putin's horrendous attacks and violations of
1035 Ukraine's territorial sovereignty has solidified and unified the
1036 West in ways it never had in a very long time. We are seeing
1037 the European countries step on their defense budgets, moving,
1038 particularly the NATO countries 2.5 percent.

1039 We are seeing unity inside the EU.

1040 We are seeing countries respond to joint NATO, Finland
1041 specifically, Sweden.

1042 And it is a good thing, this unity is a good thing.

1043 Hopefully, Xi Jinping is watching how the West has responded
1044 and it is having some degree of a deterrent effect. But hope
1045 is not a weapon. And so, we have to act.

1046 And I agree with the witness statements before about
1047 increasing our supplies, our military support to Taiwan, changing

1048 our policy in that regard. And I also agree 100 percent in this
1049 need to do training.

1050 When you look at Ukraine's ability to respond and push back
1051 on, on specifically Russia's ability to maneuver, and its ability
1052 to logistically resupply itself, that happened because of a number
1053 of things. But primarily it happened because we had been training
1054 them, our soft forces had been in there training them for years.

1055 The need to have that training done with the Taiwanese army
1056 is critical. And it needs to start yesterday. Yesterday.

1057 So, equipment sales, appropriate defensive measures, and
1058 exceptional training will be a deterrent because, clearly, that
1059 training was effective in preparing the Ukrainians to defend
1060 against Putin.

1061 As far as economic pressures go, I like to flip the switch
1062 a little bit. Everybody talks about how much bigger China is
1063 relative to Russia and the invasion of Ukraine. Well, I, I say
1064 let's look at how much more important Taiwan is to the world.

1065 When you consider 94 percent of the semiconductors are made in,
1066 the high end semiconductors are made in Taiwan, it is a strategic
1067 imperative that the United States deter China, in a way that we
1068 didn't deter Russia.

1069 So, the need to unite the West now on this issue is, again,
1070 it is so imperative. And not because we think China is different
1071 than Russia, but because Taiwan is so much different than Ukraine

1072 for the global economy and for the defense of our country.

1073 So, I noted -- I have lots of questions here -- but I noted,
1074 Mr. Blumenthal, when you were making your initial witness
1075 statement I think you, you didn't get to finish everything you
1076 wanted to say. So, what I would really like to do is just yield
1077 my time to you and let you share anything else you wanted to say
1078 that you didn't get to say in your opening comments.

1079 Mr. Blumenthal. Well, thank you very much, Representative
1080 Green. Let me just take a few of your comments, which are very
1081 important.

1082 Let's start with Taiwan's semiconductor manufacturing
1083 companies. So if the Chinese attack Taiwan, the Chinese will
1084 be terribly hurt by that, and the U.S. and the rest of the globe
1085 will be terribly hurt by that.

1086 So it is -- Chinese calculation on -- calculations on this,
1087 though, are becoming -- are becoming zero sum. The question of
1088 attack in Taiwan and being hurt by the fact that TSMC would
1089 destroyed, their question is increasingly would it hurt us more
1090 than would it hurt them.

1091 But it raises another point, I think, the direction I thought
1092 you were going, which is that -- and it's in my statement -- which
1093 is China is also very economically vulnerable. It goes two ways.

1094

1095 So the number one import that China had last year was not

1096 oil, it was actually integrated circuits. And most of those come
1097 from Taiwan, but a lot of them come from us in the supply chain.

1098

1099 And one thing we ought to do in terms of being able to deter
1100 China and to convince Xi Jinping and his small circle of advisors
1101 that we're serious, and we have the capability globally to inflict
1102 economic pain, is to make sure that we study very carefully China's
1103 global economic vulnerabilities, which are many.

1104 They are vulnerable to oil imports. They're vulnerable --
1105 one of the reasons they couldn't go so far with economic coercion
1106 in Australia is how dependent they are on Australian metals.
1107 Saudi Arabia, you know, is important. Brazil is important. U.S.
1108 food and agriculture is important.

1109 So I would flip, in terms of -- in terms of comprehensive
1110 deterrents, the most important is without a doubt what you said,
1111 which is making -- and what others have said, which is making
1112 sure that Taiwan not just has the weapons systems it needs, but
1113 is trained on the weapons systems it needs. So critical.

1114 And that the United States is able effectively fight with
1115 Taiwan as coalition partner should we decide to do so. But also
1116 that a global coalition is persuaded that taking economic measures
1117 that may be harmful and may be harmful to them in the short term
1118 is much more favorable to stopping China from aggression than
1119 a war. And we need to make that diplomatic case globally, and

1120 we need to start now. Thank you.

1121 Mr. Green. Thank you, I yield.

1122 Mr. Bera. Great, thank you. Let me go ahead and recognize
1123 my good friend from California, Mr. Brad Sherman, for five minutes
1124 for questions.

1125 Mr. Sherman. Thank you, Mr. Chairman.

1126 American taxpayers have recently provided \$40 billion of
1127 aid to Ukraine. Both Japan and South Korea have very substantial
1128 economies. Have either of those countries reached into their
1129 own pockets to provide financial assistance or free weapons or
1130 other useful things to the Ukrainian Government?

1131 Hello, can I be heard?

1132 Mr. Bera. You can. And any of the witnesses.

1133 Mr. Sherman. Are there any witnesses that have that
1134 background? Mr. Edel. Yeah, I'll just jump in quickly. Yes,
1135 Japan has started providing, somewhat uniquely for them, some
1136 aid that falls into the lethal category. Australia certainly
1137 has as well.

1138 Mr. Sherman. How much -- how much money have they spent?

1139 We spent 40 billion, what have they spent?

1140 Mr. Edel. Not anywhere close to that.

1141 Mr. Sherman. Got you. One thing that we could do is
1142 provide, and Congress could take this action, that MFN for China
1143 would be immediately halted by action of law if China were to

1144 blockade or invade Taiwan. What would -- absent that, Beijing
1145 has to guess as to whether the United States would actually take
1146 effective economic action.

1147 What would be the effect on China if our law were to provide
1148 for such an immediate cessation of MFN under such extreme
1149 circumstances?

1150 Ms. Lin. If I could jump in here. So I think right now
1151 the Chinese assumption is that we would -- what we did in Ukraine,
1152 they're envisioning a light version of that for Taiwan. So I
1153 think MFN is definitely one right step, but it has to be the
1154 economic measures that we take if China invades Taiwan has to
1155 be much more than that.

1156 I think right now what we're trying to do with our allies,
1157 and particularly where we see Europe right now with Taiwan, is
1158 as we move forward, there might be more support and unity,
1159 particularly among Western developed countries, to take more
1160 actions to defend Taiwan economically in the case of invasion.

1161 And I think we need to go do more than MFN.

1162 Mr. Sherman. Well, losing MFN would in effect make their
1163 products uncompetitive in a host of sectors. But perhaps that
1164 would be a first step, and we could take the other steps that
1165 you outline.

1166 I want to get back to my first consideration. What do we
1167 do to get Japan and South Korea to reach into their pockets and

1168 match us proportionately in terms of financial aid and assistance
1169 to Ukraine? Does anybody have any ideas of some steps we could
1170 take to get them to step up?

1171 Ms. Madan. Perhaps I might just add here that I do think
1172 where the positive has been is that Japan and South Korea have
1173 supported the U.S. position diplomatically, as well as with things
1174 like humanitarian assistance. And as Dr. Edel said, with some
1175 assistance as well.

1176 I do think this is where we do need Japan and South Korea
1177 to focus also on the Indo-Pacific. Their contributions in the
1178 Indo-Pacific --

1179 Mr. Sherman. It's hard to go back to my constituents and
1180 say the average American with a certain of income is providing
1181 this level of assistance out of their pocket, and the average
1182 citizen of Japan with a similar income is providing a tenth of
1183 a twentieth of that. But at least they voted our way or voted
1184 in the way of justice at the United Nations.

1185 So I aspire to accomplish more. I know that Japan has
1186 certainly, you know, taken the side of being opposed to unilateral
1187 military aggression for the purpose of seizing territory. But
1188 I think that's less than what we should want.

1189 We've heard about how to get our companies to distance
1190 themselves to some degree from China. One approach is to
1191 subsidize certain things. That increases our deficit, which

1192 leads to inflation in the United States. And also we would have
1193 to pick, and we would invariably be wrong at this, which
1194 industries.

1195 Another approach is to simply across the board tariffs on
1196 Chinese goods and leave it to the companies to decide how to deal
1197 with those, whether, hopefully to repatriate manufacturing, but
1198 also they could find other global sources. Should we be looking
1199 to subsidizes corporate America for this or that individual
1200 decision to take this or that product out of not involving China?

1201

1202 Or should we have across the board tariffs? Or then the
1203 question -- and also across the board tariffs that give us
1204 bargaining leverage, with China on a host of issues?

1205 I'll ask any witness to jump in.

1206 Mr. Blumenthal. Let me jump in for a second. We obviously
1207 do have across the board tariffs on some goods. You're talking
1208 --

1209 Mr. Sherman. Well, across the board tariffs are across the
1210 board. We average six percent on all the goods we bring in from
1211 China. That's hardly much of an incentive for many companies
1212 to do anything other than source in China.

1213 Mr. Blumenthal. Right. So there -- I think we're -- I think
1214 we can be more -- use more of a scalpel. I think there are
1215 industries that we would -- or let's say capabilities that we

1216 all know right now are critical.

1217 Dr. Edel mentioned the dominance of chemical precursors and
1218 APIs. I mean, you know, we can say that in the case of a conflict,
1219 if Chinese -- if China begins to not supply those types of things,
1220 then we would really suffer, compared to, say, consumer goods.
1221 I mean, I think -- and I think that Congress is trying to do
1222 that. It's a very difficult thing to do.

1223 Where China is absolutely dominant in part of a supply chain
1224 for items that we cannot survive without, you know, that's where
1225 I would put my attention. And I do, I share your frustration
1226 that more hasn't been done.

1227 Mr. Sherman. I think the recent baby formula crisis, we
1228 never had with the baby formula last year --

1229 Mr. Bera. The gentleman's time has expired.

1230 Mr. Sherman. Illustrates that it's very hard for Congress
1231 to identify that this is unimportant and it would be -- it is
1232 something across the board we've disentangled our --

1233 Mr. Bera. The --

1234 Mr. Sherman. I believe my time has expired and I yield back.

1235 Mr. Bera. It has, thank you. Let me go ahead and recognize
1236 the gentleman from Kentucky, my good friend Mr. Barr.

1237 Mr. Barr. Thank you, Mr. Chairman. Appreciate your
1238 leadership and appreciate our witnesses today.

1239 Last month the House of Representatives overwhelmingly

1240 passed my legislation called the Assessing Xi's Interference and
1241 Subversion Act, or the AXIS Act, requiring the State Department
1242 to report to Congress on Chinese support for Russia on sanctions
1243 evasion, export controls, and other measures.

1244 I was just looking at the website of the Chinese Embassy
1245 in Washington, DC. And on April 29, they released the following
1246 statement, the embassy and the Ambassador.

1247 "For some time, the United States and some other countries
1248 as well as the North Atlantic Treaty Organization have been
1249 spreading disinformation about China's stance on the Ukraine
1250 situation and making groundless accusations to attack and smear
1251 China. The falsehoods confusing right with wrong are an attempt
1252 to mislead the world. China's position on the Ukraine issue is
1253 aboveboard, objective, and fair."

1254 And then they go on and they list all these examples of
1255 "falsehoods." I actually had the opportunity to meet with the
1256 Ambassador from China. He was displeased, to say the least, with
1257 the title of my bill, the AXIS Act.

1258 Can any of our witnesses provide some clarity to this? Is
1259 the Ambassador right to be outraged by my legislation? Or can
1260 any of our witnesses share examples of actual Chinese support
1261 for Russia in either sanctions evasion or economic support?

1262 Ms. Lin. So I can jump in first. So I think it would
1263 probably be troubling if the Chinese Ambassador was happy with

1264 what you passed. So I congratulate you.

1265 In terms of China's sanctions evasion, there is -- right
1266 now we're now seeing any systemic effort from the Chinese now
1267 to do so. But the Yale School of Management has a wonderful
1268 website that tracks Chinese companies that are still engaging
1269 in significant economic business in China. And some of these
1270 companies are still expanding their operations.

1271 So one company that I would point out is in the semiconductor
1272 side. They -- there are questions as to which SMIC might be trying
1273 to, still trying to provide products to Russia.

1274 In terms of Chinese disinformation, I would view what the
1275 Chinese Embassy has put out on its website as clear disinformation
1276 in terms of trying to portray China as taking, as you said, a
1277 fair and objective stance. Whereas as we have mentioned today,
1278 China's position is far from neutral and is very, I would say
1279 at most not purely fully aligned with Russia, but still very,
1280 very pro-Russia.

1281 Mr. Barr. Yeah, I agree. I mean, a post-invasion contract
1282 with Gazprom to buy more Russian gas is not neutrality. That
1283 is aiding and abetting Putin.

1284 Dr. Edel, do you have anything to add?

1285 Mr. Edel. Yeah, I would just also point to the Chinese
1286 purchase of foodstuffs in the direct aftermath of the invasion.

1287 Actually, sorry, I take that back, I believe it was slightly

1288 before, kind of going hand in glove with the no limits friendship
1289 that they announced on February 4.

1290 So I would just echo my colleagues' statements that this
1291 is clear disinformation being broadcast as loudly as it can.

1292 Mr. Barr. Let me move on to arms delays to any of our
1293 witnesses. Taiwanese Minister of Defense last year stated that
1294 the PRC would be capable of mounting a full-scale invasion of
1295 Taiwan by 2025.

1296 However, the current timetable for deliveries to Taiwan are
1297 falling behind. Sixty-six F-16 fighter jets not expected until
1298 2026, 108 Abrams tanks not until 2027. Forty Paladin
1299 self-propelled howitzers, that's now been pushed back to 2027.

1300 In addition to that, Taiwan is seeing delays right now of
1301 Stingers, Harpoon coastal missile defense systems and F-16, the
1302 upgrade.

1303 This is unacceptable if we are to deter the CCP's growing
1304 aggression. What can the Administration do, what can Congress
1305 do to expedite the delivery of these arms?

1306 Mr. Blumenthal. I can go, Dan Blumenthal. So I -- this
1307 is unacceptable. I think we're going to see further delays
1308 because the Administration is undergoing a policy review on arms
1309 sales and has an idea that it's stated about what Taiwan should
1310 buy and what it shouldn't buy.

1311 Which would be -- would be fine as far as it goes if we

1312 actually had a high level consultative mechanism that explained
1313 to Taiwan what we would do in a conflict and what they would do
1314 in a conflict. We have nothing like that.

1315 So we're going to see further delays because the U.S. and
1316 Taiwan are going to be quietly fighting about which arms to buy
1317 and which not to buy.

1318 But I agree with your premise, which is we have to -- if
1319 our intelligence services and INDOPACOM command are talking about
1320 China might go to war in 2027 and 2030, we have to treat arms
1321 to Taiwan and exercise in training programs with Taiwan, you know,
1322 as if -- as if a conflict is coming. And you know, just pushing
1323 as hard as we possibly can to make sure those arms get into their
1324 hands and they're trained well with them.

1325 Mr. Barr. My time has expired, but I hope we've learned
1326 our lesson from Ukraine that pre-invasion arms military
1327 assistance is a deterrent. And failure to provide that
1328 beforehand is an invitation for aggression.

1329 I yield back.

1330 Mr. Bera. Thank you. Let me now recognize my good friend,
1331 the gentlelady from North Carolina, Ms. Manning.

1332 Ms. Manning. Thank you, Chairman Bera, and thank you,
1333 Ranking Member Chabot, for holding this important hearing. And
1334 thank you to our witnesses.

1335 Dr. Edel, in light of the lessons that we've learned from

1336 the crisis in Ukraine, you laid out a very detailed list of steps
1337 that we should be taking to prepare ourselves for increased
1338 aggression by, and perhaps conflict with, China. How do we strike
1339 the right balance between being prepared for conflict without
1340 appearing to be on war footing and triggering a conflict with
1341 China?

1342 Mr. Edel. Representative Manning, thanks very much for the
1343 question.

1344 I would say that we have nowhere to go but up in terms of
1345 our readiness and our working with allies on this. I would say
1346 as President Biden heads out to both Seoul and Tokyo for the Quad,
1347 we can be reminded of Quad 1.0, when it formed. Tanvi, Dr. Madan,
1348 is a real expert on this.

1349 That it fell apart basically because the Chinese made such
1350 noises that this was aggressive moves by us in 2007, 2008. And
1351 if we continued to proceed down this path, they would pursue a
1352 path of military modernization and become more aggressive.

1353 So Quad 1.0 fell apart and China chose to pursue military
1354 modernization and become more aggressive in the region. So I
1355 think echoing my colleague Dr. Lin's statements that the best
1356 that we can hope for is shaping the region as concretely as we
1357 could.

1358 And that includes work that we can do alongside our allies
1359 and partners to make sure that we are sending a signal not only

1360 in Taiwan, but much more broadly around the region too, that the
1361 United States and its allies are more postured, more ready, and
1362 more capable to make sure that they -- there is no sense or sign
1363 of weakness in our resolve and in our capabilities in the region.

1364 Ms. Manning. So, in other words, the steps that you laid
1365 out will not only prepare us, but also send the signal and perhaps
1366 decrease Chinese aggression?

1367 Mr. Edel. It's my impression that Beijing responds most
1368 to actions, not words, and positions of strength from us. So
1369 maybe toning down the rhetoric and amping up not only capabilities
1370 but what will have in the region will send a louder message than
1371 anything that we could say declaratorily.

1372 Ms. Manning. Thank you very much.

1373 Dr. Madan, in your testimony, you mention ways to improve
1374 our framing in the region on China to help make countries more
1375 receptive to our approach. What should our message be and how
1376 will it encourage more buy-in from countries to align with us
1377 rather than China?

1378 Ms. Madan. Thank you, Representative Manning, for that
1379 question. I think, as I said earlier, even in the case of China
1380 focusing on its violations of norms or rules, laws in general,
1381 more specifically, when countries are facing, in the region are
1382 facing coercion, gray zone operations, so that we be responsive
1383 to their concerns.

1384 And that the two things that don't tend to have much traction
1385 beyond a small set of countries are framings of democracy versus
1386 autocracy. As much as we believe it, we -- it has less attraction.

1387

1388 And if we see with the Biden Administration's Indo-Pacific
1389 strategy, they have dropped that framing in framing of the --
1390 and replaced it with a framing, as Dr. Lin mentioned, which is
1391 talking about shaping the landscape and the region around China.

1392 Finally, for a number of these countries, even though we
1393 are maybe paying attention to several countries in South --
1394 Southeast Asia, even beyond the Indo-Pacific and the Pacific,
1395 Pacific island states as well, even though we might be paying
1396 more attention to them because we are concerned about the China
1397 challenge, they will be more receptive if we don't frame it in
1398 terms of countering China or balancing China, but rather be
1399 responsive to their concerns, offering them solutions, offering
1400 them alternatives.

1401 So enabling them to make choices. That is actually, I think,
1402 going to have -- be more attractive to those countries, and also
1403 have them build resilience so that they can themselves resist
1404 this coercion and potentially even use of force.

1405 Ms. Manning. Thank you. Dr. Lin, quickly, can you describe
1406 some of the economic consequences for the U.S. and our partners
1407 in the region were China to face Russia-like economic sanctions

1408 in response to our -- to its potential aggression?

1409 Ms. Lin. I think the consequences would be incredibly
1410 severe because of the fact that China has significantly more
1411 economic weight, not only in terms of the U.S.-China trade, but
1412 also its impact on our allies and partners.

1413 On the other hand, I do think China believes that because
1414 of its economic heft, the types of sanctions that the West or
1415 developed countries could impose on China are -- will likely not
1416 be anywhere close to the type of sanctions that we have leveraged
1417 against Russia.

1418 Ms. Manning. Thank you. My time is about to expire, and
1419 I yield back.

1420 Mr. Bera. Thank you. Let me now recognize my good friend
1421 from California, the gentlelady Ms. Kim.

1422 Mrs. Kim. Thank you, Chairman Bera, and Ranking Member
1423 Chabot. I want to thank all of our witnesses for joining us today.

1424 I agree with Congressman Andy Barr, who stated that, you
1425 know, he talked about the AXIS Act, which he worked so hard to
1426 get passed it through the House. So thank you for his leadership.

1427 While the united States and allies and partners have taken
1428 strong measures to hold Putin accountable for his unprovoked
1429 invasion of Ukraine, interference from Chinese Communist Party
1430 threatens to seriously undermine these efforts.

1431 Following the start of the invasion, the CCP wasted no time

1432 in voicing rhetorical support for Russia's invasion of Ukraine
1433 through its unofficial spokesperson and spreading inflammatory
1434 disinformation on social media platforms like Facebook and
1435 Instagram, where they are still allowed to purchase ads.

1436 However, the CCP's support for Russia threatens to cross
1437 an ever clearer red line in the form of economic support and
1438 sanctions evasion for the Kremlin and Russian oligarchs to water
1439 down the impact of global sanctions on Russia.

1440 Dr. Lin, I have a question for you. You know, what
1441 conclusions are PRC leaders likely reaching about the war in
1442 Ukraine, and how might these platform inform the -- its approach
1443 to its own security interest? What does the PRC stand to lose
1444 from a Russia invasion and what does it stand to gain?

1445 Ms. Lin. Thank you, Representative, that's a excellent
1446 question.

1447 So maybe I'll start with what does China stand to lose.
1448 So right now we are seeing that China's relationship with Europe
1449 is deteriorating significantly. This morning we saw news that
1450 the E.U. may be more willing to take a forward-leaning position
1451 on Taiwan.

1452 We're also seeing U.S-China relations being negatively
1453 impacted by China's position on Russia and Ukraine. And we're
1454 also seeing renewed significant support and attention on Taiwan,
1455 which China would want to avoid. So China is in many ways losing

1456 quite a bit on the larger U.S. strategic picture.

1457 In terms of what it gains, I think that's a really, really
1458 great question. And I believe Xi Jinping believes that by
1459 maintaining its close relationship with Russia, China at least
1460 has one close strategic partner that has nuclear weapons and is
1461 still relatively military capable that could support China in
1462 the future should it be involved in any contingencies or conflicts
1463 in its periphery or border.

1464 But I would note that I don't think China actually gains
1465 very much by supporting Russia.

1466 Mrs. Kim. Thank you for the response.

1467 Dr. Edel, what is the status of the U.S.-Japan military
1468 training and planning for a possible joint response to a PRC
1469 invasion of Taiwan? Is there a danger that Japan's statement
1470 about concern regarding the stability of the Taiwan Strait will
1471 create outsized expectations about its willingness to engage?

1472

1473 How, if at all, does Tokyo's attention to Taiwan issues
1474 reflect a reconsideration of the role Japan may play?

1475 Mr. Edel. Thank you very much, Representative Kim.

1476 I think we've seen that Tokyo has moved much further than
1477 we had previously expected, starting with the visit to the White
1478 House last spring, where we saw a statement about Taiwan for the
1479 first time. We can see from the 2+2 readout between Tokyo and

1480 Washington, too, that Taiwan is now increasingly visible in
1481 discussions and even contingency planning.

1482 So I think in response to your question, I don't think this
1483 triggers warning, but I think that the more that we see countries
1484 recognizing, especially for a country like Japan, given their
1485 geography, the critical importance of Taiwan and what they would
1486 do in any contingency, the more likely we are to see multifaceted
1487 pushback against any aggressive acts by China.

1488 Mrs. Kim. Thank you. Another question for you, Dr. Edel.
1489 The incoming South Korean President Yoon has indicated he will
1490 seek great alignment between the United States in the Pacific
1491 strategy and South Korea's approach to the region. How do you
1492 think this closer alignment will manifest in South Korea's
1493 relationship with Taiwan?

1494 Mr. Edel. That part is too be determined, but I think that
1495 we should be welcoming and encouraging the early signs that we've
1496 heard from President Yoon that he wants to play a greater role
1497 in the Indo-Pacific. For a long time, South Korea as a close
1498 ally has had a missing Indo-Pacific strategy, instead choosing
1499 to focus on its most pressing concerns on the Korean Peninsula.

1500 The fact that President Biden is going to be in Seoul, the
1501 fact that President Yoon has said that he wants to do more with
1502 the Quad and in the Indo-Pacific I think should be encouraged.

1503 Yes, on Taiwan where they might go, but also much more broadly

1504 across the region where else they might be able to contribute.

1505 Mrs. Kim. Thank you. I know my time is up, but do I have
1506 time to put in one more question, Chairman Bera?

1507 Mr. Bera. I think we're going to do a second round of
1508 question if the witnesses would indulge. And we'll come back
1509 to you, if that's okay.

1510 Mrs. Kim. Thank you. I won't be able to come back, that's
1511 why I wanted to ask for permission. Thank you, I yield back.

1512 Mr. Bera. Well, Ms. Kim, or Representative Kim, I'll go
1513 ahead and use my discretion, so if you want to ask your question.

1514 Mrs. Kim. Great, thank you, Chairman.

1515 Dr. Lin, question for you. How is China's approach to gray
1516 zone conflict different from that of Russia's approach, and how
1517 do PRC leaders think about or plan for the use of proxy or covert
1518 forces in a conflict over Taiwan or with India? Do PRC leaders
1519 view Russia's use of "little green men" as a useful model?

1520 Ms. Lin. Thank you, Representative Kim, a really excellent
1521 question in terms of trying to understand the differences.

1522 I would just note that China's gray zone behavior is much
1523 more comprehensive than that of Russia's because China has much
1524 more power, not only on the military side but on the information
1525 side, on the economic side. So whereas Russia's gray zone
1526 behavior tends to be more military heavy, I would say that China
1527 wields power in all different ways.

1528 In terms of "little green men," I think China has used quite
1529 a bit of proxy actors in various regions and countries. For
1530 example, in Taiwan they have -- they employ local agents there
1531 to influence the local population. But they are also using their
1532 economic might, for example, to buy companies and to buy media
1533 organizations.

1534 So I would say that in some ways, China's gray zone activities
1535 are much more difficult to counter than Russian gray zone
1536 activities.

1537 Mrs. Kim. Thank you very much for all the witnesses for
1538 responding to the questions, and thank you, Chairman, for
1539 indulging me. I yield back.

1540 Mr. Bera. Thank you. And again, for the members that are
1541 on, if the witnesses would indulge, I think we all have many more
1542 questions. But we'll do a second round of questioning.

1543 And playing off of, and I'll start with myself, playing off
1544 of Representative Kim's question, Russia and, you know, the PRC
1545 clearly are not free and open societies. And in many ways, Russia
1546 was a much more open society with regards to information compared
1547 to, you know, some of the lockdowns that are already in place
1548 in the PRC.

1549 I have to imagine if the citizens of Russia were watching
1550 what we're watching on a nightly basis with regards to how poorly
1551 the war and their execution of this war is going, that public

1552 opinion would change. I think the same within the PRC.

1553 And when we think about disinformation and the tools that
1554 we had during the Cold War, you know, Radio Free Europe and so
1555 forth, I think many of those tools have atrophied in recent times.

1556

1557 You know, I'd ask any of the witnesses, and maybe we'll start
1558 with Ms. Lin with regards to what we should be thinking about.

1559 I've heard loud and clear, and I certainly look forward with
1560 the ranking member, that we have to put out our message to the
1561 region, and you know, and our perspective in a much more forceful
1562 way. And you know, along with our allies.

1563 What tools would, you know, and I think we did that well
1564 in the Cold War, you know, putting out our perspective. What
1565 tools can we use or should we bring back and use in a more forceful
1566 way? And then we'll start with Ms. Lin, but any of the witnesses.

1567 Ms. Lin. Sure, thank you. I would echo much of what my
1568 colleague Dr. Edel mentioned in terms of activities. I think
1569 we should increase our information efforts and invest in those
1570 capabilities. And in particular, I would recommend more
1571 investment in Chinese language media services.

1572 Because if you really want to influence the Chinese public,
1573 most of them are not reading English language material. And even
1574 if we can't penetrate the Chinese internet Great Firewall, maybe,
1575 well, not so much anymore, but eventually Chinese citizens will

1576 be traveling abroad, they will be studying abroad.

1577 And if you have an independent Chinese language media that
1578 can -- that could deliver the message to them while they're abroad,
1579 you're still being able to reach the messages -- you are still
1580 able to deliver the messages to your intended population.

1581 Mr. Blumenthal. Can I -- can I say something, Chairman Bera?

1582 Mr. Bera. Sure, let's go to Dr. Edel and then Mr.
1583 Blumenthal.

1584 Mr. Edel. Three specific suggestions I think that flow from
1585 this. So the first only softer category, but the first is
1586 thinking quite definitely not only in the PRC but much more broadly
1587 across the region how we make sure that our message gets across.

1588 So we've seen that broadband and how the broadcast goes in,
1589 particularly around the Pacific islands. Australia has pulled
1590 out of the area, we haven't played in that area, and the PRC bought
1591 up the broadband stations. So investing more resources into that
1592 to make sure that our side of the story is there, really important.

1593 The second one I would push to is when we think, as Dr. Madan
1594 addressed about addressing the local issues, and that gives us
1595 entree into having a broader strategic conversation. I think
1596 there's nothing but goodness that comes from plussing up the AID
1597 budget in this regard, particularly as we turn through what else
1598 we can do and what more we can do across the Pacific.

1599 The third one that I'd just is that it's a pretty low bar

1600 for entry, is State Department generally has a pretty good speaker
1601 series where they take non-governmental folks out and put them
1602 across the region, making sure that it's not only the U.S.
1603 Government that's speaking, but a multiplicity of voices from
1604 our own society. I think that's something that we want to engage
1605 in consistently.

1606 Thank you.

1607 Mr. Bera. Great, Mr. Blumenthal.

1608 Mr. Blumenthal. Yes, thank you, Chairman Bera. I think
1609 the most important thing is that Xi Jinping went all in with Putin
1610 in this -- in this statement and heralding a new era of
1611 geopolitics. And the most important thing we can do is prove
1612 him wrong. And that is by defeating the Russian force, helping
1613 Ukraine defeat Russian forces in the Ukraine. And getting
1614 information into China that -- that Xi Jinping made a big mistake.

1615 The second most important thing, though, is that Xi Jinping
1616 needs to doubt what his PLA leaders and people in the CCP hierarchy
1617 are telling him about how easy it would be to invade Taiwan.
1618 He needs to look at Putin, who was overconfident. And he needs
1619 to feel that he's overconfident too.

1620 And to the extent we can find those people who are closest
1621 to him and message them and shape them to say that -- to say not
1622 to be confident about your calculations in taking Taiwan, I think
1623 we will add to deterrence. Thank you.

1624 Mr. Bera. Great. Dr. Madan, would you like to add
1625 anything?

1626 Ms. Madan. I would just echo, Representative Bera, your
1627 point about looking back at the Cold War and seeing the tools
1628 we used then, some of which included, for instance, helping
1629 support local media to encourage local civil society in various
1630 countries.

1631 That both helps them look at whether or not, for example,
1632 Chinese contracts in their countries have been transparent or
1633 not, asking for accountability from their government about the
1634 projects that, and the contracts they've signed.

1635 Also to China is, for example, engaging the elites in these
1636 countries, students, next generation leaders. We need to start
1637 investing in that, much more in that again to try to engage with
1638 kind of various levels of society, as China is doing. And not
1639 just to counter China's message, but to put forth, as Mr.
1640 Blumenthal and others have said, our message about what we are
1641 doing and the rules of the road that we are trying to protect.

1642 So I think more kind of resources also devoted, I would agree
1643 with Dr. Edel, in terms of the tools of strategic communications,
1644 in terms of the media and public diplomacy, as we did in the Cold
1645 War.

1646 Mr. Bera. Great, thank you. Let me go ahead and recognize
1647 the ranking member, Mr. Chabot.

1648 Mr. Chabot. Thank you very much, Mr. Chairman.

1649 The invasion of Ukraine was relatively easy for the world
1650 to condemn because you had the invasion of sovereign state, which
1651 is a clear violation of U.N. charter. Now, while Taiwan has all
1652 the attributes of a sovereign state, China has spent decades
1653 browbeating the rest of the world with its One China principle
1654 or One China policy, which holds that Taiwan is sovereign PRC
1655 territory, which is absolutely not true.

1656 Why is it important for the United States, as it builds a
1657 coalition of support for Taiwan, to push back on this fictitious
1658 narrative? Mr. Blumenthal, I'll throw that question to you.

1659 Mr. Blumenthal. Thank you very much, Mr. Chabot,
1660 Congressman Chabot. I think it's so important.

1661 So I think if we woke up tomorrow and the Chinese had started
1662 to precipitate a crisis of the kind that Russia did against Ukraine
1663 and we sent our Secretary of State and others around the world
1664 to try to coalesce a coalition, get a political message, unified
1665 political message from a coalition, we would have a hard time
1666 doing so.

1667 And it's for the very reasons that you said. We keep stating
1668 over and over again that we have a One China policy. But other
1669 countries won't go to war or won't join a coalition because we
1670 have a One China policy.

1671 We have a Taiwan Relations Act. No other country has a

1672 Taiwan Relations Act. No other country is going to join us in
1673 a risky coalition because of our Taiwan Relations Act.

1674 We need, forget public diplomacy, although that's important,
1675 we need private diplomacy that focuses on this fact, focuses on
1676 the fact that we are going to need first and foremost to build
1677 a political coalition, political unity, around the fact that we
1678 are going to push back against Chinese aggression.

1679 That work hasn't even begun. So the Chinese conduct what
1680 we call legal warfare throughout the U.N. and in other places
1681 to essentially erase Taiwan off the map. The strategy is to turn
1682 around and go to all these countries and say, look, stay out of
1683 our domestic affairs.

1684 And as I said in my opening statement and as I have in my
1685 testimony, all they need is countries to sit on the fence. They
1686 don't need countries to agree with them, they just need a lot
1687 of fence-sitters.

1688 We have to be working now to go around the world and say
1689 look, if China attacks Taiwan, here are the foundational
1690 principles of international law and international relations that
1691 it is violating. And we need to come up with that foundation,
1692 and we need to sell it in every forum that we can sell it and
1693 every capital where we -- so we.

1694 It's a very competitive diplomatic environment right now.
1695 We're not fighting back against this erasing Taiwan from the

1696 political map. And it's going to affect our military operations,
1697 because political unity is going to be the number one ingredient
1698 to success in military operations.

1699 Thank you.

1700 Mr. Chabot. Thank you, Mr. Blumenthal. Let me -- let me
1701 follow up with this. Taiwan is our, I believe, ninth largest
1702 trading partner and strategically positioned at the midpoint of
1703 the first island chain. But it's also on the other side of the
1704 world. And it, let's face it, it doesn't spend nearly enough
1705 in my view on its own defense. They need to ramp up their own
1706 defense spending.

1707 So a lot of Americans outside the Beltway wonder why the
1708 U.S. should be underwriting Taiwan's security, especially when
1709 our debt is so large. It's -- and it's gotten far too large,
1710 and we definitely do need to be serious about that.

1711 Could you discuss how a Chinese invasion and ultimately if
1712 they were successful in occupying Taiwan, what impact would there
1713 be on America, especially on our hardworking taxpayers, which
1714 let's face it, are kind of under assault these days as well?

1715 Mr. Blumenthal. Well, first and foremost, TSMC would go
1716 down, which means all electronics around the world would be
1717 useless. So the world would face an economic crisis the minute
1718 shots were fired towards Taiwan.

1719 But harder to explain to taxpayers, I think, that's not my

1720 job, it's your, all of your hard work, is that an attack on Taiwan
1721 is essentially at this point an attack on Japan because of
1722 geography. So Japan becomes very hard to defend, if not
1723 indefensible, if China holds Taiwan.

1724 An attack on Japan, you begin the unraveling of the alliance
1725 system in the Asia Pacific. The alliance system in the Asia
1726 Pacific is what has kept us safe since World War II. So Americans
1727 fought and died in large numbers after we were attacked in Pearl
1728 Harbor and said we will never again, after that war, fight our
1729 way, slog our way through the Pacific to protect our homeland
1730 forward.

1731 And we have to have that principle again. We have to defend
1732 our homeland forward so never again do we have to slog back through
1733 the Pacific, this critical, critical region to our country for
1734 economic and political reasons. So a forward of Taiwan is
1735 essentially a forward defense of the American homeland.

1736 Mr. Chabot. Thank you very much, Mr. Chairman, I yield back.

1737 Mr. Bera. Thank you. And we could be here all day because
1738 there are a multitude of questions and this is a incredibly
1739 important topic for us. That said, I really do want to thank
1740 our members for their questions, and certainly want to thank the
1741 witnesses for their response.

1742 With members' questions now concluded, I will go ahead and
1743 move just a quick closing remark. I really do think the

1744 information that was provided by our witnesses and the line of
1745 questioning on both sides of the aisle, Democratic and Republican,
1746 was incredibly insightful and gives us a lot to think about.

1747 And I do look forward to working with the ranking member
1748 to address some of the concerns, as well as some of the
1749 opportunities that if we proactively take, hopefully we can
1750 actually deter, you know, Xi Jinping from taking wrongful actions
1751 that would, you know, lead to something that in the 21st century
1752 we certainly don't want to see that would disrupt peace and
1753 prosperity in the region.

1754 So again, let me go ahead and give Mr. Chabot an opportunity
1755 to make a close.

1756 Mr. Chabot. Thank you, Mr. Chairman, and I'll be -- I'll
1757 be very brief.

1758 I think this has been a very important hearing. I think
1759 the witnesses have responded excellent, the questions, their
1760 statements were excellent. And I think the members'
1761 participation was very good as well.

1762 And avoiding a military confrontation with the PRC, with
1763 China, is very important, and we want to avoid that if at all
1764 possible. I do think that military confrontation, the chance
1765 of that goes up as China thinks that Taiwan is weak and they could
1766 take them, or they think the United States is not committed.

1767 So I think it's key that they know the United States is

1768 committed and that Taiwan is strong. I think that's how we avoid
1769 military confrontation.

1770 And so that leads to one final point I wanted to make. Our
1771 policy for too many years has been something called strategic
1772 ambiguity, which means that China doesn't know what we would do.

1773 I think that's dangerous. I think rather than strategic
1774 ambiguity, we ought to have strategic clarity, where they know
1775 we would be there, they know Taiwan is strong, so they decide
1776 military action makes no sense.

1777 Then we have peace, we avoid war. And I think that's the
1778 way to do it.

1779 And thank you for allowing me to make a closing statement.

1780 I yield back.

1781 Mr. Bera. Great. Thank you to Ranking Member Chabot. And
1782 again, I want to thank our witnesses and the members who
1783 participated in this important hearing. And with that, the
1784 hearing is adjourned.

1785 [Whereupon, the subcommittee was adjourned at 10:01 a.m.]