

The World Political Parties Summit at the Diaoyutai State Guesthouse was held 6 July 2021 in Beijing. More than five hundred participants from political parties across 160 nations attended, many participating via video link. Sponsored by the Communist Chinese Party (CCP), it was held in conjunction with the one hundredth anniversary of the CCP. The summit was part of a sustained synchronized campaign of economic, diplomatic, and propaganda/information operations initiatives orchestrated by Chinese communist dictator Xi Jinping aimed at undermining the Western orientation of the current economic, political, social, and cultural capitalist/libertarian global order and supplanting it with the authoritarian model presented by the People's Republic of China with China as the leading centripetal force. (Photo by Xinhua/Jiang Kehong)

# How China Sees the World And How We Should See China

Lt. Gen. H. R. McMaster, U.S. Army, Retired

Editor's note: This article by Lt. Gen. H. R. McMaster (ret.), former National Security Advisor to the White House during the Trump administration, was originally published in the May 2020 print edition of The Atlantic magazine. It is an abridgment of book chapters discussing his experiences with Chinese government officials in his book Battlegrounds: The Fight to Defend the Free World, published by HarperCollins also in May 2020. It is published in Military Review with permission of The Atlantic and the Hoover Institution at Stanford University, California, where he currently is the Fouad and Michelle Ajami Senior Fellow and lecturer in Stanford's Graduate School of Business.

# I. The Forbidden City

On November 8, 2017, Air Force One touched down in Beijing, marking the start of a state visit hosted by China's president and Communist Party chairman, Xi Jinping. From my first day on the job as President

Chinese Communist Party's military and economic strategies is what makes it particularly dangerous to the United States and other free and open societies.

John King Fairbank, the Harvard historian and godfather of American sinology, noted in 1948 that to



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Donald Trump's national security adviser, China had been a top priority. The country figured prominently in what President Barack Obama had identified for his successor as the biggest immediate problem the new administration would face—what to do about North Korea's nuclear and missile programs. But many other questions about the nature and future of the relationship between China and the United States had also emerged, reflecting China's fundamentally different perception of the world.

Since the heady days of Deng Xiaoping, in the late 1970s, the assumptions that had governed the American approach to our relationship with China were these: After being welcomed into the international political and economic order, China would play by the rules, open its markets, and privatize its economy. As the country became more prosperous, the Chinese government would respect the rights of its people and liberalize politically. But those assumptions were proving to be wrong.

China has become a threat because its leaders are promoting a closed, authoritarian model as an alternative to democratic governance and free-market economics. The Chinese Communist Party is not only strengthening an internal system that stifles human freedom and extends its authoritarian control; it is also exporting that model and leading the development of new rules and a new international order that would make the world less free and less safe. China's effort to extend its influence is obvious in the militarization of man-made islands in the South China Sea and the deployment of military capabilities near Taiwan and in the East China Sea. But the integrated nature of the

understand the policies and actions of Chinese leaders, historical perspective is "not a luxury, but a necessity." During our state visit, Xi and his advisers relied heavily on history to convey their intended message. They emphasized certain historical subjects. They avoided others.

The American delegation—which included President Trump and the first lady, Secretary of State Rex Tillerson, and the U.S. ambassador to China, Terry Branstad—received its first history lesson as it toured the Forbidden City, the seat of Chinese emperors for five centuries. We were accompanied by Xi, his wife, and several other senior Chinese leaders. The message—conveyed in private conversations and public statements, as well as in official TV coverage and by the very nature of the tour—was consistent with Xi's speech three weeks earlier at the 19th National Congress: The Chinese Communist Party was relentlessly pursuing the "great rejuvenation of the Chinese nation." As Xi described it, "rejuvenation" encompassed prosperity, collective effort, socialism, and national glory—the "China dream." The Forbidden City was the perfect backdrop for Xi to showcase his determination to "move closer to the center of the world stage and to make a greater contribution to humankind."

The Forbidden City was built during the Ming dynasty, which ruled China from 1368 to 1644—a period considered to be a golden age in terms of China's economic might, territorial control, and cultural achievements. It was during this dynasty that Zheng He, an admiral in the Ming fleet, embarked on seven voyages around the Western Pacific and Indian Oceans, more than half a century before Christopher Columbus set sail. His "treasure ships," among the largest wooden vessels ever built,

brought back tribute from all parts of the known world. But despite the success of the seven voyages, the emperor concluded that the world had nothing to offer China. He ordered the treasure ships scuttled and Chinese ports closed. The period that followed—the 19th and

only to impress, but also to defend from threats that might come from both outside and inside the city's walls. After the end of the Han dynasty, in A.D. 220, China's core provinces were ruled only half the time by a strong central authority. And even then, China was



China's leaders believe they have a narrow window of opportunity to strengthen their rule and revise the international order in their favor.



20th centuries in particular—is seen by Xi and others in the leadership as an aberrational period during which European nations and, later, the United States achieved economic and military dominance.

Like the closing show of the 2008 Beijing Olympics, which placed modern technological innovation in the context of 5,000 years of Chinese history, the tour of the Forbidden City was meant, it seemed, as a reminder that Chinese dynasties had long stood at the center of the Earth. The art and architectural style of the buildings reflected the Confucian social creed: that hierarchy and harmony fit together and are interdependent. The emperor held court in the Hall of Supreme Harmony, the largest building in the Forbidden City. The grand throne is surrounded by six golden pillars, engraved with dragons to evoke the power of an emperor whose state ruled over tianxia—over "everything beneath heaven."

While the images broadcast to China and the rest of the world from the Forbidden City during our visit were meant to project confidence in the Chinese

Lt. Gen. H. R. McMaster, U.S. Army, retired, is a former White House national security adviser and the author of Battlegrounds: The Fight to Defend the Free World and Dereliction of Duty: Lyndon Johnson, Robert McNamara, the Joint Chiefs of Staff, and the Lies That Led to Vietnam.

Communist Party, one could also sense a profound insecurity—a lesson of history that went unmentioned. In its very design, the Forbidden City seemed to reflect that contrast between outward confidence and inner apprehension. The three great halls at the city's center were meant not

subject to foreign invasion and domestic turmoil. The Yongle emperor, Zhu Di, who built the Forbidden City, was more concerned about internal dangers than he was about the possibilities of another Mongol invasion. To identify and eliminate opponents, the emperor set up an elaborate spy network. To preempt opposition from scholars and bureaucrats, he directed the executions of not only those suspected of disloyalty, but also their entire families. The Chinese Communist Party used similar tactics centuries later. Like Xi, the emperors who sat on the elaborate throne in the heart of the Forbidden City practiced a remote and autocratic style of rule vulnerable to corruption and internal threats.

Our guide showed us where the last royal occupant of the Forbidden City, Emperor Puyi, was stripped of power in 1911, at the age of 5, during China's republican revolution. Puyi abdicated in the midst of the "century of humiliation," a period of Chinese history that Xi had described to Trump when the two leaders met for dinner at Mar-a-Lago, seven months before our tour. The century of humiliation was the unhappy era during which China experienced internal fragmentation, suffered defeat in wars, made major concessions to foreign powers, and endured brutal occupation. The humiliation began with Great Britain's defeat of China in the First Opium War, in 1842. It ended with the Allied and Chinese defeat of imperial Japan in 1945 and the Communist victory in the Chinese Civil War in 1949.

Our last meeting of the state visit, in the Great Hall of the People, was with Li Keqiang, the premier of the State Council and the titular head of China's government. If anyone in the American group had any doubts about China's view of its relationship with the United

States, Li's monologue would have removed them. He began with the observation that China, having already developed its industrial and technological base, no longer needed the United States. He dismissed U.S. concerns over unfair trade and economic practices, indicating that the U.S. role in the future global economy would merely be to provide China with raw materials, agricultural products, and energy to fuel its production of the world's cutting-edge industrial and consumer products.

Leaving China, I was even more convinced than I had been before that a dramatic shift in U.S. policy

was overdue. The Forbidden City was supposed to convey confidence in China's national rejuvenation and its return to the world stage as the proud Middle Kingdom. But for me it exposed the fears as well as the ambitions that drive the Chinese Communist Party's efforts to extend China's influence along its frontiers and beyond, and to regain the honor lost during the century of humiliation. The fears and ambitions are inseparable. They explain why the Chinese Communist Party is obsessed with control—both internally and externally.

The party's leaders believe they have a narrow window of strategic opportunity to strengthen their rule and revise the international order

in their favor—before China's economy sours, before the population grows old, before other countries realize that the party is pursuing national rejuvenation at their expense, and before unanticipated events such as the coronavirus pandemic expose the vulnerabilities the party created in the race to surpass the United States and realize the China dream. The party has no intention of playing by the rules associated with international law, trade, or commerce. China's overall strategy relies on co-option and coercion at home and abroad, as well as on concealing the nature of China's true intentions. What makes this strategy potent and dangerous

is the integrated nature of the party's efforts across government, industry, academia, and the military.

And, on balance, the Chinese Communist Party's goals run counter to American ideals and American interests.

### II. Three Prongs

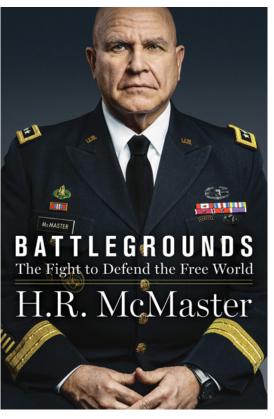
As China pursues its strategy of co-option, coercion, and concealment, its authoritarian interventions have become ubiquitous. Inside China, the party's tolerance for free expression and dissent is minimal, to put it

mildly. The repressive and manipulative policies in Tibet, with its Buddhist majority, are well known. The Catholic Church and, in particular, the fast-growing Protestant religions are of deep concern to Xi and the party. Protestant Churches have proved difficult to control, because of their diversity and decentralization, and the party has forcefully removed crosses from the tops of church buildings and even demolished some buildings to set an example. Last year, Beijing's effort to tighten its grip on Hong Kong sparked sustained protests that continued into 2020—protests that Chinese leaders blamed on foreigners, as they typically do. In Xinjiang, in northwestern

China, where ethnic Uighurs

mainly practice Islam, the party has forced at least 1 million people into concentration camps. (The government denies this, but last year The New York Times uncovered a cache of incriminating documents, including accounts of closed-door speeches by Xi directing officials to show "absolutely no mercy.")

Party leaders have accelerated the construction of an unprecedented surveillance state. For the 1.4 billion Chinese people, government propaganda on television and elsewhere is a seamless part of everyday life. Universities have cracked down on teaching that explains "Western liberal" concepts of individual rights,



freedom of expression, representative government, and the rule of law. Students in universities and high schools must take lessons in "Xi Jinping Thought on Socialism With Chinese Characteristics for a New Era." The chairman's 14-point philosophy is the subject of the most popular app in China, which requires users to sign in with their cellphone number and real name before they can earn study points by reading articles, writing comments, and taking multiple-choice tests. A system of personal "social credit scores" is based on tracking people's online and other activity to determine their friendliness to Chinese government priorities. Peoples' scores determine eligibility for loans, government employment, housing, transportation benefits, and more.

The party's efforts to exert control inside China are far better known than its parallel efforts beyond China's borders. Here again, insecurity and ambition are mutually reinforcing. Chinese leaders aim to put in place a modern-day version of the tributary system that Chinese emperors used to establish authority over vassal states. Under that system, kingdoms could trade and enjoy peace with the Chinese empire in return for submission. Chinese leaders are not shy about asserting this ambition. In 2010, China's foreign minister matter-of-factly told his counterparts at a meeting of the Association of Southeast Asian Nations: "China is a big country, and you are small countries." China intends to establish a new tributary system through a massive effort organized under three overlapping policies, carrying the names "Made in China 2025," "Belt and Road Initiative," and "Military-Civil Fusion."

"Made in China 2025" is designed to help China become a largely independent scientific and technological power. To achieve that goal, the party is creating hightech monopolies inside China and stripping foreign companies of their intellectual property by means of theft and forced technology transfer. In some cases, foreign companies are forced to enter into joint ventures with Chinese companies before they are permitted to sell their products in China. These Chinese companies mostly have close ties to the party, making routine the transfer of intellectual property and manufacturing techniques to the Chinese government.

The "Belt and Road Initiative" calls for more than \$1 trillion in new infrastructure investments across the Indo-Pacific region, Eurasia, and beyond. Its true purpose is to place China at the hub of trade routes and

communications networks. While the initiative at first received an enthusiastic reception from nations that saw opportunities for economic growth, many of those nations soon realized that Chinese investment came with strings attached.

The Belt and Road Initiative has created a common pattern of economic clientelism. Beijing first offers countries loans from Chinese banks for large-scale infrastructure projects. Once the countries are in debt, the party forces their leaders to align with China's foreign-policy agenda and the goal of displacing the influence of the United States and its key partners. Although Chinese leaders often depict these deals as win-win, most of them have just one real winner.

For developing countries with fragile economies, Belt and Road sets a ruthless debt trap. When some countries are unable to service their loans, China trades debt for equity to gain control of their ports, airports, dams, power plants, and communications networks. As of 2018, the risk of debt distress was growing in 23 countries with Belt and Road financing. Eight poor countries with Belt and Road financing—Pakistan, Djibouti, the Maldives, Laos, Mongolia, Montenegro, Tajikistan, and Kyrgyzstan—already have unsustainable levels of debt.

China's tactics vary based on the relative strength or weakness of the target states. When undertaking large-scale investment projects, many countries with weak political institutions succumb to corruption, making them even more vulnerable to Chinese tactics.

In Sri Lanka, the longtime president and current prime minister, Mahinda Rajapaksa, incurred debts far beyond what his nation could bear. He agreed to a series of high-interest loans to finance Chinese construction of a port, though there was no apparent need for one. Despite earlier assurances that the port would not be used for military purposes, a Chinese submarine docked there the same day as Japanese Prime Minister Shinzo Abe's visit to Sri Lanka in 2014. In 2017, following the commercial failure of the port, Sri Lanka was forced to sign a 99-year lease to a Chinese state-owned enterprise in a debt-for-equity swap.

The new vanguard of the Chinese Communist Party is a delegation of bankers and party officials with duffel bags full of cash. Corruption enables a new form of colonial-like control that extends far beyond strategic shipping routes in the Indian Ocean and South China Sea, and elsewhere.

The Military-Civil Fusion policy is the most totalitarian of the three prongs. In 2014 and then again in 2017, the party declared that all Chinese companies must collaborate in gathering intelligence. "Any organization or citizen," reads Article 7 of China's National Intelligence Law, "shall support, assist with, and collaborate with the state intelligence work in accordance with the law, and keep the secrets of the national intelligence work known to the public." Chinese companies work alongside universities and research arms of the People's Liberation Army. Military-Civil Fusion encourages state-owned and private enterprises to acquire companies with advanced technologies, or a strong minority stake in those companies, so that the technologies can be applied for not only economic but also military and intelligence advantage. It fasttracks stolen technologies

to the army in such areas as space, cyberspace, biology, artificial intelligence, and energy. In addition to espionage and cybertheft by the Ministry of State Security, the party tasks some Chinese students and scholars in the U.S. and at other foreign universities and research labs with extracting technology.

Sometimes U.S. defense funding supports China's technology transfers. One of many examples is the Kuang-Chi Group, described in the Chinese media as "a military-civilian enterprise." The Kuang-Chi Group was founded largely on the basis of U.S. Air Force–funded research into meta-materials at Duke University.

Chinese cybertheft is responsible for what General Keith Alexander, the former director of the National Security Agency, described as the "greatest transfer



# **APT 10 GROUP**

Conspiracy to Commit Computer Intrusions; Conspiracy to Commit Wire Fraud;
Aggravated Identity Theft





ZHU HUA

ZHANG SHILONG

#### DETAILS

On December 17, 2018, a grand jury in the United States District Court for the Southern District of New York indicted ZHU HUA, aka "Afwar," aka "CVNX," aka "Alayas," aka "Godkiller," and ZHANG SHILONG, aka "Babbellong," aka "Zhang Jianguo," aka "Attreexp," two members of a hacking group operating in China known in the cybersecurity community as Advanced Persistent Threat 10 (the "APT 10 Group"), with conspiracy to commit computer intrusion, conspiracy to commit wire fraud, and aggravated identity theft. The defendants worked for Huaying Haital Science and Technology Development Company located in Talajin, China, and they acted in association with the Chinese Ministry of State Security's Tanajin State Security Bureau.

As alleged in the Indictment, from at least 2006 through 2018, the defendants conducted extensive campaigns of global intrusions into computer systems aiming to steal, among other data, intellectual property and confidential business and technological information from more than at least 45 commercial and defense technology companies in at least a dozen states, managed service providers (MSP<sup>-</sup>), which ecompanies that remotely manage the information technology infrastructure of businesses and governments around the world, and U.S. government agencies. The victim companies targeted by ZHU HUA and ZHANG SHILONG were involved in a diverse array of commercial activity, industries, and technologies, including avaition, space and satellite technology, manufacturing technology, oil and gas exploration, production technology, communications technology, computer processor technology, and maritime technology. In addition, for example, the APT 10 Group's campaign compromised the data of an MSP and certain of its clients located in at least 12 countries including Barail, Canada, Finland, France, Germany, India, Japan, Sweden, Switzerland, the United Asta Emirates, the United Kingdom, and the United States. The APT 10 group also compromised computer systems containing information regarding the United States Department of the Navy and stole the personally identifiable information of more than 100,000 Navy personnel.

If you have any information concerning these individuals, please contact your local FBI office, or the nearest American Embassy or Consulate.

www.fbi.gov

Despite continual cynical and transparently false denials of official involvement in cyber theft, the People's Republic of China (PRC), with the support of its leader Xi Jinping, continues to organize and conduct massive hacking efforts against a wide variety of economic, academic, business, and administrative agencies in the United States to steal intellectual property as well as administrative and personal records. APT 10 is just one of many such organized cyber teams supported by the PRC and identified by the FBI. (Photo courtesy of the FBI)

of wealth in history." The Chinese Ministry of State Security used a hacking squad known as APT10 to target U.S. companies in the finance, telecommunications, consumer-electronics, and medical industries as well as NASA and Department of Defense research laboratories, extracting intellectual property and sensitive data. For example, the hackers obtained personal information, including Social Security numbers, for more than 100,000 U.S. naval personnel.

China's military has used stolen technologies to pursue advanced military capabilities of many kinds and drive U.S. defense companies out of the market. The Chinese drone manufacturer Dà-Jiāng Innovations (DJI) controlled more than 70 percent of the global market in 2017, thanks to its unmatched low prices. Its

unmanned systems even became the most frequently flown commercial drones by the U.S. Army until they were banned for security reasons.

Chinese espionage is successful in part because the party is able to induce cooperation, wittingly or unwittingly, from individuals, companies, and political leaders. Companies in the United States and other free-market economies often do not report theft of their technology, because they are afraid of losing access to the Chinese market, harming relationships with customers, or prompting federal investigations.

Co-option crosses over to coercion when the Chinese demand that companies adhere to the Communist Party's worldview and forgo criticism of its repressive and aggressive policies. When a Marriott employee using a company social-media account "liked" a pro-Tibet tweet in 2018, the hotel company's website and app were blocked in China for a week, and the employee was fired under pressure from the Chinese government. Last October, when Daryl Morey, the general manager of the Houston Rockets basketball team, tweeted his support of the Hong Kong protesters, Chinese state-run television canceled the broadcast of Rockets games.

The Chinese Communist Party has also pursued a broad range of influence efforts in order to manipulate political processes in target nations. Sophisticated Chinese efforts have been uncovered in Australia and New Zealand to buy influence within universities, bribe politicians, and harass the Chinese diaspora community into becoming advocates for Beijing.

## III. Strategic Empathy

Americans, as Hans Morgenthau noted long ago, tend to view the world only in relation to the United States, and to assume that the future course of events depends primarily on U.S. decisions or plans, or on the acceptance by others of our way of thinking. The term for this tendency is strategic narcissism, and it underlies the long-held assumptions I mentioned earlier: about how greater integration of China into the international order would have a liberalizing effect on the country and alter its behavior in the world.

But there's another way of thinking about how countries behave: strategic empathy. According to the historian Zachary Shore, strategic empathy involves trying to understand how the world looks to others, and how those perceptions, as well as emotions and aspirations, influence their policies and actions. An outlook of strategic empathy, taking into account history and experience, leads to a very different set of assumptions about China—one that is borne out by the facts.

The Chinese Communist Party is not going to liberalize its economy or its form of government. It is not going to play by commonly accepted international rules—rather, it will attempt to undermine and eventually replace them with rules more sympathetic to China's interests. China will continue to combine its form of economic aggression, including unfair trade practices, with a sustained campaign of industrial espionage. In terms of projecting power, China will continue to seek control of strategic geographic locations and establish exclusionary areas of primacy.

Any strategy to reduce the threat of China's aggressive policies must be based on a realistic appraisal of how much leverage the United States and other outside powers have on the internal evolution of China. The influence of those outside powers has structural limits, because the party will not abandon practices it deems crucial to maintaining control. But we do have important tools, quite apart from military power and trade policy.

For one thing, those "Western liberal" qualities that the Chinese see as weaknesses are actually strengths. The free exchange of information and ideas is an extraordinary competitive advantage, a great engine of innovation and prosperity. (One reason Taiwan is seen as such a threat to the People's Republic is because it provides a small-scale yet powerful example of a successful political and economic system that is free and open rather than autocratic and closed.)

Freedom of the press and freedom of expression, combined with robust application of the rule of law, have exposed China's predatory business tactics in country after country—and shown China to be an untrustworthy partner. Diversity and tolerance in free and open societies can be unruly, but they reflect our most basic human aspirations—and they make practical sense too. Many Chinese Americans who remained in the United States after the Tiananmen Square massacre were at the forefront of innovation in Silicon Valley.

Beyond a focus on strengths that the Chinese Communist Party regards as our weaknesses, there are explicit protective steps we must take. They include the following:

- Many universities, research labs, and companies in countries that value the rule of law and individual rights are witting or unwitting accomplices in China's use of technology to repress its people and improve the Chinese military's capabilities. For dual-use technologies, the private sector should seek new partnerships with those who share commitments to free-market economies, representative government, and the rule of law, not with those acting against these principles. Many companies are engaged in joint ventures or partnerships that help China develop technologies suited for internal security, such as surveillance, artificial intelligence, and biogenetics. In one of many examples, a Massachusetts-based company sold DNA-sampling equipment that has helped the Chinese government track Uighurs in Xinjiang. (The company has ended such sales.) Companies that knowingly collaborate with China's efforts to repress its own people or build threatening military capabilities should be penalized.
- Many Chinese companies directly or indirectly involved in domestic human-rights abuses and violation of international treaties are listed on American stock exchanges. Those companies benefit from U.S. and other Western investors. Tougher screening of U.S., European, and Japanese capital markets would help restrict corporate and investor complicity in China's authoritarian agenda. Freemarket economies like ours control the majority of the world's capital, and we have far more leverage than we are employing.
- China's use of major telecommunications companies to control communications networks and the internet overseas must be countered. There should no longer be any dispute concerning the need to defend against the multinational technology company Huawei and its role in China's security apparatus. In 2019, a series of investigations revealed incontrovertible evidence of the grave national-security danger associated with a wide array of Huawei's telecommunications equipment. Many Huawei workers are simultaneously employed by China's Ministry of State Security and the intelligence arm of the People's Liberation Army. Huawei technicians have used intercepted cell data to help autocratic leaders in Africa

- spy on, locate, and silence political opponents. A priority area for multinational cooperation among free societies should be the development of infrastructure, particularly 5G communications, to form trusted networks that protect sensitive and proprietary data.
- We must defend against Chinese agencies that coordinate influence operations abroad—such as the Ministry of State Security, the United Front Work Department, and the Chinese Students and Scholars Association. At the same time, we should try to maximize positive interactions and experiences with the Chinese people. The United States and other free and open societies should consider issuing more visas and providing paths to citizenship for more Chinese—with proper safeguards in place. Chinese who engage with citizens of free countries are the ones who are most likely to question their government's policies—whether from abroad or when they return home.
- The U.S. and other free nations should view expatriate communities as a strength. Chinese abroad—if protected from the meddling and espionage of their government—can provide a significant counter to Beijing's propaganda and disinformation. Investigations and expulsions of Ministry of State Security and other agents should be oriented not only toward protecting the targeted country but also toward protecting the Chinese expatriates within it.

Without effective pushback from the United States and like-minded nations, China will become even more aggressive in promoting its statist economy and authoritarian political model. For me, the state visit to Beijing—and exposure to China's powerful combination of insecurity and ambition reinforced my belief that the United States and other nations must no longer adhere to a view of China based mainly on Western aspirations. If we compete aggressively, we have reason for confidence. China's behavior is galvanizing opposition among countries that do not want to be vassal states. Internally, the tightening of control is also eliciting opposition. The bravado of Li Keqiang and other officials may be intended to evoke the idea of China as sovereign of "everything beneath heaven," but many beneath heaven do not, and must not, agree. ■