

Chairman Gallagher Opening Remarks
*Committee Hearing - "Commanding Heights: Ensuring U.S. Leadership in the
Critical and Emerging Technologies of the 21st Century"*

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as prepared for delivery

This week, I'm teaching a class on the beginning of the Cold War and the conflict in Korea.

As my students, some of whom are here tonight, know, the early 50s was also a time of technological promise tinged with existential dread.

We won the Cold War in part by controlling cutting edge technology. By the late 1980s, the Soviets had a bigger nuclear arsenal and even a larger conventional army. But our weapons were smarter.

With the help of new technologies like advanced microchips, GPS, and stealth, the US military was able to offset these Soviet advantages through the mass employment of guided weapons, what the Soviets referred to as a "reconnaissance-strike complex."

The Chinese Communist Party learned from the Soviet's mistakes and is pursuing global dominance of critical technology.

Their plan is brilliant in its simplicity: acquire our best technology for virtually free —through forced transfers, cyber attacks, the infiltration of our businesses and academic institutions, dishonest collaborations, and shady purchases by front companies — and use it for their own malign purposes.

Their national mil-civ fusion strategy, designed to collapse any barriers between the commercial sector and the military, ensures that even technology acquired by businesses, licitly or illicitly, makes its way to the PLA.

Here's the problem. We're not controlling cutting edge technology anymore. We're all but giving it away.

We have a bucket with massive holes in the bottom and we continue to pour billions and billions of R&D dollars into it every year.

We could plug the holes by enforcing export controls, ensuring appropriate research security safeguards, and enacting balanced outbound capital restrictions. But we choose not to.

It's time for that to change. It's time for Congress to step up.

It's as though a burglar has robbed your home dozens of times before, told you that he's coming back tonight, and you still leave your front door unlocked and your valuables lying around in plain sight.

The former head of the NSA called CCP IP theft "the largest transfer of wealth in human history". But who is being robbed and harmed? It's not the CEOs, it's not the lobbyists.

It's our service members. It's ordinary Americans. Our country is filled with invisible factories — those that would have been built here if we'd protected American technology.

There are invisible paychecks and invisible raises — those that our workers would have gotten if we weren't sending \$600 billion to our foremost global adversary every year in stolen IP and trade secrets — that's \$4,000 to \$6,000 per year per American family of four by the FBI's own estimate.

You. Are. Being. Robbed.

Every day. In plain sight. By the Chinese Communist Party.