

**TESTIMONY BEFORE THE MARYLAND HOUSE OF
REPRESENTATIVES
ENVIRONMENT AND TRANSPORTATION COMMITTEE
HB471**

Delegate Brian Chisolm

My name is Christopher Holton I currently serve as Senior Analyst and Director for State Outreach with the Center for Security Policy, a national security organization with the mission to promote peace through American strength. The Center has been actively involved in the issue of foreign adversary ownership of land in multiple states for 4 years now.

We appreciate the honor and privilege to address this this multifaceted national security issue for the state of Maryland.

A thorough, thoughtful and reasoned approach to the issue of foreign adversaries occupying, owning and controlling land in the US is necessary.

Maryland is far from alone in this fight. Dozens of other states have already acted.

Different forms of this legislation have sought to provide protection in different ways. Some bills have focused solely on agricultural land in an effort to maintain our vital food security. Others have focused on restricting foreign adversary ownership of land near military installations, especially after the US Air Force called the proposed acquisition of land by a Chinese entity near one of its bases a “threat to national security.”

Legislation can be, and has been, structured to include specific remedies, such as: fines; voiding sales; forfeiture, judicial revocation of licenses and business charters; judicial dissolution of business entities; judicial prohibition of an identified agent of a foreign adversary doing business in the state; and judicially awarded restitution for civil damages for harmed, innocent third parties. These remedies can be fashioned with full due process for all involved.

Nations like China, Russia, North Korea and Iran are quite different from the vast majority of nations around the world. All are adversaries of the US under various levels of sanctions under the Department of the Treasury. Foreign adversaries are defined in the code of federal regulations as foreign governments or foreign non-government

persons who have engaged in a long-term pattern or serious instances of conduct significantly adverse to the national security of the United States or security and safety of United States persons.

This legislation recognizes this and protects not just Maryland, but the entire country from what the United States Air Force has termed a threat to our national security.

Obviously, the overarching threat is currently from the communist People's Republic of China—a threat that should need no introduction, but which includes:

- a massive military build-up aimed at the US.**
- bellicose threats directed at the US and our allies.**
- State-sponsored, serial intellectual property theft.**
- Espionage**
- Currency manipulation and unfair trade practices**
- Violations of American airspace**
- Violations of international law**
- Gross human rights violations**
- State-sponsored organ harvesting**

- **Knowingly lying to international health organizations during the COVID-19 pandemic and refusing to cooperate with international investigations and research into the COVID-19 virus.**

Communist China has been waging a highly unconventional conflict against the US in a campaign labeled in People's Liberation Army (PLA) doctrine as "Unrestricted Warfare." Part of that includes strategic acquisitions by state-backed Chinese companies and Chinese Communist Party (CCP) members to pay top dollar for US companies, real estate and especially agricultural land and land near US military bases.

It is important to note that this is not a protectionist or anti-foreign movement. America serves as the breadbasket of the world. And foreign investors own millions of acres of US land because our agriculture industry is so productive. Canadian, German and Italian firms come to mind. It is right and proper that America should welcome such relations with our friends and allies.

But Iran, North Korea, Russia and China represent a different case because Chinese entities, for example, are invariably controlled by the communist government of China and that government has been

decidedly hostile toward America. Not coincidentally, the Chinese regime in recent years has reverted to becoming much more Maoist in its philosophy and policies, even to the point of declaring a Maoist renaissance. Mao Zedong, in case anyone was unaware, was the biggest mass murderer of the 20th century, responsible for more deaths than Hitler, Stalin and Pol Pot combined.

It is because of China's position as a rogue nation that it is so important that they not control any portion of our food security.

China has been particularly active in attempting to acquire land in the US. From 2010 to 2020 Chinese ownership of US farmland increased from \$81 million to \$1.8 billion, including North Dakota, Texas, North Carolina, Missouri, Florida, Utah, Virginia, Colorado and Oklahoma.

Food security is national security. If Americans don't act, China will.

It is unfortunate that state legislatures are having to act against this threat. But all Americans can be glad that they are. The federal

government's response to this has been inconsistent at best. CFIUS (the Committee for Foreign Investment in the US) punted on the issue, declining to weigh in on it. Fortunately, sanity prevailed in the US Air Force, which, when a Chinese entity sought to acquire a corn mill

near Grand Forks Air Force Base in North Dakota, issued an official statement that stated plainly that Chinese ownership of such land was a threat to America's national security. As has been the case on so many issues and in so many cases, the states simply cannot afford to wait for the federal government to get out of its own way or for gridlock in Congress to break free.

Some have asked why this legislation must apply to individuals and companies as well as government entities. First of all, every Chinese company—without exception—is majority owned and controlled by the Chinese Communist Party or the People's Liberation Army. In other words, there is no distinction in China's hybrid communist political and crony capitalist economic system. Second, there have been instances of Chinese nationals buying US land who are later discovered to be high-ranking members of the Chinese Communist Party. That is exactly what happened in Texas where a former officer in the Chinese People's Liberation Army and official in the Chinese Communist Party named **Sun Guangxin acquired 140,000 acres of land in the same county as Laughlin Air Force Base, a major pilot training installation. That prompted the Texas legislature to block Sun's**

project and in 2021 Governor Abbott of Texas to sign the Lonestar Infrastructure Protection Act into law to prevent such projects.

But there is another aspect that I would ask that the committee members keep in mind: in other states similar legislation did NOT apply to legal permanent residents in the United States. So legislation can be tailored so that it would not impact every foreign national or even every foreign national of a foreign adversary, such as those here on work visas.

Often when a foreign adversary makes a move to acquire land, it's not the government signing contracts and agreements. It is done through holding companies, foreign cut outs and fronts. Legislation can be structured in such a way as to effectively police these activities and entities. Furthermore, legislation can be written in such a way as to hold harmless realtors, land title attorneys and land owners in such transactions and expressly does not hold such private individuals and entities accountable to be the enforcement arm of government. That should be the job given to the state attorney general or some other officer of the state.

It has been speculated that it will be impossible to know if a foreign adversary moves to acquire land, but that is not necessarily so. Under existing law, foreign purchases of agricultural land, as an example, must be reported to the US Department of Agriculture, in recognition of the fact that foreign control of land and our food security is a major concern.

Despite all of the attention focused on this issue recently due to China's aforementioned actions, this is NOT a new issue. According to the National Agriculture Law Center, 21 states already have restrictions or prohibitions against foreign land ownership. Others require permission for such purchases. Among those states are Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

America needs a government that prevents our potential adversaries from buying our arable land and to prevent those adversaries from controlling even a portion of our domestic food supply. We also need to protect the safety and security of our critical infrastructure and military installations.

Again, thank you for the distinct honor and privilege to testify before this committee.