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CHINA INSIDER



YUAN HEGEMONY?

CHINESE PROFESSOR OUTLINES
BEIJING'S PLANS TO REPLACE US
DOLLAR AS WORLD RESERVE CURRENCY

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CURRENCY WAR

Beijing Accelerating Plans to Replace US Dollar as World Reserve Currency: Chinese Professor

NICOLE HAO & CATHY HE

The Chinese regime is accelerating its efforts to challenge the U.S. dollar's dominance in global markets and trade by taking advantage of the economic shifts caused by the pandemic, a Chinese professor recently revealed.

In the post-pandemic world, China should be the "one who decides the benchmark of value," Di Dongsheng, associate dean of the School of International Studies at Renmin University in Beijing said in a video posted on Chinese social media on Feb. 4. "The currency that fixes the price will eventually be the renminbi."

The professor last April described the pandemic as an opportunity "unseen in 100 years" for the regime to realize its goal of making "all seven billion people in the world pay for [China]."

If the Chinese yuan (or renminbi) achieves global hegemony, Beijing will be in a position to print more money to dilute the value of yuan held by the world's population—thus transferring wealth to China, he said.

Di gained notoriety late last year when a video of his speaking spread widely in the United States where he said the regime influenced the United States for decades through "old friends" on Wall Street.

The professor has "contributed to China's foreign economic policy," and regularly participates in policy discussions and overseas visits with various bodies of the Chinese regime, such as the foreign ministry, the state planning agency, the National Development and Reform Commission, and the International Liaison Department, which falls under the Chinese Communist Party's Central Committee, according to his biography on the Renmin University website.

Seizing a Golden Opportunity

The Chinese regime has been a major beneficiary of low-interest rate policies adopted by Western economies as they rushed to stem the economic fallout from the pandemic. Foreign investors have bought up China's higher-yield bonds, pumping \$135 billion into Chinese bonds in the 12 months ended Sept. 30, 2020, according to Bloomberg.

Global economic theory states that investors, credit concerns aside, would naturally divert funds away from low-interest rate economies (the U.S. for example) to high-interest rate economies (China for example). And to purchase Chinese bonds

The source of wealth is humans rather than things.

Di Dongsheng, associate dean, School of International Studies at Renmin University

denominated in yuan, the investor would be required to sell dollars (currency of the low-interest rate economy) and purchase yuan in order to purchase the yuan bonds. This action, in theory, would increase the value of the yuan and devalue the dollar.

Di suggested last April that the regime should leverage the opportunities presented by the pandemic to attract more global investors, and release yuan to support foreign countries and companies in need of cash.

The Chinese regime has long expressed a desire to uproot the U.S. dollar as the world reserve currency. In 2009, then-governor of the regime's central bank, Zhou Xiaochuan, called for the U.S. dollar to be replaced with an international reserve currency so the yuan could exert more influence.

According to the data compiled by the International Monetary Institute of Renmin University, the Chinese yuan's share of global payments increased from 0.02 percent in 2011 to over three percent in 2020.

The yuan, however, still has a way to go to chase down the U.S. dollar's dominance.

Di suggested the regime should issue loans to developing countries who otherwise would not be able to get loans from developed countries. This way, the regime could collect high-interest payments to offset the cost of relatively high-interest rates China pays on its bonds. But this ploy also faces higher risks of default.

Last April, Di explored the regime to be "extremely giving" to these developing countries.

He suggested that Beijing could even sell its vast stash of foreign exchange reserves to provide for these loans.

Di said the flipside of taking on a large number of creditors is that it could push the yuan to strengthen too much and impair the regime's ability to control the exchange rate. This presents a huge challenge for the regime—which has historically relied on a weak currency to spur exports.

For decades, critics have accused the regime of artificially devaluing its currency to help manufacturers, boosting exports.

Further, creditors will dial-up scrutiny of Chinese financial markets, leaving less room for the regime to manipulate it, Di said.

The professor also recommended Beijing make regulatory changes to further stimulate foreign investment.

In the past decades, many foreign investors have been barred by the regime from transferring their proceeds away from the Chinese market (capital controls). Many Western businesspeople have also had

their intellectual property stolen by local business partners or officials, and had no recourse due to the lack of rule of law in the country.

"[Our laws] should make other countries believe that China won't confiscate other countries' assets; make them believe that they can buy whatever they want to buy if they transfer their money to China; make them believe that they can withdraw their money whenever they want," Di said in April 2020.

In 2019, the regime adopted the Foreign Investment Law, aimed at facilitating and protecting the rights of foreign investors. Those policies, Di said, had worked, citing the surge of foreign investment into China in 2020.

Leveraging Belt and Road

Another key component of the regime's plan is to leverage Beijing's Belt and Road Initiative (BRI) to boost the yuan's circulation in developing countries, Di said.

BRI, previously known as One Belt One Road, is a massive global investment strategy launched by the CCP in 2013 aimed at bolstering its economic and political influence across Asia, Europe, Africa, and South America.

Di said the goal is to create a circulation of yuan inside BRI partner countries, particularly developing nations, representing billions of people: China would use yuan to invest in these countries, pay people they hire in these countries with yuan, and ask these countries to buy goods from China in yuan, and the cycle continues.

This would facilitate the circulation of yuan within and amongst BRI partner countries, legitimizing the Chinese currency in various niche markets as a form of exchange. As assets and goods are increasingly priced using the yuan, it would form a good basis to springboard further usage of the yuan among non-BRI countries, especially if they wish to do business or trade with BRI partner countries.

"Our target is these BRI partner countries' equities, not bonds," Di said in February. "We plan to use these equities to develop a global secondary market that is denominated in Chinese yuan. Then the capital in the world will be attracted to this market, to BRI projects."

The professor said that foreign economists who think BRI is about chasing natural resources and minerals were wrong. Rather, the regime is interested in leveraging the human resources of the partner countries.

"The source of wealth is humans rather than things," Di said.

Fan Yu contributed to this report.



Di Dongsheng, associate dean of the School of International Studies at Renmin University in Beijing, talks about how to replace U.S. dollar as world reserve currency in Beijing on Dec. 28, 2020.



European Commission President Ursula von der Leyen, European Council President Charles Michel, German Chancellor Angela Merkel, French President Emmanuel Macron, and Chinese leader Xi Jinping are seen on a screen during a video conference, in Brussels, on Dec. 30, 2020.

OPINION

'Partner' or 'Systemic Rival': EU Finds Itself at a Crossroads on Its China Policy

WANG HE

The European Union's policy toward China is at a historic crossroads and at times, swinging from side to side and contradicting itself, as revealed by the important events that have occurred recently.

On March 25, Joe Biden attended the EU summit—marking the first time since 2009 that a U.S. president had joined talks with the EU's 27 leaders—and called for closer U.S.-EU cooperation in dealing with the Chinese Communist Party (CCP) and Russia.

But German Chancellor Angela Merkel insisted that the EU would share "no identity" with Washington on the CCP issue.

"That is absolutely clear," she added.

However, on March 22, the EU announced its first post-June 4, 1989, sanctions against the CCP regime, coordinating with the United States and its allies. On March 24, U.S. Secretary of State Antony Blinken held talks with European Commission President Ursula von der Leyen and EU Chief Foreign Policy Representative Josep Borrell, and subsequently issued a joint statement with Borrell announcing the resumption of the U.S.-European dialogue on China.

From such a contrasting and somewhat dramatic set of events, we can see that the EU's policy toward China is at a crossroads.

On the one hand, in the face of the CCP's economic temptation and hijacking, the EU fell so deeply into the trap that it's had a hard time extricating itself; on the other hand, the opposing values between the EU and the CCP, the CCP's global ambition, and China's "Wolf Warrior" diplomacy made the EU clearly feel the strategic threat and tactical coercion of the CCP, and it instinctively defended itself.

At this critical moment, when the international situation is undergoing profound changes and the international strategic landscape is being reshuffled, the EU urgently needs a strategic framework on China that is clear rather than vague, forward-looking rather than old-fashioned, and internally coherent rather than contradictory.

Following the publication of the first policy document on China, "Communication from the Commission—A Long Term Policy for China-Europe Relations" in 1995, the EU issued seven more documents; they include "Elements of a New EU Strategy on China" in 1996, "Building a Comprehensive Partnership with China" in 1998, "The EU Strategy towards China: Implementation of the 1998 Communication and Future Steps for a more Effective EU Policy" in 2001, "EU-China: Commission Adopts New Strategy for a Maturing Partnership" in 2003, "EU-China: Closer Partners, Growing Responsibilities" in 2006, "Elements of a new EU strategy on China" in 2016, and "EU-Chi-

na—A Strategic Outlook" in 2019.

In these documents, the EU has always seen the CCP as a "partner," even if it was "not an easy partner"; it wasn't until 2019 that the EU started to see the communist regime as a "systemic rival."

However, this is only one of its three visions of the CCP, the other two being a "negotiating partner" and an "economic competitor." It's still reluctant to give up its policy and delusions to see the CCP as its partner going forward. Yet, what is a "systemic rival" in its multi-pronged visions? The EU hasn't given a clear-cut answer, either.

The EU's long-standing illusions about the CCP may result from China's decades-long efforts, through united front organizations to influence Europe, which it has regarded as a key battleground for its global campaign.

As early as the 1970s, Mao Zedong put forward the "Three Worlds Theory," supporting European integration and Europe as an independent pillar among the world powers. That was fundamentally aimed at dividing the Western world by pulling Europe away politically, economically, and technologically, as part of the communist regime's grand scheme and geostrategic jostling across continents.

In the post-Mao era, the EU was further trapped by the CCP's "reform and opening up," while European integration came to fruition in 1993, when the Maastricht Treaty entered into force and the EU was established. Consequently, the EU has greatly facilitated the "rise of the CCP" since opening its markets, capital, and technology to Beijing.

Bilateral trade between China and the EU, for example, jumped from \$55.68 billion in 1999 to \$709 billion in 2020, with China overtaking the United States as the EU's largest trading partner for the first time in 2020. In addition, China's long-term trade surplus with Europe ran up to \$212 billion in 2020.

Germany takes up a huge share of the bilateral trade between China and Europe, with a total trade volume of \$249 billion in 2020, making China the largest trading partner of Germany for the fifth consecutive year.

In another example, the number of EU-invested enterprises in China exceeded 16,000, with 47,224 projects established and a cumulative investment of \$131 billion by the end of 2018, according to the statistics of the CCP's Ministry of Commerce.

The close economic ties between China and Europe have made the EU, and Germany in particular, quite deluded by the CCP. A case in point is that in 2020, when the United States began escalating the trade war with Beijing, Merkel insisted on using her position as chancellor of Germany and presidency of the EU Council to suppress opposition in the EU, in favor of the China-EU Comprehensive

Agreement on Investment, despite opposition from the Trump administration and the Biden team.

She finally accepted CCP's nebulous commitment to safeguarding human rights and announced the pact.

In response, the CCP has rewarded the EU and Germany with economic enticements, as well as threats along the way. In December 2019, the Chinese ambassador to Germany, Wu Ken, threatened Berlin with retaliation that if it excluded Huawei as a supplier of its 5G telecommunications networks, as well as serious consequences related to cars exported to mainland China.

In other words, while the EU contributed to the "rise of the CCP," the CCP didn't ease its pressure and became a growing threat to the bloc. Its economic and technological challenges turned more and more serious, its totalitarian approach became more and more destructive to the rules-based international order, and its "Wolf Warrior" diplomacy has become increasingly assertive on the international political and diplomatic fronts.

Strategically, the confrontation between the communist regime and Europe has become self-evident.

The EU has always seen the CCP as a 'partner,' even if it was 'not an easy partner'; it was not until 2019 that the EU started to see the communist regime as a 'systemic rival.'

Facing such a grim reality, some forces within the EU are still unwilling to confront it squarely. The mainstream view of the EU on the "rise of the CCP" remains such that the CCP is a partner, a competitor, and a systemic rival of the EU on economic, technological, and global issues.

This view is reflected in the January 2019 report on China by the Federation of German Industries. According to the report, Germany and Europe should abandon the "trade for change" policy toward China and avoid trying to change the CCP. After more than 40 years of development, China has established a political, economic, and social "hybrid model" with its own characteristics, integrating elements of the state-owned economy and the market economy, and the CCP has developed into a rule-maker from a rule-follower to become a systemic rival to the "open market economies" of Germany and Europe.

The subtext seems to be that Western societies should "coexist peacefully" with the CCP. In the 1950s, Khrushchev advocated the "three peace lines"—"peaceful transition," "peaceful competi-

tion," and "peaceful coexistence"—between the United States and the Soviet Union, or between socialist and capitalist countries, which soon failed completely.

It's funny that certain forces within the EU now seem to be picking up former Soviet leader Nikita Khrushchev's obsolete fantasy again. This is very dangerous.

In a speech to the Czech Senate on Aug. 12, 2020, then Secretary of State Mike Pompeo said, the threat "posed by the Chinese Communist Party and its campaigns of coercion and control" is greater than the threat that was posed by the Soviet Union.

"What's happening now isn't Cold War 2.0. The challenge of resisting the CCP threat is in some ways much more difficult. That's because the CCP is already enmeshed in our economies, in our politics, in our societies in ways the Soviet Union never was," he said.

In fact, it's the EU's own illusions about the CCP that gave the CCP the power to deter the bloc. The EU truly has an advantage in strength over the communist regime. As Luke Patey, a senior researcher at the Danish Institute for International Studies, points out, Beijing wants to bully European countries with economic threats, but Europe doesn't need the CCP as much as it thinks it does.

For example, "EU officials often boast that every day over 1.5 billion euros (\$1.6 billion) worth in goods flow between the regional body and China. But EU member states trade nearly 30 billion euros a day in total with internal and external partners," Patey wrote.

Another example is that in 2020, the EU had total foreign trade of \$4.2 trillion, a year-on-year decline of 10.43 percent, while total intra-EU trade was \$3.3 trillion, down 7.37 percent year-on-year. Evidently, intra-EU trade shows stronger resilience than its external trade.

Therefore, it's nonsense to claim that Europe is economically dependent on the CCP; if one must say such dependence exists, it's mutual, and the CCP's dependence on the EU is far greater than the EU's dependence on the CCP.

If the EU is able to overcome CCP's economic temptation in the short run, then it isn't so difficult for it to create strategically sound policy on China, and the crossroads will be crossed in just one single step. Prolonged hesitation and delusions will leave the EU in more threatening and deeper troubles with the Chinese regime down the road.

Wang He has master's degrees in law and history, with a focus on the international communist movement. He was a university lecturer and an executive of a large private company in China. He was imprisoned in China twice for his beliefs. Wang lives in North America now and has published commentaries on China's current affairs and politics since 2017.



One dollar and 100 yuan notes are on display at a bank in Beijing on May 15, 2006.

OPINION

The Man Behind China's Raging Nationalist Campaigns Against the US

YUE SHAN

Though it may not be clear to many Westerners, the Chinese Communist Party (CCP) is collapsing. The Chinese are quite certain that the Chinese regime's fall is imminent, as more than 375 million Chinese have already quit the CCP and its affiliated organizations.

On the verge of a crisis, the CCP has again raised the banner of nationalism in order to save itself. This is a tactic it has regularly used over the past century when it has been cornered and had no other choice.

The latest nationalist campaign started with the CCP's diplomatic system, after U.S. Secretary of State Antony Blinken said on March 18 that the United States had "deep concerns with actions by China, including Xinjiang, Hong Kong, Taiwan, cyber attacks on the United States, and economic coercion toward our allies."

In the midst of this diplomatic dilemma, the Central Committee of the Communist Youth League (CYL) joined in to initiate a heated boycott of foreign goods, with the CCP's official mouthpieces invoking nationalist sentiment along the way.

The situation shows that Politburo Standing Committee member and state adviser Wang Huning—who controls the CYL and the CCP's Publicity Department, but has no position in foreign affairs—is directing the diplomatic system from behind the scenes.

Staged Confrontation in Alaska

At the two-day U.S.-China meeting in Alaska on March 18 and 19, the two sides, led by Blinken and Chinese foreign policy official Yang Jiechi, exchanged fire at the beginning of their talks, bringing their conflict under the international spotlight.

Yang spoke for 17 minutes without giving time for translation in between. The most surprising remark he made was that "the United States does not have the qualification to say that it wants to speak to China from a position of strength" and that "the U.S. side was not even qualified to say such things even 20 years or 30 years ago, because the Chinese people don't buy it."

As many people have said, Yang's words were for the Chinese to hear, in order to intensify a new wave of anti-U.S. sentiment among domestic Little Pinks (a pejorative term to describe youths indoctrinated by the Chinese regime). Yang's performance was also for CCP head Xi Jinping.

After Yang and the CCP's foreign minister, Wang Yi, dramatically opened the talks with guns blazing, the CCP's official media quickly amplified their message and declared the talks a diplomatic win for the regime. A bilingual post on the Weibo account of CCP mouthpiece People's Daily Weibo quoted Yang's remarks in Chinese, accompanied by a warning in English: "Stop interfering in China's internal affairs." The video of Yang's speech went viral on China's internet and was met with an outpouring of fanfare from the Little Pinks.

Both Yang and Wang were acting for Xi. Just like fighting the CCP virus epidemic, foreign affairs are on Xi's list of issues requiring his "personal leadership and personal deployment," with Xi not daring to leave it to others. The CCP's foreign ministry appears to have nothing to do with Chinese Prime Minister Li Keqiang, who is supposed to assist Xi in the area of foreign diplomacy. Who is behind Xi, then? It's Wang Huning, the so-called state adviser.

Wang is in charge of an array of areas, including the CCP's party building work, ideology, and propaganda. He is also a member of various committees, including the Central Comprehensively Deepening Reforms Commission, Central Financial and Economic Affairs Commission, and Central Cyberspace Affairs Commission.

Most notably, Wang was the only member of the Politburo Standing Committee who accompanied Xi to meet with diplomatic envoys of foreign countries on July 17, 2019, as secretary of the Party's Secretariat.

This is notable because typically more officials would have attended, and Wang doesn't hold any position in the foreign affairs area. He's also not a member of the Foreign Affairs Commission under the CCP. While Xi is the director of the commission, Prime Minister Li is the deputy director and Wang Qishan is a member of the commission.

Wang is believed to have replaced Li in assisting Xi to direct diplomacy. That is to say, the CCP's diplomatic system has become a territory of Wang's meddling.

In addition, the CCP's propaganda itself is under Wang's control, and it is not difficult to judge that Wang is manipulating it behind the scenes.

Boycott Sparked by Controversial Xinjiang

The controversy surrounding Xinjiang cotton, which is a product of forced labor, became the spark for a boycott of foreign goods, after several foreign companies including H&M publicly stated last year that they would stop sourcing their cotton from Xinjiang due to human rights concerns in the region.

After the European Union (EU) and many Western countries sanctioned CCP officials over human rights issues in Xinjiang on March 22, the CCP's Ministry of Foreign Affairs announced retaliatory sanctions against 10 European officials and four entities, intensifying the conflict between the Chinese regime and the international community, and creating a weird undercurrent in China's political situation.

On March 24, the CYL raked up the past on its Weibo account, uploading H&M's statement from last year about its boycott of Xinjiang's sweatshop cotton, asking H&M to "stop yuejipengci" in English.



In recent years, Xi has made frequent moves to the left, showing a tendency to emulate Mao Zedong in various fields.

Wang Huning attends the opening session of CCP's rubber stamp legislative conference at the Great Hall of the People in Beijing on Mar. 5, 2019.



It explained in another post that "yuejipengci" in Chinese means "going beyond one's capacity to fake an incident for money." This is also a follow-up to the statement made by Yang Jiechi during the U.S.-China talks in Alaska, which represents a rogue diplomatic phrase: "Chinese people don't buy this."

Following the CYL's opening strike, almost all of the Chinese regime's official media, including CCTV and People's Daily, launched an all-out attack on H&M at about the same time. The storm spread rapidly to more than a dozen international brands, such as Nike and Adidas.

At her March 25 regular press conference, CCP Foreign Ministry spokeswoman Hua Chunying showed a photo of American slaves from more than 100 years ago and compared it to a recent color photo taken in Xinjiang, arguing that the United States also used black slaves to grow cotton. However, the so-called "black slaves picking cotton" photo she showed to foreign journalists was exposed by Newsweek to be a postcard from the archives of the Library of Congress titled "Sharecropper Sam Williams With Family Members and Laborers in Cotton field."

Why did a statement released a year

ago from H&M become compromising material to be used now by the CCP's official media? Why did it suddenly ignite a national movement in China against foreign brands? Why did the CCP's organizations, including its domestic propaganda system and its foreign ministry spokesperson, join the fray? Obviously, just like the performance of senior Chinese diplomats in Alaska, it was a coordinated effort.

The CYL is a so-called mass organization of the CCP, a channel for the CCP to connect with the Chinese people, especially young people, and Wang is the superintendent of the CYL, with ideology and propaganda also under his direct supervision. Yet Wang also manipulates the Chinese regime's diplomacy from behind the scenes. Therefore, while this nationalist drama may appear to be under Xi Jinping's command, as Xi is supposed to be the so-called super authority in China, Wang is the true director.

Wang Designs Xi's Leftward Turn

In recent years, Xi has made frequent moves toward the left, showing a tendency to emulate Mao Zedong in various fields. Early on, he asked senior CCP officials to study Mao's writings in order to deal with trade negotiations with the United States. Many of Xi's speeches were copied from Mao.

Xi claims that "time and momentum are on our side." In his domestic policies, he boasts about the so-called miracle of poverty eradication (though much of the Chinese population remains in poverty), and he puts forward the so-called 2035 Vision Plan (a nationalist plan with the aim of overtaking the United States). In his foreign policies, he regards the world trend as "the East is rising and the West is falling," and the United States as his No. 1 enemy. These are all signs indicating the rise of nationalism across the board.

Xi's leftward turn is due to the fact that he has been deeply influenced not only by the CCP's highly deceptive propaganda, but also by Wang, who has easy access to him.

Wang, known as the "state adviser for three dynasties" (he has served two previous CCP general secretaries Jiang Zemin and Hu Jintao and the current general secretary Xi), first helped Jiang Zemin package the so-called "Jiang Zemin Theory," and later was an important promoter of Hu Jintao's theory "Scientific Outlook on Development." He is also the author of Xi's "Chinese Dream" and the so-called Xi's Thought that was added to

U.S. Secretary of State Antony Blinken (2nd R), joined by National Security Advisor Jake Sullivan (R), speaks while facing Yang Jiechi (2nd L), director of the Central Foreign Affairs Commission Office, and Wang Yi (L), China's foreign minister at the opening session of US-China talks at the Hotel Captain Cook in Anchorage, Alaska, on March 18, 2021.

the CCP's party constitution at the 19th National Congress, the Party's rubber-stamp legislative conference.

After the 19th congress, a series of internal speeches by Xi revealing his ideological orientation was published in the party media, and many of the speeches were designed by Wang. It is said that even when Xi attends international conferences, Wang prepares some small notes for him.

See How Wang's Nationalist Farce Ends

Despite Xi's intention to rely on it, Wang's proud nationalist work has received backlash from time to time. For example, the rise of nationalism in the previous two years—which is really aimed at glorifying the CCP, as represented by the documentary "Amazing China"—was shattered by the sudden trade conflict between the United States and China. In addition, it revealed the reality that China has long relied on the West for its core technologies. At the time, a group of CCP officials spoke out through pro-Beijing Hong Kong media, implicitly criticizing Wang's propaganda system for bringing harm to the country.

Last year, just after the outbreak of the CCP virus from the central Chinese city of Wuhan, the Publicity Department under Wang's control released a propaganda book, "A Battle Against Epidemic: China Combats the Novel Coronavirus in 2020," touting Xi's "major country leader's love for the people." The book, initially slated to be published in five languages including English, was pulled off shelves less than a week after its release in February due to negative feedback. Beijing resident Xue Fumin wrote that Wang, as a member of the CCP's Standing Committee in charge of propaganda, should be held politically accountable for his lack of care for the people.

Although Wang has been repeatedly protected by Xi, the CCP's propaganda system has become a subject of ridicule for Chinese citizens, and for the international community.

Yang's remark "China doesn't buy it" has been ridiculed by Chinese netizens, making similar sentences out of the template. For example, "China doesn't buy the American way, but only Mao's cultural revolution way"; "China doesn't buy the American way, but only the way that caused 30 million peoples' death in the three-year famine."

The current Boxer Rebellion-style boycott of foreign goods has now begun to take a turn for the worse. Videos can be

found on Weibo of people burning Nike sneakers and cutting H&M clothes to vent their anger, and at least one shopping mall has removed H&M's outdoor billboards.

Amid all this chaos, a Little Pink in Zhengzhou was taken away by police at a protest site for boycotting H&M. Then certain CCP media began to call for vigilance against "bad guys" who acted too aggressively in the boycott campaign.

An article titled "Bad People Are Mixed In With the Masses Who Boycott H&M," published on March 26 by Nanfang Daily, a mouthpiece of the CCP's Guangdong provincial committee, asked its readers to "be wary of some irrational actions and attempts to muddy the water with the intention of high-level sophisticated irony."

Is it the Little Pinks or the CCP's mouthpiece being ironic? Of course, it is the CCP's own mouthpiece, because they were the ones who started the push for a boycott.

Some netizens said that people shouldn't blindly follow trends, as this results in following the CCP.

In fact, it's not difficult to imagine, given that the so-called anti-Japanese patriotic demonstrations that occurred 10 years ago in China were eventually stabilized to serve the CCP's own ends. The CCP fanned the flames of nationalism then, too, against Japan and Japanese companies.

The CCP claims that it wants people to be patriotic, but in reality, it doesn't allow it. Loving the country makes the Party's rule unstable. It actually wants people to blindly love the CCP. In a country where there are no human rights, no freedom of thought, and no freedom of speech, and where even citizens are afraid to appeal to the government, there is only a nationalist drama manipulated by those in power, so when the time is ripe, we can expect the curtain to close on the regime.

Yue Shan is a freelance writer who used to work for CCP's government organizations and listed Chinese real estate companies in his early years. He is familiar with the inner workings of the CCP's system and its political and business relations and is dedicated to analyzing Chinese politics and current trends. He has been a long-time contributor to several Chinese media outlets based in the U.S. and Taiwan.

Views expressed in this article are the opinions of the author and do not necessarily reflect the views of The Epoch Times.

The CCP's diplomatic system has become a territory of Wang's meddling.

OPINION

The Slow Death of Hong Kong

ALEXANDER LIAO



On April 1, better known as April Fools' Day, a Hong Kong court issued an unjust but unsurprising verdict. Seven Hong Kong democratic leaders were convicted of organizing unauthorized assemblies. These refer to the mass pro-democracy marches that took place during the summer of 2019. The official sentences of the seven charged activists will be announced on April 16.

Shanghai was once one of the most glorious cities in the world. It birthed numerous legendary international writers and filmmakers. During this golden age in the 1930s, it was called "The Paris of the East, the New York of the West." But after the CCP established its power, Shanghai's freedom died, along with its beautiful golden age in art and trade. Sadly, Hong Kong is destined for the same death.

The Charges

The seven charged democratic leaders include 82-year-old politician Martin Lee, business tycoon Jimmy Lai, and renowned Hong Kong lawmakers Margaret Ng, Cyd Ho Sau-lan, Lee Cheuk-yan, Albert Ho Chun-yan, and Leung Kwok-hung, famously known as "Long Hair."

In this case, the Hong Kong democrats organized a rally and parade in August 2019. The police approved the rally but did not agree to the parade. On Aug. 18, more than 1.7 million Hong Kong people participated in the rally and then took to the streets, marching through the center of Hong Kong's business districts for their five key demands.

The protests at that time were very peaceful. Although the police did not agree to the parade, no strong enforcement measures took place during the march. People were allowed to march and express their demands with minor interference.

Amid the widespread scenes of violent conflicts between police and citizens from Hong Kong's year of protests, the historic rally and parade on Aug. 18 are particularly important. The massive gathering marked a moment of unity for Hong Kong citizens, serving as a turning point that would soon lead to what would later be named "the revolution of the times" in the island city.

Martin Lee and others stated that there were a large number of people at the gathering, so they "led the assembled crowd to evacuate," but the prosecution disagreed. The prosecutors alleged that the accused encouraged the march by holding up banners and shouting slogans, which led to the creation of an "illegal assembly."

Frankly, this entire court proceeding was a show. The Hong Kong govern-

Former lawmaker and pro-democracy activist Martin Lee (C) talks to members of the media as he leaves the Central District police station in Hong Kong on April 18, 2020, after being arrested and accused of organizing and taking part in an unlawful assembly in August last year.



ISAAC LAWRENCE/AFP VIA GETTY IMAGES

Under the control of the Chinese regime, the accused were guilty before the trial.

ment's prosecutor's statement and the defense of the convicted person did not matter at all. Under the control of the Chinese regime, the accused were guilty before the trial. The charges are convicted no matter how well the accused tries to defend their innocence. Under the Chinese Communist Party (CCP), the rule of law is all a show.

The important thing is not what happened during the trial, because the rulings were predetermined. The important thing about this trial is that it announces the further death of freedom in Hong Kong.

Hong Kong's History of Revolution

Martin Lee and Jimmy Lai are both iconic figures in Hong Kong. In 1967, the storm of the CCP's Cultural Revolution spread to Hong Kong, and Hong Kong's leftist trade unions, driven by the underground CCP, began to violently resist the British Hong Kong government.

A large number of union figures were accused of rioting. At that time, the relationship between Hong Kong leftists and Hong Kong lawyers was not harmonious. It was challenging for leftist activists to hire any legal professionals to represent them in court. Martin Lee was one of the only lawyers who openly represented the leftist activist. Through his work, he was successful in freeing many of the accused of many charges.

It was precisely because of Martin Lee's historic law work for leftists that the underground party of the CCP in Hong Kong has a good impression of him. In the 1980s, Martin Lee became a member of the Drafting Committee of the Basic Law of the Hong Kong Special Administrative Region to prepare Hong Kong's transition from Britain to China.

However, after the Tiananmen Square Massacre in 1989, Martin Li ended his

cooperation with the Chinese Communist Party. He formed the Hong Kong Democratic League, the predecessor of the Hong Kong Democratic Party, and went on to become the leader of the Hong Kong Democratic Party.

Lee, now an old man in his 80s, is regarded as the father of democracy in Hong Kong. He has since faded out of politics, but remains very much invested about the future of Hong Kong. As a leading figure in the democratic camp, Hong Kong's Umbrella Movement and the Anti-Send China Movement, he is intertwined with the fate of democracy in the island. When interviewed by the BBC about his arrest in 2020, he responded that he was actually relieved, stating: "For so many years, so many months, so many good youngsters were arrested and charged, while I was not arrested. I feel sorry about it."

Jimmy Lai has a similar story. Lai left his family and China at the age of 12 as a stowaway on a boat into Hong Kong. He worked as a child in a garment factory for \$8 a month. His legacy eventually centered around his hugely successful fashion brand, Giordano, and media franchise, Next Media. Like Martin Lee, his early history was also intertwined with the CCP.

The Giordano brand was successful in cooperation with China Resources, the largest Chinese company based in Hong Kong. Due to the Tiananmen Massacre in 1989, Li Zhiying also became an outspoken critic of the CCP. He then founded Next Magazine and Apple Daily, which centered around tabloids, politics, and business.

Leung Kwok-hung, the politician known as "Long Hair," was once himself a socialist, even claiming to be a Trotskyist Marxist. After the Tiananmen Square Massacre, he often wore a Che Guevara T-shirt. His hair is usually long and flowing, serving as the inspiration for his nickname.

This older generation of Hong Kong activists has three basic characteristics. The first is to identify with China and Hong Kong, the second is to be peaceful, rational, and non-violent, and the third is to oppose making Hong Kong an independent nation. They represent patriotic Hong Kong citizens, who want sovereign rights while still maintaining a connection to their motherland of China.

Their suppression by the CCP reveals that this strain of lawful Hong Kong "patriotic activism" against China has failed for good. It is foreseeable that the younger generation Hong Kong activists will adopt more extreme methods in the future. They will no longer rely on Hong Kong's legal system, and recognize Hong Kong as an independent, sovereign nation of its own, instead of as an autonomous region of China.

The tiny island city of Hong Kong serves as such a large threat against China precisely because of its power and history of revolution. The CCP is very clear about the role of Hong Kong as a base of subversion against reigning Chinese rule.

After 1840, Hong Kong gradually became an extraterritorial enclave of China. Those who oppose the central government typically gathered in Hong Kong to plan for rebellions. Hong Kong was the main base for Sun Yat-sen's Nationalist uprising against China's last Qing dynasty. Most of Hong Kong's major triad organizations originated from the "Hong Gang," a non-governmental underground organization that has a his-

tory of more than 100 years against the Qing empire. Sun Yat-sen even became a leader of the "Hong Gang."

After the official founding of communist China, the Party continued to carry out operations in Hong Kong. For example, the Hong Kong strikes, when workers in Hong Kong and Guangzhou jointly held strikes against the ruling British government. In actuality, the workers strike was not a success, as it did not help much the interests of the workers. However, the CCP utilized the worker strikes as a political tool to recruit people to the CCP. Through these efforts, their membership increased by a hundredfold.

Various subversive operations of the CCP in Southern China were often based in Hong Kong. After the failure of the 1929 Baise Uprising in Guangxi, Deng Xiaoping ran to Hong Kong to take refuge, only to be instructed by Zhou Enlai, the right-hand man of Mao Zedong, to go to Shanghai. Zhou Enlai has himself been to Hong Kong many times. Five of the top 10 marshals in Chinese Communist Party history have taken refuge in Hong Kong.

In the early days of the Chinese Nationalist-Communist Civil War, many of the materials from the communist Soviet Union were transported to the CCP through Hong Kong ships.

The CCP is more sensitive than anyone to the power of Hong Kong to subvert the ruling power of China.

Now, Hong Kong as the cultured, free, and golden city it once was, has officially died.

There Is No Art Without Freedom

The city of Hong Kong was once the most dynamic and innovative place in the Chinese world. In the 1980s and 1990s, the most popular singers and movie stars in the Chinese world all came from this tiny island. In addition, Hong Kong was also the world's center for jewelry, fashion, and print design, and film-making.

As the 2000s emerged, Hong Kong's innovations have slowly declined along with its freedoms. Once great singers and movie stars had disappeared, along with its innovative fashion design and industry.

This year's Academy Awards ceremony will be on April 25. Despite it being the

Media mogul Jimmy Lai, the founder of Apple Daily, speaks during an interview in Hong Kong on May 29, 2020.



TYRONE SHU/REUTERS

Now, Hong Kong as the cultured, free, and golden city it once was, has officially died.

biggest event in entertainment, major Hong Kong TV stations will not broadcast it due to the fact that a Hong Kong protest documentary was nominated for an Oscar.

Four Hong Kong male movie stars are known as the "four kings." Two of these kings, Tony Leung and Aaron Kwok, shot a movie titled "Where the Wind Blows." This crime thriller is about Hong Kong's notorious police corruption in the 1960s. It was originally set to be one of the opening films of Hong Kong's upcoming International Film Festival, but was cancelled three days before its release.

The film company stated the cancellation was due to a "technical problem," but because the film involved police corruption and underground activity, it was rumored that China's National Film Bureau needed it to be revised before it could be screened publicly.

Hong Kong's films are required to be reviewed and approved by the National Film Bureau, the primary censorship agency of China's Central Propaganda Department. This process explains the decline of Hong Kong's film and television industry over the years.

Like Hong Kong, Shanghai was once home to the most brilliant theater in

Asia. But without creative freedom, it is impossible to produce great stories or works of art.

The Hong Kong film industry, which has produced many international movie stars and directors, has met the same fate. Compared with Shanghai, Hong Kong's death may even be more painful. Shanghai died suddenly, while Hong Kong's downfall has been slowly dragged out over the past two decades. There is no doubt that it is related to the death of freedom in Hong Kong. The freedom of speech and artistic creation and expression are key to the creation of interesting stories and art.

Through the charge of these seven key democracy leaders, the Chinese Communist Party has killed freedom of speech in Hong Kong.

Alexander Liao is a columnist and news reporter for international affairs studies in the United States, China, and Southeast Asia. He has published numerous reports, reviews and video programs in newspapers and Chinese financial magazines in the United States and Hong Kong.

Views expressed in this article are the opinions of the author and do not necessarily reflect the views of The Epoch Times.

Leung Kwok-hung, known as "Long Hair," helps to support a mock coffin as he attends a rally in Hong Kong on May 31, 2015, to commemorate the 1989 crackdown at Tiananmen Square in Beijing, prior to the incident's 26th anniversary on June 4.

ANTHONY WALLACE/AFP VIA GETTY IMAGES



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