

WEEK 25, 2019

THE EPOCH TIMES  
**CHINA  
INSIDER**

**China's Economy Continues  
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**A CRIME OF  
UNMATCHED  
WICKEDNESS**

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## CRIMES AGAINST HUMANITY

## ‘UNMATCHED WICKEDNESS’

Tribunal Confirms Longstanding Allegations on Organ Harvesting



Falun Gong practitioners reenact forced organ harvesting surgeries during a rally in Taipei, Taiwan, on April 23, 2006.

## CATHY HE

The Chinese regime is killing prisoners of conscience and carving out their organs for transplant, a panel of lawyers and experts have found after a yearlong investigation.

The independent people's tribunal, in its final judgment delivered in London on June 17, said there was clear evidence that forced organ harvesting has taken place in China for years "on a significant scale."

While the Chinese regime has maintained from 2015 that organ transplants have come from voluntary donors, the tribunal said it concluded the practice is still taking place.

The panel said it was "certain" that the organs were sourced from imprisoned Falun Gong practitioners, noting that they were "probably the principal source."

Falun Gong, a spiritual discipline consisting of meditative exercises and moral teachings based on truthfulness, compassion, and tolerance, has been brutally persecuted by the Chinese regime for the past two decades.

Thousands of adherents have been thrown into prisons, labor camps, and brainwashing centers, where many have been tortured in an effort to force them to renounce their faith.

The international panel, known as the China Tribunal, reached its conclusions after considering a variety of written and oral evidence, including testimony from more than 50 witnesses given over two public hearings.

"The conclusion shows that very many people have died indescribably hideous deaths for no reason, [and] that more may suffer in similar ways," tribunal chairman Sir Geoffrey Nice QC said in delivering the judgment on June 17.

Nice previously led the prosecution of former Yugoslavian President Slobodan Milosevic at the International Criminal Tribunal. Joining him on the panel were six international experts in the areas of law, transplant surgery, international politics, Chinese history, and business.

The tribunal also said that Uyghur Muslims in Xinjiang were at "risk" of being subjected to forced organ harvesting while detained inside "re-education camps" set up by Chinese authorities.

The U.S. State Department and experts

estimate that more than 1 million Uyghurs and members of other Muslim minorities are currently being detained in such camps, where they are subject to political indoctrination and forced to renounce their beliefs.

The panel found, beyond a reasonable doubt, that crimes against humanity have been committed against both Falun Gong practitioners and Uyghurs.

It added that the regime's actions were "indicative" of genocide, but stopped short of declaring that the crime had been committed, in light of its strict definition under international law.

"Forced organ harvesting is of unmatched wickedness, even compared—on a death-for-death basis—with the killings by mass crimes committed in the last century," Nice said in the judgment.

**Shocking Allegations**  
Detailed reports alleging the disturbing practice of forcible organ removal for profit first emerged in 2006.

That year, The Epoch Times first reported the account of a whistleblower using the pseudonym Annie, the ex-wife of a Chinese neurosurgeon. Annie said her former husband recounted that he had personally removed the corneas of about 2,000 anesthetized Falun Gong prisoners in a hospital in Shenyang City in northeastern China from 2001 to 2003.

"It is agonizing to recall the past. The organs removed from a living human being fetch a much higher price than from a dead body," Annie said.

"After the live organ removal, some Falun Gong practitioners were still alive and breathing, but some of their bodies were directly thrown into the crematory oven. No trace of their bodies is left."

That same year, an independent investigation by former Canadian Secretary of State (Asia-Pacific) David Kilgour and Canadian human rights lawyer David Matas concluded that there were "large-scale organ seizures from unwilling Falun Gong practitioners."

The report pointed to the uptick in organ transplant surgeries conducted in China since 2000, as well as the unusually short wait times advertised by many hospitals—at a time when China had no formal organ donation system. Prior to 2015, the Chinese

regime said that organs for transplants were sourced from executed prisoners.

This coincided with the persecution of Falun Gong. A nationwide campaign commenced in July 1999, with thousands of practitioners thrown into China's detention facilities. Many of them refused to identify themselves to authorities, for fear that their families could be implicated, the report said.

The existence of a large population of unidentified Falun Gong practitioners—people who had been assumed to have simply disappeared—became a ready source of harvested organs, the report said.

In his 2014 book "The Slaughter," China analyst and investigator Ethan Gutmann estimated that organs from 65,000 Falun Gong practitioners, and 2,000 to 4,000 Uyghurs, Tibetans, were forcibly harvested from 2000 to 2008. The finding was based on seven years of research and interview-gathering.

Amid growing outcry about the organ harvesting allegations, the Chinese regime in 2015 set up a voluntary organ donation system, claiming that it no longer used executed prisoners as a source for organs.

A detailed 2016 investigative report by Epoch Times reporter Matthew Robertson—who won a Society of Professional Journalists award in 2013 for his reportage on the same subject—analyzed publicly available documents relating to the Tianjin First Central Hospital. The data revealed that over the course of several years, tens of thousands at that facility alone may have been killed in order to conduct for-profit transplant surgery.

In 2016, Matas and Kilgour, along with Ethan Gutmann, a China analyst and investigator, released an in-depth report that found a huge discrepancy between China's official transplantation figures and the number of transplants performed in hospitals.

By analyzing the public records of 712 Chinese hospitals that carry out liver and kidney transplants, the report showed that roughly 60,000 to 100,000 transplants were being conducted each year, far outstripping the officially reported number of 10,000 to 20,000 per year.

The 2016 report reaffirmed previous findings that the shortfall is predominantly made up of organs forcibly harvested from Falun Gong practitioners, based on undercover calls to hospitals, accounts from Falun Dafa

adherents who survived detention, and other evidence. A 2018 report by China Organ Harvest Research Center, a nongovernmental organization based in New York, provided further evidence to support these claims.

The Chinese regime has repeatedly denied the allegations.

**'Unavoidable' Conclusion**  
Over the past year, the tribunal, which was initiated by the transplant ethics group International Coalition to End Transplant Abuse in China (ETAC), made a series of findings regarding the organ transplant system in China that led it to reach the "unavoidable" final conclusion that organ harvesting is indeed taking place in the country.

Nice highlighted the "extraordinarily short" timeframes promised by doctors and hospitals in China. "Received opinion is a couple of weeks [waiting time for an organ] is completely impossible," Nice said.

"And yet [there is] a great deal of evidence... showing that very short waiting times were promised or offered."

The evidence included undercover phone calls to Chinese doctors, as well as testimony from Israeli doctor Jacob Lavee, who recounted how his patient was told he could receive a heart transplant in China in two weeks.

"Dr. Lavee realized immediately what that meant. It meant that somebody was going to have to be killed for his patient to have the operation," Nice said.

Statistical evidence, Nice said, also revealed that the number of transplants performed didn't match the numbers provided by China's voluntary donor system. The tribunal thus rejected recent organ transplant data published by the regime as "spurious."

Nice said that based on analysis of infrastructure and capacity at Chinese transplant hospitals, a conservative estimate is that 60,000 to 90,000 transplant operations are conducted each year—vastly greater than the figures reported by the Chinese regime.

The tribunal also received consistent evidence from survivors that they were medically tested, including blood tested, while incarcerated. These tests were consistent with testing for organ status, Nice said.

Non-Falun Gong prisoners were not tested. Medical results were never explained to inmates, the judgment said.

"Why would detained Falun Gong practitioners receive specific physical examinations—including X-rays, ultrasound, blood tests—while at the same time being subjected to brainwashing, labor work, torture, or death?" Trey Torsten, doctor and director of the advocacy group Doctors Against Forced Organ Harvesting, posed during the April hearings.

The tribunal also received direct evidence of organ harvesting, Nice said, including from a former surgeon who was instructed

to perform organ extractions at a time when the industry was just starting up.

Enver Tohti, during the December hearings, recounted how in 1995 he removed two kidneys and a liver from a death-row prisoner who had been shot in the right side of his chest but was still alive.

"What I recall is, with my scalpel, I tried to cut into his skin, [and] there was blood to be seen. That indicates that the heart was still beating. ... At the same time, he was trying to resist my insertion, but he was too weak," he said.

Tohti told The Epoch Times' sister media NTD on June 17 that his actions have haunted him to this day.

"I go to church, I go to mosque, I go to temples to pray for him, in case he was Muslim, he was Christian, he was Buddhist," he said.

Nice said the tribunal reached out to representatives of the Chinese regime, including the Chinese Embassy in London and health officials, but did not hear back from them.

Kilgour said during the April hearings that "there has been no serious attempt [by the Chinese regime] to rebut or refute what we say."

"The evidence is overwhelming that this terrible trafficking of organs is taking place, and is increasing, in China," Kilgour said at the time.

"They sometimes accuse us of being anti-China. Well, as I hope you know, we're trying to save lives in China. We're trying to see this dreadful thing stopped."

**Call to Action**  
The tribunal said that governments and international bodies "must do their duty" in relation to the findings

that the Chinese regime has committed crimes against humanity. It added that "there is a duty on those who have the power to institute investigations for, and proceedings at, international courts or at the U.N. to test whether genocide has been committed."

Failing that, the tribunal urged citizens to act jointly to pressure governments "so that those government and international bodies are unable not to act."

Finally, the tribunal noted that governments and those interacting with the Chinese regime, including doctors, medical establishments, businesses, and educational institutions, "should now recognize that they are, to the extent revealed [in the judgment], interacting with a criminal state."

According to Sky News, the Chinese Embassy in London said in a statement, "The Chinese government always follows the World Health Organization's guiding principles on human organ transplant, and has strengthened its management on organ transplant in recent years."

Susie Hughes, executive director and co-founder of ETAC, called for an urgent response to end the horrendous crimes.

"It is no longer a question of whether organ harvesting in China is happening, that

dialogue is well and truly over. We need an urgent response to save these people's lives," Hughes said in a statement.

"To that end, we must hold China to account for its crimes against humanity, immediately stop all transplant-related collaboration with China, and prevent our own citizens from participating in transplant tourism to China."

The conclusion shows that very many people have died indescribably hideous deaths for no reason, [and] that more may suffer in similar ways.

Sir Geoffrey Nice QC, chair of the China Tribunal

Gutmann, who has been investigating the issue for more than a decade, told NTD that the tribunal's judgment was a bittersweet moment for him.

"The China tribunal, in some ways, is five or six or seven or 10 years too late," Gutmann said. "This should have happened right from the beginning. So many people have died because of that misjudgment, and because of that loss of nerve in the West."

Annie Yang, who was one of several Falun Gong practitioners to give testimony of being tortured and medically tested while detained for her beliefs, told NTD that the judgment was a significant development that could be used to compel people and governments to take action.

"People need to have the courage to speak out, to talk about it, to let people know," Yang said. "Only in this way, can you stop this persecution, to stop this organ harvesting, to stop this crime."

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Ethan Gutmann speaks after the tribunal handed down its judgment in London on June 17, 2019.

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Ethan Gutmann



## CHINESE ECONOMY

# CHINA'S ECONOMY CONTINUES DOWNWARD SPIRAL

FURTHER STIMULUS MEASURES EXPECTED BECAUSE OF MUTED IMPACT FROM PREVIOUS EFFORTS

FAN YU

The pressure is mounting for Beijing to roll out more supportive economic policies to stabilize an economy increasingly under duress.

Major economic data metrics for May were extremely negative—due in no small part to pressure from the trade war with the United States—raising the possibility of a deep economic slowdown.

May's Chinese industrial output growth slowed to its lowest pace in almost two decades. Production at factories, mines, and utilities firms rose 5 percent in May year-over-year, a decline from a 5.4 percent pace in April, according to official statistics from the National Bureau of Statistics (NBS) on June 14. That was the slowest pace of increase in 17 years and in line with the sluggish manufacturing Purchasing Managers Index (PMI) figures. Automotive production and computers were two of the worst performing industries during last month.

Wall Street is cutting China's GDP growth metrics for the year, on an increased likelihood of a protracted trade war with the United States and worse-than-expected economic data going forward.

Fixed-asset investments rose 5.6 percent in the January-to-May period, from the same period last year, according to official NBS data—again coming in below expectations and down from a 6.1 percent pace from the January to April period, driven by soft infrastructure growth. Fixed-asset investment is a broad-based metric for domestic demand that includes government-backed infrastructure spending.

Private sector fixed-asset investment rose 5.3 percent, also below the prior month's pace. While retail sales increased during the month of May, the combined April-May results are still disappointing, considering the May 1 Labor Day holiday is typically a high spending period. And these are official state-released statistics which are widely held to be overly sanguine.

Trade talks with the United States collapsed in May as President Trump announced increased tariffs on \$200 billion worth of Chinese goods. China retaliated by setting additional levies on about \$60 billion of U.S. imports to the country. Talks may continue at the G-20 meetings later this month.

## More Stimulus Coming

Feeling the pressure to mitigate concerns, People's Bank of China (PBoC) governor Yi Gang said earlier this month that there is "tremendous" room to make monetary policy adjustments if the trade war worsened.

Vice Premier Liu He also joined the chorus. At a financial forum in Shanghai on June 13, Liu said that regulators should increase support for the Chinese economy and keep liquidity in the financial system, further alluding to the possibility that monetary and fiscal stimulus could be on the way.

And it looks like Beijing will have no choice but to open the spigot further. Despite a slew of support measures and policy easing efforts already underway since last year, China's cooling economy is still struggling to get back on firm footing.

Morgan Stanley analysts expect additional policy easing going forward to boost public and infrastructure spending amidst ongoing private sector trepidation. Furthermore, government bond issuance limits could be eased and banks' reserve requirement ratios could be further loosened.

ING's Greater China economist Iris Pang wrote that infrastructure investments on a levered basis "could increase to around four trillion yuan (\$578 billion)," and "together with tax and fee cuts of another two trillion yuan, the fiscal stimulus package may total six trillion yuan."

"Policy easing is reactive in nature and will probably not be enough to fully offset the downward pressures," Morgan Stanley China economist Jennifer Zheng said in a note to clients on June 14.

Chinese employees work on rebars at a factory in Hangzhou in China's eastern Zhejiang Province on May 15, 2019. China's economy showed further signs of weakness in May as industrial output slowed while the U.S.—China trade war raged on.



STR/AFP/GETTY IMAGES

## TRADE WAR

## INFIGHTING WITHIN THE CHINESE REGIME: FACTIONS SPLIT OVER US-CHINA TRADE WAR

OLIVIA LI

After Chinese state media published multiple commentaries that denounce the United States as bullying China in their trade talks and boast of China's determination to "fight to the end," there has emerged another type of propaganda war. Instead of targeting the United States as the enemy, the most recent round of media war is about infighting within the Chinese Communist Party (CCP) between two factions—"doves" and "hawks."

The doves blame the hawks for advocating "extreme nationalism," and the hawks attack the doves as being "capitulators."

## Doves Against 'Closed-Door Policy'

In a June 3 editorial, China's financial magazine *Caijing* called on Chinese people to stay alert about extreme nationalism, especially voices that advocate closing the door to foreign countries, setting up a separate set of technical standards as well as economic and

trade ecosystems.

"History has proven that setting up a separate, self-limiting, isolationist system will lead to nowhere. Promoting such ideas will only fit the wishes of some ill-intentioned people, and cause significant losses to the interests of the people," the editorial read.

But the article was quickly removed from the Internet.

Three days later, the battle was taken up by an overseas Chinese publication.

Ye Shengzhou, an economics scholar at Beijing's Renmin University, published an article on the Chinese Financial Times' website on June 6, criticizing China's Central Propaganda Department for running intensive, overly harsh, and old-fashioned propaganda on the U.S.—China trade war.

"In this new era of information, we need to respect our readers' time and learn to write clearly and concisely. I would advise the Chinese state media to stop the so-called 'five commentaries and nine critiques.' Ministry of Truth," please give some serious thought

to it. If the Chinese [regime] tries to claim authority both at home and abroad, it is doomed to fail, and such behavior will draw more criticism from the international community," he wrote.

In regards to the "five commentaries and nine critiques," Ye explained that China's trade war propaganda series includes five articles on "how the United States is bullying China," nine articles that yell at the United States to "stop baseless accusations of China," and nine articles that tell the Chinese people that "the United States will be defeated."

The whole scenario is very unusual because Ye is by no means a political dissident, yet he openly made a daring attack on China's Central Propaganda, referring to it as the "Ministry of Truth" in an ironic tone.

The current propaganda against the pro-American faction is an indication that the number of pro-Americans is not small, and their opponents have to spend some efforts dealing with this group of people.

Shi Shi, current affairs commentator

## State-Run Media Bash 'Pro-American' Faction

This group of "doves" immediately became the target of Chinese state-run media.

Xinhua News Agency wrote a commentary on June 7, saying that a small fraction of people are advocating "capitulation to the United States."

In Chinese culture, "capitulators" are always deemed most despicable, even if the invader is multiple times more powerful than the Chinese troops.

"They claim that China is at a disadvantage and we need to compromise with the United States," the article said. "They even claim that the requests from the United States are 'rational, legally fair and necessary.' They one-sidedly blame China for the trade war, and accuse China of 'returning kindness with ingratitude.' All these are fawning behaviors... They are attempting to crumble Chinese people's spirit of resistance."

## Xi's Talk on Relations With US Ignored

Chinese leader Xi Jinping talked about U.S.—China trade frictions when he spoke at the Economic Forum in St. Petersburg, Russia, on June 7. But this was absent from China's media reports.

According to Russia's state-run media Sputnik, Xi said there are strong trade and investment connections between China and the United States. Although the two countries now have some trade frictions, "it's hard to imagine that China and the United States can be completely separated from each other. I don't want to see that happen, and I believe the American people who are friendly toward China, as well as my friend President Trump, don't want to see that happen either."



CHIP SOMDEVILLA/GETTY IMAGES

Chinese state media reported on the event, but put all the focus on the friendship and future cooperation between Russia and China, while completely leaving out Xi's comment on "connections" and "friendship" with the United States.

According to current affairs commentator Shi Shi, these phenomena indicate that the CCP is now severely divided. He told the Chinese-language edition of *The Epoch Times* that within the party, and even within the top leadership, there must be a good number of pro-American party members.

"The current propaganda against the pro-American faction is an indication that the number of pro-Americans is not small, and their opponents have to spend some efforts dealing with this group of people."

▲ Commerce Secretary Wilbur Ross (1st R), U.S. Trade Representative Robert Lighthizer (2nd R), and other U.S. officials meet with Chinese Vice Premier Liu He (1st L), Central Bank Governor Yi Gang (2nd L), and other Chinese officials in Washington on Jan. 30, 2019.



STR/AFP/GETTY IMAGES

Earthmovers scoop soil containing rare earth at a port in Lianyungang, Jiangsu Province, China, on Sept. 5, 2010.

## TRADE WAR

## CHINA'S RARE EARTH RESOURCES IN THE HANDS OF A FEW CORRUPT OFFICIALS

OLIVIA LI

After a series of anti-American propaganda followed the latest round of U.S.—China trade talks, the Chinese state media has recently put the spotlight on rare earth as a trade war weapon. Rare earth is controlled by a few Chinese conglomerates, owned by the elite of the Communist Party and those who have close ties to former leader Jiang Zemin.

Rare earth elements are key components in many of today's high-tech products, from consumer electronics including smartphones, digital cameras and flat screen televisions to modern weapons such as missiles.

Before the 1990s, the United States was almost the only supplier of rare earth in the whole world. It was until 1992 that former Chinese leader Deng Xiaoping made rare earth mining and export one of China's development strategies. China's rare earth production quickly increased ten-fold in the following 15 years. Presently, China supplies about 80 percent of the rare earth elements imported by the United States, according to U.S. Geological Survey data.

The rare earth mines in China are mostly located in Inner Mongolia, Jiangxi, Guangdong, Sichuan, Shandong Provinces. More specifically, light rare earths are predominantly located in the Inner Mongolia where the rare earth reserves account for more than 83 percent of the total rare earth reserves in the country. The medium and heavy rare earths are mainly found in the southern regions such as Ganzhou City of Jiangxi Province, Longyan City of Fujian province. Rare earth deposits are generally found in seven provinces in south China—Jiangxi, Guangdong, Guangxi, Fujian, Hunan, Yunnan, and Zhejiang.

China's major rare earth enterprises include China Northern Rare Earth Group High-Tech Co. Ltd, Ganzhou Rare Earth Group, Risting Nonferrous Metals Share Co. Ltd, Chinalco Rare Earth & Metals Co. Ltd (a subsidiary of China Aluminum Corp.), Minmetals Group Corp., Xiamen Tungsten Co. Ltd, and China Nonferrous Metal Mining Group Co. Ltd.

## Jiang Zemin's Faction and Rare Earth Mines

Similar to other lucrative industries in China, these enterprises are controlled by China's "princelings"—the descendants of prominent and influential senior communist officials. It is noteworthy that these princelings are all members of the "Jiang faction";

that is, they are loyal to the former Chinese Communist Party leader Jiang Zemin.

For instance, Guo Shengkun, a current Politburo member, had previously served as Deputy Director of the National Nonferrous Metals Industry Bureau, General manager and party boss at China Aluminum Corporation. The Epoch Times learned from an anonymous source that Guo is the nephew of Zeng Qinghong, former vice president of China from 2003 to 2008

If China cuts off its rare earth supply to the United States, prices for rare earth elements will go up. In turn, United States, Brazil, and India will resume the rare earth mining industry.

Frank Tian Xie, business professor, University of South Carolina—Aiken

and a close ally of Jiang.

Zhou Yongkang and Luo Gan, both served as security chiefs under Jiang's leadership, were linked to one of the biggest corruption cases involving a molybdenum mine in Luoyang City, Henan Province.

The case was exposed when former mayor of Luoyang City Sun Shangwu was given the death penalty with a two-year suspension in 2010, on charges including bribery. According to a report from Beijing News on June 12, 2016, Sun kept appealing, saying that he was a victim of a frame-up because he rejected an acquisition proposal for the molybdenum mine when he was the mayor in 2003. Molybdenum is used to make some missile and aircraft parts and is used in the nuclear power industry.

Sun's daughter posted a letter of accusation on Weibo, a Twitter-like platform, exposing the details about how Luo Gan and Zhou Yongkang later acquired the mine worth of 470 billion yuan (\$68 billion) with only 45 million yuan (\$6.5 million), through manipulation of stock shares of China Molybdenum Co., Ltd from 2005 to 2006.

In 2009, Luoyang municipal government purchased the mine back from China Molybdenum Co. Ltd and its affiliated company. It was another lucrative transaction as the price it paid was 2.5 billion yuan only (\$362 million yuan), and all the money went to Zhou, Luo and their cronies' pockets.

## The 'Rare Earth Trump Card' Will Hurt China

Frank Tian Xie, business profes-

or at the University of South Carolina—Aiken, wrote a commentary for *Epoch Weekly* on May 21, in which he explained that restrictions of rare earth exports would not serve any use for China to win the trade war.

First, there are alternative suppliers of rare-earth elements that the United States could turn to, because Brazil, Russia, the United States, and Japan all have rare earth reserves.

Last April, Japan discovered 16 million tons worth of rare earth deposits off Minami-Tori-shima island, which scientists said would provide hundreds of years' worth of rare earth minerals.

Xie also explained in his commentary that China cannot afford to play the "rare earth trump card" for its own interests.

"If China cuts off its rare earth supply to the United States, prices for rare earth elements will go up. In turn, United States, Brazil, and India will resume the rare earth mining industry. When they reach a reasonable production capacity, China will lose this market, and very likely lose it for good," he wrote.

Moreover, so far China's domestic high-tech manufacturing industry does not have enough capacity to make use of the rare earth minerals, and hence relies on exporting them to other countries in order to sustain its rare earth mining industry. As a result, this "trump card" will come back to haunt China, Xie concluded.

## China's Propaganda Chief: Part of Jiang Faction

Wang Huning, a member of the Politburo Standing Committee in charge of ideology, propaganda and party organization, is also Chinese leader Xi Jinping's top foreign policy aide.

Based on his background, he is also a member of the Jiang faction. Wang was previously a scholar in Shanghai's Fudan University. In 1995, on strong recommendation from top Shanghai politicians Zeng Qinghong and Wu Bangguo, Jiang promoted Wang to work as Political Team Leader for Policy Studies in Central Committee of Chinese Communist Party.

U.S.-based Chinese commentator Xia Xiaoqi believed that Wang is the key person in helping Xi make these important decisions, including the strategy of using rare earth as a trump card in the trade war. Misled by Wang and other Jiang faction cronies, Xi has misjudged the situation and put himself in a very awkward position.

*Epoch Times* reporter *Sima Jing* contributed to this report.



## OPINION

# TRADING WITH CHINA: RESETTING THE BALANCE

RONALD J. RYCHLAK

Not that long ago, so it seems, my politically enlightened friends complained about the United States' trade policy with China. Why, they would ask, do we give "most favored nation" status to a country that suppresses free speech, stifles dissent, brutalizes its citizens, ignores intellectual property law, and uses slave or prisoner labor?

On the surface, anyway, they had a point.

Most favored nation (MFN) status meant that the trade terms offered to that nation were as favorable as those offered to any other nation. It represented the normal state of affairs for most of America's trading partners. It didn't really suggest a highly favored status, but it did mean that some nations, those without MFN status, might have unfavorable terms imposed upon them.

Tariffs were entirely possible, especially when it came to applying political pressure, and many argued that they should be used with China.

The MFN approach to trade came about because of federal legislation that was put in place in 1934. The

applicable law was amended in 1951. Due to those amendments, President Harry Truman was required to suspend the MFN status of all countries in the Sino-Soviet bloc, including China. He did that on Sept. 1, 1951.

The next significant legal development came with the Trade Act of 1974. According to Manhattan Institute President Reihan Salam, writing in *The Atlantic*, under that law, "China was designated, alongside the Soviet Union and other socialist states, a non-market economy. As such, it could only be granted MFN status under certain preconditions. In 1980, as relations between the two countries thawed, the U.S. conditionally granted China MFN status. That status, however, had to be renewed annually, which gave China's critics in Congress an annual opportunity to question the wisdom of doing so."

As Salam went on to explain, throughout the 1980s and 1990s, various student groups, human-rights activists, and anti-communists argued that China didn't deserve MFN status. Every year, they lost. The argument that usually carried the day was that by supporting trade with China, we would cause them to see the bene-

fits of capitalism, which would propel them toward a freer economy. Unfortunately, that envisioned development never came to fruition.

The closest that the side of anti-MFN status for China came to having its way was after the 1989 events in Tiananmen Square. In April of that year, student-led demonstrations involving perhaps as many as a million protesters called for "freedom of speech, freedom of the press, government accountability, and an end to cronyism and corruption," according to the Foundation for Economic Education (FEE). Unfortunately, the Chinese regime couldn't tolerate such disrespect. In June (exactly 30 years ago), it launched a brutal military crackdown.

The photograph of a solitary protester standing up to an army tank became one of the most iconic images of the 20th century. Unfortunately, many protesters didn't fare as well as the unknown "tank man" did. Censorship, obfuscation, and denial have made it difficult to ascertain the exact number, says the FEE, but the Chinese regime killed at least hundreds and perhaps thousands of protesters. Many more were injured.

Following those events, legislation

Actual free trade is best for everyone, but that isn't how China has operated.



▲ President Donald Trump and Chinese leader Xi Jinping (3rd L) hold a dinner meeting at the end of the G-20 summit in Buenos Aires on Dec. 1, 2018.

was introduced in the U.S. Congress to terminate China's MFN status and even to impose additional sanctions. Ultimately, however, the new proposals weren't implemented. The United States continued the policy of trading freely with China.

In 1998, lawmakers changed the name of MFN status to "normal trade relations." Legally, this linguistic convention was trivial, but it had real political consequences. To argue that China ought to be treated as our most favored nation sounded bad, and it gave those who wanted to change policies within China a certain moral status.

On the other hand, to argue that we ought to have normal trade relations with China was much more defensible. The name no longer seemed to indicate approval.

Just two years later, President Bill Clinton signed a new law granting China "Permanent Normal Trade Relations" (PNTR). This new status meant there were no annual renewals, and it paved the way for China's accession to the World Trade Organization. That, in turn, provided U.S. exporters (primarily agricultural producers) the opportunity to benefit from reduced

trade barriers with China.

Prior to China's PNTR status, there was always the threat that favorable access to the U.S. market would be revoked. That tended to keep leaders in Beijing concerned about how others perceived the nation's behavior. It also deterred U.S. firms from becoming overly dependent on Chinese suppliers. Once PNTR was in place, however, the floodgates of investment were opened, and U.S. multinationals developed new China-centric supply chains.

U.S. companies, of course, hoped to find new or expanded Chinese markets for their products, but that didn't happen to the extent they had hoped. For one thing, Chinese workers didn't benefit from Social Security or other entitlement programs. As such, they were focused on saving money for their old age. They didn't spend nearly as freely as Americans did.

Second, in order to gain entry to China's market, the Chinese government required U.S. manufacturers to build plants and hire Chinese workers, often as a joint venture. Aside from shifting more jobs and capital to China, this also gave Chinese companies the

knowledge of how products were made. As a result, inexpensive Chinese knock-offs of expensive U.S. products often hit the market. When U.S. companies couldn't compete for sales, many of them packed up and went home. The plants and Chinese counterfeits remained and were, in some cases, exported to the United States.

Actual free trade is best for everyone, but that isn't how China has operated. While U.S. firms deal with things such as minimum wage, occupational health and safety regulations, and all types of environmental laws, China uses prisoners for labor. In fact, during the past decade, several cases have been brought to light that amount to forced labor in China. Moreover, working conditions are poor, and (despite Al Gore's praise) China is now the world's leading producer of carbon dioxide emissions.

Free trade in that circumstance brings in low-priced products, but how can companies compete? Perhaps more importantly, how can U.S. workers compete?

When I studied economics in college, the answer to trade imbalance was that eventually, the dol-

lars sent overseas have to be spent back in the United States. So, the argument went, there was nothing to worry about. Given their penchant for saving, however, Chinese investors "spent" their dollars by buying U.S. real estate and equity in American corporations. That wasn't in the plan, and it certainly created some concern.

Moreover, the promised freedom in China didn't develop. Many Western intellectuals and their Chinese counterparts have noted that China today is less free than it was a decade ago. Free speech, dissent, and religion have all been suppressed by the regime. In fact, the Chinese regime recently launched perhaps its strongest censorship campaign ever, right around the 30th anniversary of the Tiananmen Square massacre.

So what is the relevancy of this today? In 2018, the Trump administration began negotiating with China to re-work structural issues and re-balance the U.S.-China trade relationship. According to the president, China has been able to "rip off the United States" to the tune of \$500 billion a year. Just recently he repeated

his threat that if China is unwilling to make progress in these negotiations, he'll continue to impose tariffs on billions of dollars of Chinese goods.

In other words, Trump is threatening to employ a technique that used to be favored by the politically enlightened to pressure a government that suppresses speech, stifles dissent, brutalizes its citizens, ignores intellectual property law, and uses slave or prisoner labor. It seems that there is little reason to complain, unless the complaint is simply about the leader who is using this technique.

Ronald J. Rychlak is the Jamie L. Whitten chair in law and government at the University of Mississippi. He is the author of several books, including "Hitler, the War, and the Pope," "Disinformation" (co-authored with Lon Mihai Pacepa), and "The Persecution and Genocide of Christians in the Middle East" (co-edited with Jane Adolphe).

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



▲ President Bill Clinton responds to questions after announcing his decision to grant Most Favored Nation status to China for another year, at the White House on May 19, 1997.

## FREEDOM OF THE PRESS

## PROTESTERS ASK THAILAND TO FREE VOLUNTEER WHO BROADCAST UNCENSORED NEWS TO CHINA

JOAN CHANG

WASHINGTON—A press conference and rally held June 14 in front of the Thai Embassy in Washington called on Thailand to free a Taiwanese man who was arrested by Thai police for helping a U.S.-based radio network deliver uncensored news and information across to China.

The Sound of Hope Radio Network (SOH) organized the event to protest the detention of Chiang Yung-Shin, a Taiwanese national who had volunteered to help the network by leasing a house in Thailand to be used for its shortwave radio broadcast into China. SOH had previously staged a protest in

front of the embassy in February concerning Chiang's detention.

According to SOH's press release, Chiang is a top executive of a Taiwanese company in Thailand. The house that was leased for the shortwave radio site was raided by Thai police in August 2018, and Chiang was arrested on Nov. 22. Police in Thailand told SOH that both actions were taken under pressure from the Chinese communist regime.

**Constant Censorship**

Frank Lee, spokesman for SOH, said at the June 14 rally: "Giving in to the pressure from Beijing to suppress a free press is not good for Thailand and its people. Mr.

Chiang is a volunteer who helped SOH, and he didn't do this for his own gain." Lee urged the Thai government to free Chiang so that he could return to his wife and two children in Taiwan.

SOH reiterated a previous statement that "broadcasting uncensored information using shortwave equipment to totalitarian countries is an international norm" that brings no harm to Thailand. The Chinese communist regime constantly censors news on its human rights violations and religious persecutions, as well as objective news reports from around the world.

During the rally, Lee delivered a letter from SOH President Allen Zeng urging Thailand to free Chi-

[The Chinese authorities] have arrested journalists, threatened or bought out people, unleashed lies through their media, and in this case in Thailand, shut down this shortwave radio.

Allen Zeng, president, Sound of Hope

ang. He said embassy officials had accepted the letter.

In the letter, Zeng said he was aware that "the Thailand police action was influenced by the Chinese government."

"The Chinese Embassy is directly behind the case. Over the last 20 years, the Chinese government has tried in every way to mute all voices that could expose their crimes. They have arrested journalists, threatened or bought out people, unleashed lies through their media, and in this case in Thailand, shut down this shortwave radio," he said.

**A Voice From China**

Chunmei Ma, a woman from China who was rescued by the U.N. Refugee Agency a few years ago, spoke at the rally. Because she is a Falun Gong practitioner, she was imprisoned in labor camps two times and kidnapped four times while she was in China. She said the torture and abuse she suffered at the hands of the Chinese communist regime brought her near death. Finally, Ma escaped to Thailand and sought asylum with the U.N. Refugee Agency there.

Falun Gong, introduced in 1992, is a spiritual discipline based on the moral principles of truthfulness, compassion, and tolerance. By 1999, it had garnered a following of up to 100 million, according to state estimates at the time. The Chinese Communist Party (CCP) then saw it as a threat to its rule, and in July 1999, then-Party leader Jiang Zemin launched a nationwide persecution, rounding up adherents and throwing them into detention facilities and prisons, where they are often tortured in an effort to coerce them into giving up their faith.

"I hold a deep appreciation for Thailand and its people. Thailand is a country with democracy and religious belief. I know the government and people there are very compassionate," Ma said.

"I know the Thailand government was very reluctant to do it. I appeal to the Thai government and people: Don't believe in lies made by the CCP.

"At the critical turning point of our age, I hope the Thai government can recognize the nature of the CCP, keep away from it, and do not work with it. Uplift justice, and free Mr. Chiang. If so, your

good deed will bring happiness and honor to you, your family, and your country."

SOH is based in San Francisco. It serves Chinese Americans in more 10 cities in the United States and has provided shortwave radio service to China since 2004.

**Traveled to Join Rally**

Pat Smiles, a resident of Middletown, New York, and an editor for an online news website, traveled to Washington to join the protest and rally.

"What happened to Mr. Chiang is unfair, and it's the CCP being a bully. This is a man doing a good deed who was persecuted unfairly. The Thai government is letting China influence them to do wrong things. If we as a body of concerned citizens don't stand up and say something, it's just not right. ... American people need to know this and what the CCP has done to the free world," Smiles said. "The Chinese regime should know the free world will not bow to their bullying."

Epoch Times reporter Eva Fu contributed to this report.



Protesters hold a sign opposite the Thai Embassy in Washington on June 14, 2019.





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