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THE EPOCH TIMES

CHINA INSIDER

**Retired Officials
Are Sabotaging Xi's
Foreign Policy ²**

REMEMBERING 20 YEARS OF PERSECUTION

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President Donald Trump (2nd R), Secretary of the Treasury Steven Mnuchin (R), and members of the U.S. delegation hold a dinner meeting with Chinese leader Xi Jinping (3rd L) and Chinese regime representatives, at the end of the G-20 summit in Buenos Aires on Dec. 1, 2018.



Chinese leader Xi Jinping (C) and other new members of the Chinese Communist Party Politburo Standing Committee (L-R) Wang Huning, Han Zheng, Li Zhanshu, Li Keqiang, Wang Yang, and Zhao Leji meet the press at the Great Hall of the People in Beijing on Oct. 25, 2017.

the uneven trade system and loopholes in the state-heavy Chinese economy to amass huge fortunes. Among the most corrupt is Zeng Qinghong's family. His son, Zeng Wei, reportedly acquired Lu Neng Group, the biggest enterprise in Shandong Province, for just 3.7 billion yuan (about \$536.7 million), although the energy firm is valued at 73.8 billion yuan.

Ahead of this year's Beidaihe meetings—the informal annual gatherings of CCP leaders and retired leaders at a seaside resort a few hours' drive from Beijing—speculation has been circulating that regime elites may attempt to sideline Xi or depose him in a coup.

The biggest targets of Xi's leadership, of course, are Jiang, Zeng, and their factional associates. At the peak of the anti-corruption campaign, two open letters circulated on the Chinese-language internet that demanded Xi's resignation. One included three threats to the safety of Xi and his family.

Since March 2018, Chinese state media have run a campaign of extreme left-wing propaganda, boasting of China's "confidence" in the trade war and pushing a bombastic ultranationalist narrative to pump up anti-U.S. sentiment in Chinese society. As the Communist Party used this hardline ideological approach to counter a national crisis, conflicts and tensions built up during the era of the Jiang faction's political dominance came to a head.

The deterioration of the Chinese economy in recent years has caused a variety of disturbances to inflame social anger. Some examples include fake vaccines, the crash of peer-to-peer (P2P) lending platforms, the fall of China top actress Fan Bingbing for tax evasion, the sex scandal involving the head of the CCP-controlled Buddhist Association, or the Jiangxi provincial government's heavy-handed exhumation of bodies to enforce cremation-only laws.

Last September, the CCP mouthpiece China Daily bought a four-page supplement in the Des Moines Register in Iowa to try to defame Trump. A full-page article, titled "Dispute: Fruit of a President's Folly," slammed the Trump administration for the trade war and encouraged local farmers to not vote



PIERRE BOUSSEL/AFP/GETTY IMAGES

for Trump and the Republicans during the midterm elections.

Iowa was the destination of Xi's first official visit to the United States in 1985. In 2012, shortly after coming to office, Xi made another trip to Iowa while in the United States. Trump is aware of Xi's connections with the state, which is one of the reasons why he chose former Iowa state Governor Terry Branstad as the U.S. ambassador to China. That China Daily picked Iowa to run its insert more or less shows that someone intended the move to embarrass Xi.

Resisting Xi to Preserve the Party

Despite being touted as the most powerful CCP leader since Mao Zedong, Xi Jinping is hemmed in by uncooperative officials who resist his directives, and are protected by the Jiang faction. Resistance to Xi is intended to preserve the Party's political system, which enables their corruption.

On May 13, 2014, Xi voiced his objection to illegal construction of luxury villas in the Qinling mountains, part of Shaanxi Province in western China. But when provincial Party secretary Zhao Zhengyong received the instruction, he neither circulated the instructions to his leadership committee, nor started an initiative to address the issue. The only action he took was to order the provincial Inspection Office and the Xi'an municipality to investigate the matter and report back to the CCP central authorities. It wasn't until June 10 that Xi'an set up an investigation team.

A month later, the province reported to the central government that all 202 illegal constructions

had been investigated; however, it was later discovered that more than 1,000 properties had been left out of the investigation report. Xi then issued three more orders between October 2014 and February 2016, only to receive more fake reports from Zhao.

Zhao received protection from the Jiang faction, giving him the confidence to defy Xi. Earlier this year, he was placed under investigation by the CCP anti-corruption agency, but there is more to that story.

On Dec. 26 last year, Wang Linqing, a judge working for the Supreme People's Court of China entrusted ex-CCTV host Cui Yongyuan with publicizing evidence of corruption in a 2016 case involving a multi-billion-yuan mining industrial dispute in Shaanxi Province.

According to Wang's expose, which went viral, supreme court chief Zhou Qiang had dispatched citizens to file legal complaints to the case, affecting the judgement. On Jan. 15, 2019, Zhao Zhengyong was placed under investigation, indicating that he had been taken down as a result

of his own connection with the 2016 derailment of justice, and by extension, Zhou.

Zhou has done the Jiang faction's bidding in his capacity as supreme court head since coming to his position in 2013. He has maintained a hardline stance on the banned spiritual practice of Falun Gong, which the CCP persecuted on Jiang Zemin's orders since 1999.

As a result of his high rank, and association with the Jiang faction, Zhou seems to have escaped punishment for his role in the Shaanxi mining scandal.

On Feb. 22, the Party's investigators announced that the court documents had been stolen by none other than Wang Linqing himself, something that hardly anyone watching the events could believe. The term "Linqing loses the documents" became an internet meme mocking the situation.

Since May of 2015, following a judicial reform allowing everyday citizens to file legal complaints to the court, over 210,000 Falun Gong practitioners and supporters of Falun Gong have submitted litigation against Jiang for ordering the anti-Falun Gong campaign. If

Zhou Qiang were to fall, Jiang and Zeng's hold over the judicial system would be weakened, which suggests that the Jiang faction engineered the outcome of the supreme court scandal in order to protect Zhou.

Under the direction of Zeng Qinghong, the Jiang faction has been using the ideology of the CCP to cover for their resistance against Xi's foreign and domestic policy efforts, and are shifting responsibility for the Party's crimes to Xi. They have taken advantage of the fact that thus far, Xi has relied on the CCP system to secure and maintain his political power as leader of China.

Wang Youqun holds a Ph.D. in Law from the Renmin University of China. He worked as an aide and copywriter for Wei Jianxing (1931-2015), a member of the CCP Politburo Standing Committee from 1997 to 2002. Leo Timm contributed to this report.

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



JIM WATSON/AFP/GETTY IMAGES

OPINION

RETIRED OFFICIALS ARE SABOTAGING XI'S FOREIGN POLICY TO PROLONG COMMUNIST PARTY RULE

WANG YOUQUN

Two years ago, Chinese leader Xi Jinping said: "We have a thousand reasons to ensure the success of U.S.-China relations, and not a single reason to ruin those relations."

The United States is the world's most powerful country. If Xi can close a trade deal with Washington and mend Sino-U.S. relations, he will be able to pull the country out of crisis.

On April 4, U.S. President Donald Trump met with Chinese vice premier Liu He in Washington, and Liu brought him a personal letter from Xi Jinping. Trump described the letter as "beautiful," meanwhile, Chinese state mouthpiece Xinhua reported that intensive negotiations over the course of the previous month had led to "new and substantial" progress on key issues.

Xi stated his desire for negotiations to be finished as soon as possible, and expressed willingness to maintain close communications with Trump, who for his part, had said that the two countries had reached agreement on some of the most challenging issues in the deal. On April 25, Trump told White House staff that he and Xi would soon meet to finalize the trade agreement.

Days later, the situation took an abrupt turn, when Beijing reneged on its prior agreements. The trade war resumed, with the Trump administration imposing new tariffs on 25 percent on \$250 billion worth of Chinese export goods.

Where did things go wrong?

In my view, the setback in negotiations—as well as a host of other problems that Xi faces—stem from the unresolved nature of his anti-corruption campaign. Since coming to power, the Xi leadership has disciplined more than 1 million officials, yet his most powerful rivals remain at large.

At the core of the anti-Xi elements in the Chinese regime are former Chinese Communist Party (CCP) head Jiang Zemin and his fixer Zeng Qinghong, who served as vice president and in other key posts. Though retired, both men still wield considerable influence throughout the CCP establishment, having had decades to cultivate their factional network.

Now 93, Jiang is ailing and can't personally cause much trouble; the present "leadership" of the Jiang faction thus falls to Zeng.

Zeng's factional ties intersect many cliques, including the Shanghai and Jiangxi "gangs," as

well as the Chinese oil industry and red princeling community. Between 1989 and 1999, as chief of the CCP General Office, Zeng was Jiang's most important aide.

From 1999 to 2007, Zeng accumulated an array of high-profile roles, including vice president of China, head of the Party's Organization Department, executive secretary of the CCP Central Committee, membership in the Politburo Standing Committee, president of the Central Party School, and leader of the CCP's leading group on Hong Kong and Macau affairs.

In his varied capacities, Zeng planted a multitude of confidants into Party, government, military, intelligence, and diplomatic institutions. Xi's anti-corruption campaign has barely touched the diplomatic and intelligence organs that have long been controlled by his rivals. Zeng's confidants in these agencies continue to exercise the Jiang faction's will, most recently undermining the Xi administration by interfering with Sino-U.S. relations.

Were the Trade Talks Sabotaged?

From March to December 2018, senior Party leaders were in tense negotiations with the U.S. government amid the trade war. On Dec. 1, Xi agreed to make concessions when he met with Trump at the G-20 summit in Argentina.

Just two days later, an overseas Chinese-language media group, Duowei, published an article, titled "Xi Jinping Should Take Responsibility for the Extreme Leftism That is Teetering Apart China."

In a Twitter post, U.S.-based Chinese economist He Qinglian wrote: "An overseas media outlet [Duowei] associated with the national security organs seems to be signaling a call to overthrow Xi." The Duowei article, she noted, presented its criticism of Xi as a matter of the CCP's survival of fall.

Duowei, originally founded as an independent Chinese-language news website in New York, is now regarded as a pro-Beijing outlet associated with the Jiang faction.

"Only two possibilities: One, [the Jiang faction] is ready to fight until both sides are exhausted, or two; they are confident in their success [in taking down Xi]," He wrote. The determination of the Jiang faction to oppose Xi may have had a hand in the breakdown of Sino-U.S. trade talks, on the eve of a potential deal. On May 5, Trump announced that new tariffs would soon go into effect, restarting the trade war.

The next day, the overseas Chinese-language media World Journal cited a source close to Beijing as saying the Chinese negotiation team's proposal to make a deal with more concessions had been rejected by Xi. According to the source, Xi had told the negotiating team that he would "take full responsibility for any possible result."

For Xi, the trade talks are of the utmost priority. From the Xi-Trump summit on Dec. 1 last year to May 1, when the U.S. and Chinese negotiating teams wrapped up their 10th round of talks, Beijing and Washington had reached consensus on 95 percent of the issues. On the Chinese side, the positions Vice Premier Liu He took during the talks reflect Xi's own positions.

Multiple media quoted the World Journal report as proof that Xi was responsible for China's backtracking on the agreements. But in my opinion, the report was very suspicious, and may be the result of disinformation concocted by those in the CCP leadership who don't want to see Xi reach a deal with Trump.

Extreme Leftism and Growing Social Unrest

Who stands to lose from a successful trade agreement between China and the United States? In past decades, CCP elites leveraged



FILE PHOTO



SCREENSHOT VIA YOUTUBE



Head of the Chinese supreme court, Zhou Qiang.

Xi Jinping has relied on the CCP system to secure and maintain his political power as leader of China.

BUSINESS

THE CURIOUS CASE OF FUTURE FINTECH

FRUIT JUICE MAKER TURNED BLOCKCHAIN TECH FIRM IS LATEST WARNING AGAINST INVESTING IN OBSCURE CHINESE COMPANIES

REUTERS/DAOD RUVIC/ILLUSTRATION/FILE PHOTO



FAN YU

For most companies, a listing on the New York-based NASDAQ Stock Exchange is a badge of honor. It gives the company some legitimacy and signals to investors that it's achieved a certain level of success.

But investors in Future FinTech Group Inc. may be surprised to find that the company could be delisted from NASDAQ for failing to file financial statements with the exchange.

The company hasn't filed its required financial statements for the year ended Dec. 31, 2018, or the quarter ended March 31, 2019. The exchange is currently reviewing its request for extension and compliance, but the firm's future in U.S. capital markets is at risk.

▲ In 2017, SkyPeople, a juice maker, rebranded to Future FinTech, a business specializing in blockchain technology research and development.

Future FinTech is based in the city of Xi'an in central China's Shaanxi Province, and represents the latest example of a Chinese company with an uneven track record and limited information disclosures taking advantage of its U.S. listing status to obtain foreign capital.

Future FinTech's name sounds legitimate and is perhaps deliberately coined to attract unsuspecting investors. "Future" signifies innovation, and "FinTech" is a buzzword used by startups and incumbents alike to describe disruptive innovation in financial services, such as the advent of efficient cross-border payments, peer-to-peer transactions, or blockchain-based smart contracts.

It may surprise some investors that Future FinTech's corporate history began in 1998

as Cyber Public Relations Inc., a provider of e-commerce consulting to small businesses. The company's name and principal business underwent a few changes thereafter, at one point morphing into Entech Environmental Technologies Inc., which operated through its main subsidiary, H.B. Covey Inc., to provide "construction and maintenance services to petroleum service stations," according to a filing with the Securities and Exchange Commission.

Regulatory filings indicate that in 2008, Xi'an-based Shaanxi Tianren Organic Food Co., Ltd.—a fruit juice concentrate manufacturer whose original incarnation was Xi'an Zhonglv Ecology Science and Technology Industry Co. Ltd., which developed biodegradable resin plastics products—entered into a reverse merger agreement with Entech. This allowed the Chinese Tianren to assume Entech's U.S. shell as an expedient way to become a publicly listed company in the United States, without needing to file extensive disclosures as required under a regular IPO.

At that point, the company's name was changed to SkyPeople Fruit Juice Inc. and began trading under the ticker symbol "SPU."

However, SkyPeople was anything but a great investment for its shareholders. Its share price plummeted from \$80 to less than \$2 by 2016, when it was almost delisted by NASDAQ for failing to file its 2015 annual financials.

In May 2016, the company engineered an 8-for-1 reverse stock split, a move that combines 8 shares into 1 in an effort to artificially increase nominal stock price.

Then, on June 9, 2017, SkyPeople suddenly changed its name to Future FinTech and announced it would begin trading under its new ticker symbol "FTFT." At the same time, the company transformed its business to one engaged in "research and development of digital asset systems based on blockchain technology and also operates an incubator for application projects using blockchain technology."

The year 2017 also happened to be when blockchain and cryptocurrencies gained mainstream awareness. Bitcoin, for example, increased from \$900 to \$20,000

in value during 2017. Skypeople's sudden business pivot and name change are likely not coincidental, and it was one of several companies to take advantage of the trend in 2017 to drum up investor interest.

Today it operates three main subsidiaries, two of which relate to online marketing and FinTech, and one, SkyPeople Foods, retains its legacy business of juice concentrates. All three major subsidiaries are registered in the British Virgin Islands.

While Future FinTech hasn't yet reported its 2018 full year financial results, its recent financial performance has been deteriorating. It posted a net loss of \$102.5 million in 2017 on a \$90 million writeoff, related to fixed assets and construction in progress on a factory and processing plant, far more than the \$5.3 million loss it reported in 2016. For the years ended 2015 and 2014, the company reported net profits of \$2.9 million and \$7.9 million, respectively.

Investors in Future FinTech Group may be surprised to find that the company could be delisted from NASDAQ for failing to file financial statements with the exchange.

Another sign of financial stress is that the company has switched independent auditors three times in the past four fiscal years. Future FinTech's 2014 accounts were certified by Armanino LLP, based in San Ramon, California, while 2015 accounts were certified by Jia Roger Qian Wang, CPA from Flushing, New York. Its 2016 and 2017 accounts were certified by Flushing-based Wang Certified Public Accountant, P.C.

The pace of U.S. listings by Chinese firms has slowed considerably. As of June 30, Barron's reported that 11 Chinese companies have raised equity in the United States this year, representing only 4 percent of the total IPO market. Luckin Coffee was the biggest, raising a bit more than \$600 million in May. By comparison, 40 listings in 2018 were from Chinese companies, almost 15 percent of the total.

In the meantime, Future FinTech investors are anxiously awaiting the outcome of NASDAQ's review of the company's compliance plans to see whether their investment capital will survive.



DANIEL BARRY/GETTY IMAGES

▲ The Nasdaq building in Times Square in this file photo.

ECONOMY

CHINESE REAL ESTATE MARKET TROUBLED AS FIRMS DROWN IN DEBT

More than \$40 billion issued in first half 2019



JOHANNES EISEL/REUTERS/TTMAG

▲ A man works at a construction site of a residential skyscraper in Shanghai in this file photo.

WEI TUO

News Analysis

Amid the ups and downs of the U.S.-China trade war over the past year, the Chinese economy has been seriously declining.

China's onshore real estate market has fallen drastically. Moreover, mainland real estate companies, which relied on easy financing, will soon face debt repayment for short-term borrowings made in 2018 and 2019. As business prospects are increasingly gloomy and cash is harder to come by, various real estate firms have had no choice but to issue bonds overseas and use new debts to pay off old ones.

Grim Outlook

On June 24, a report released by the Institute of Finance and Banking of the Chinese Academy of Social Sciences, a state-run research body, showed that mainland China's third- and fourth-tier cities have insufficient incentives for rising home prices. Some of those cities experienced an initial surge in housing prices, but prices could soon enter a downward trend because of insufficient subsequent demand. The local governments' means of regulating real estate prices are also very limited.

Housing prices of core cities also slowed down in May. Among them, the average home prices in first-tier cities rose 0.3 percent from the previous month, with the growth rate narrowing compared to the previous month. Real estate prices fell by 0.19 percent in Beijing and 0.12 percent in Guangzhou. Shanghai and Shenzhen home prices rose slightly, by 0.66 percent and 0.81 percent, respectively, with Shenzhen's growth rate slightly higher than prior periods.

The second-tier cities of Chengdu, Xi'an, Qingdao, and Macau experienced significant declines in housing prices during the second half of 2018. In May 2019, Macau home prices rose by 1.12 percent, ranking first among second-tier cities, while Wuhan housing prices fell by 1.02 percent, ranking last among second-tier cities.

The average price of existing homes rose by 0.43 percent in May,

which was a significant drop from that of 0.53 percent in April, according to the latest National Bureau of Statistics data on housing prices for 70 cities.

State Policies

According to a report from China Real Estate News in May 2018, real estate company financing is becoming more and more constricted; last-minute refinancing has become a last-ditch effort. As of May 22, real estate companies that have publicly announced plans to issue overseas bonds totaled 61, with a total issued value of more than \$24 billion, a significant increase of about 105 percent over the same period in 2017.

According to 21st Century Business Herald, real estate firms' overall debts have reached 6.8 trillion yuan (\$990 billion), and more than 419 billion yuan (\$61 billion) in accumulated credit will soon become due.

Vanke, Huayuan Real Estate, Dalian Wanda, and Capital Land, had registered to issue offshore bonds.

As Chinese housing companies increasingly rely on offshore financing to alleviate lack of onshore credit, authorities have sought to control the amount of foreign debt issued. Wang Chunying, director of the International Payments Department of the State Administration of Foreign Exchange, proposed that except for special situations, real estate enterprises and local government financing platforms may not borrow in foreign currency.

Chinese commentator Wen Xiaogang believes that Western investors don't know much about Chinese companies and tend to purchase their bonds due to their high yields. However, most Chinese companies don't have standardized operations, the property market is on the downswing, and housing companies increasingly need to refinance to pay off old loans, making it very likely that a bond will default.

As the wave of real estate debt defaults continues, experts worry that real estate will soon become a "gray rhinoceros," a highly probable yet widely ignored event. With the tightening of real estate financing, a sharp decline in the cash flow growth of real estate enterprises, and the peak period of debt repayment yet to come, some housing companies are already at risk of default, a bond trader in Beijing said.

According to data on Wind, a Chinese financial database, the volume and scale of offshore bond issuance of mainland real estate enterprises have increased significantly in 2019 compared with the previous year.

From January to May, the average coupon rate was 8.9 percent, and total new financing was \$35 billion. In June, more than 10 real estate enterprises issued more than \$3 billion in offshore financing.

Furthermore, Wind data shows that soon-to-expire debts of real estate companies from August to October 2019 will exceed 40 billion yuan (\$5.8 billion).

CHINESE INFLUENCE

CHINA'S 'ONE BELT, ONE ROAD' TO GLOBAL HEGEMONY

RICK FISHER

Chinese Communist Party (CCP) leader Xi Jinping has gone to great lengths to proclaim that China has no ambitions to be a global hegemon, but in a classic case of Chinese double-speak, other Chinese officials are telling us that China is building the blocks for global domination.

During a Dec. 18, 2018 speech marking the 40th anniversary of former leader Deng Xiaoping's opening and reforms, Xi Jinping stated, "No matter how far China develops, it will never seek hegemony."

But one of China's most important building blocks for hegemony may be its massive 2013 'One Belt, One Road' (OBOR, also known as Belt and Road Initiative—BRI). This reportedly \$1 trillion infrastructure and network building program, according to Xi, now encompasses "over 150" governments and multilateral organizations.

By 2017, Chinese enterprises had signed over 1,800 contracts in 62 OBOR member countries amounting to over \$32 billion. OBOR is now synonymous with China's foreign policy and so bound up with Xi's personal dictatorship, that in 2017, he had it "enshrined" in the CCP Constitution.

With OBOR, Xi wants to move China to the center of global authority, convincing more countries to accept Chinese preferences for less transparent economics and more authoritarian politics, very much at the expense of the rules-based order that the United States and its allies have tried to build since World War Two.

But China does not want the world to view OBOR as a power grab and Xi himself has helped lead a campaign to portray OBOR as a peaceful projection of Chinese power. In August 2018, Chinese Foreign Minister Yang Yi was cited saying, "President Xi Jinping has

repeatedly stressed that the Belt and Road Initiative originates from China, but belongs to the world."

Furthermore, at the end of August 2018, Chinese state media cited Xi saying, "BRI is an initiative for economic cooperation, instead of a geopolitical alliance or military league, and it is an open and inclusive process rather than an exclusive bloc or 'China club.'"

China often employs 'double-speak' to deceive and divide opponents in order to advance its objectives.

to date, the BRI is mostly an economic and political program with military implications, rather than the other way around."

But an opposite intention was conveyed by Chinese Defense Minister General Wei Fenghe, during a July 8, 2019 meeting in Beijing with military officials for the "Fourth Forum of Defense Officials from the Caribbean and South Pacific Countries."

That same day Chinese state-run media Xinhua reported, "Chinese State Councilor and Defense Minister Wei Fenghe...said China is willing to deepen military exchanges and cooperation with the Caribbean countries and Pacific island countries under the framework of the Belt and Road Initiative (BRI)...adding that cooperation will be promoted in such areas as anti-terrorism, peacekeeping and disaster relief to strengthen exchanges and cooperation under the framework of the BRI."

But it turns out that more than a year earlier, none other than the top Chinese political official in charge of OBOR, Politburo Standing Committee member Han Zheng, also acknowledged that OBOR also has a military dimension. According to a May 25, 2018, Xinhua report, "Han Zheng called for enhanced security risk evaluation as well as bilateral and multilateral security cooperation for the Belt and Road development."

China often employs "double-speak" to deceive and divide opponents in order to advance its objectives. For example, starting in 2003 China led the formation of the Six-Party Talks with North Korea, not to seek denuclearization by Pyongyang, but to buy time so that it could build nuclear missiles that can reach all American cities.

In this case, the big deception, China does not seek "hegemony," requires supporting deceptions: OBOR is not a strategy to advance military power.



TANG CHHIN SOTHY/AFP/GETTY IMAGES

But the militarization of OBOR would be consistent with how China is militarizing other proto-alliances. In mid-2018, China formed its China-Africa Defense and Security Forum (CADSF), building a military network led directly by China's People's Liberation Army (PLA), on top of its economic and commercial oriented Forum on China-Africa Cooperation created in 2000.

Perhaps China will use regional "forums" to build regional military networks, and then use the OBOR to build a future global defense "forum" that will use China's economic influence to reinforce participation in both regional and global Chinese-led military organizations.

Members of these regional and global "forums" would then increasingly follow China's leadership over that of the West, perhaps even cooperating militarily to contain and diminish American and West-

ern influence.

During his January 2018 visit to China, French President Emmanuel Macron warned that OBOR should not help build a "new hegemony." Then on Feb. 14, 2018, Admiral Harry Harris commented on OBOR before the U.S. House of Representatives, saying, "It is a concerted, strategic endeavor by China to gain a foothold and displace the United States and our allies and partners in the [Indo-Pacific] region."

Is it time to conclude that contrary to Xi Jinping's statement, China does intend to use its OBOR to create "a geopolitical alliance or military league?" Furthermore, as President Macron fears, China is seeking to build a "new hegemony."

Rick Fisher is a senior fellow with the International Assessment and Strategy Center.

▲ The Sihanoukville port in Cambodia, part of the Chinese regime's "One Belt, One Road" Initiative, in this file photo. The program to connect Africa, Asia, and Europe through the construction of a network of railways and roads has met with concerns about China's predatory lending.

▶ Overall debts of real estate enterprises reached

\$990

BILLION

in

2019

HUMAN RIGHTS

REMEMBERING LIVES LOST IN CHINA'S 20-YEAR PERSECUTION OF FALUN GONG

EVA FU

NEW YORK—Hundreds of candles in the shape of lotus flowers illuminated the evening sky in New York as a group of meditators attired in yellow shirts sat silently in front of the Chinese consulate, their round yellow sitting mats neatly aligned in long rows along the riverside.

In one moment of hatred, [the Chinese regime] turned the entire society against upstanding members of society.

Christine Lin, creative director, Friends of Falun Gong

Around them, colorful flags bearing Chinese characters that called for an end to a brutal persecution in China formed two walls. White characters stood out on a large blue banner at the front reading “End 20 Years of Persecution of Falun Gong.” Slow music rose, accentuating their story with lyrics of both sorrow and hope.

An ancient meditation practice, Falun Gong was first introduced to the public in 1992. Its moral teachings and health benefits gained wide appeal among the Chinese public, gaining a following of around 70 million to 100 million by 1999. Deeming the practice’s pop-

ularity a threat to its control, the atheist communist regime began a brutal campaign against the group in 1999, rounding up practitioners in brainwashing centers, prisons, labor camps, and psychiatric hospitals, where they’ve been tortured and forced to renounce their faith.

“In one moment of hatred, [the Chinese regime] turned the entire society against upstanding members of society,” Christine Lin, the creative director at Friends of Falun Gong, said at the rally.

“In China, if a demographic you belong to is targeted by the CCP (Chinese Communist Party), it can ruin everything for you. Social control, high-tech surveillance, and rule by terror combine to form the stifling reality of living in China.”

Minghui.org, a U.S.-based website dedicated to documenting the persecution of Falun Gong, has confirmed more than 4,200 deaths during the persecution campaign, although the true number is unknown due to strict censorship in China.

Survivor

For adhering to his beliefs, 47-year-old Hu Zhiming, a former China air force officer from Beijing, was stripped of his rank and spent eight of the next 10 years in incarceration.

For the two years between 2002 and 2004, a large chunk of Hu’s time was spent in a 32-square-foot cell in Tilanqiao Prison in Shanghai, where two other

inmates watched him day and night, and often beat or insulted him. He was made to sit on a low plastic stool that he described as being around “the size of his palm” and was not allowed to make even slight movements. He was deprived of sleep.

“Once I closed my eyes, the guys monitoring us would pry my eyes open with their hands,” Hu told The Epoch Times.

At other times, the guards made Hu and the other prisoners package soap bars from the popular Shanghai-based brand Bee & Flower. He said that he has since seen the same soap bar for sale in a local grocery store in New York.

Hu was released in 2004, but the following year, he was sent to a prison in Liaoning for distributing some CDs explaining the persecution, and started a hunger strike in protest. The guards used all kinds of methods to make his life miserable so that he would give up the effort: He was tied to a bed and force-fed solutions by a tube through his nose, and they flashed ultraviolet lights on him that burned his skin and damaged his eyes.

Hu’s health deteriorated rapidly, and he soon had trouble even lying in bed. He became so scrawny that one could wrap both hands around his waist. Thinking that he would likely die, the prison hospital ordered a nurse to rouse him every two hours to check if he was still alive.

Falun Gong practitioners gather in front of the Chinese Consulate in New York to commemorate the 20th anniversary of the persecution of adherents of the spiritual practice in China, on July 15, 2019.



LARRY DYE/THE EPOCH TIMES

He narrowly survived his prison term, being little more than a skeletal image by September 2009. During the Chinese New Year in 2010, Hu evaded police surveillance to get to the border, where a tour guide helped take him to Thailand. There, he filed his asylum claim with the United Nations. In 2012, he was granted asylum by the United States.

Families Torn Apart

At an earlier rally, several Falun Gong practitioners stood in a row holding hand-made placards to highlight the persecution happening to their families in China.

Liaoning practitioner Xiao Yanbing said that her husband, 61-year-old Yu Chunsheng, has been detained by the Chinese regime since June 19. According to Xiao, Yu was arrested while on a southbound train traveling from Shenyang and has since been transferred to a local detention center. Nothing further has been heard about him, and his family has been denied visits.

Xiao spoke of the torment when thinking about what torture might befall the man she has been married to for 35 years.

“My son has not seen his dad for 11 years, since he came overseas,” Xiao told The Epoch Times. “I had to force myself to not think whenever I came across photos of torture... The mere sight of them gave a sharp pain to my heart.”

ORGAN HARVESTING

‘UNMATCHED WICKEDNESS’ IN CHINA NEEDS ACTION FROM ALL NATIONS, SAYS HUMAN RIGHTS GROUP

JENNIFER ZENG

WASHINGTON—Setting the stage for 1,000 foreign ministers, religious leaders, and others from 115 nations to gather for the second Ministerial to Advance Religious Freedom on July 16–18, researchers and human rights activists said it’s time for nations, organizations, and individuals to take concrete actions to stop the crime against humanity in China of killing people to harvest their organs.

On an Industrial Scale

At a side event of the Ministerial held at the National Press Club on July 15, China Organ Harvest Research

Center (COHRC) released a 91-page report that sheds light on “one of the most hideous human rights disasters of the 21st century.”

The report states, “Unlike black market organ trafficking operations elsewhere in the world, the on-demand killing of prisoners of conscience for organs in China is driven by the state, run on an industrial scale, and carried out by both military and civilian institutions.”

Grace Yin, founder and lead researcher of COHRC and coauthor of the report, said that after years of researching and studying, it can be established that killing people on demand for their organs has become a large scale “industry.”

The new 2019 COHRC report provides up-to-date evidence and in-depth analysis of the organ sources and victims, as well as the methods and consequences of China’s transplant programs, within the context of international law and the Chinese Communist Party (CCP)’s campaign to eradicate the spiritual practice of Falun Gong.

A Lens to Understand Persecution of All Faiths in China

According to the report’s authors, the CCP’s persecution of Falun Gong is genocide, and, in the face of genocide, the 150 nations that have ratified or acceded to the Genocide Convention should take action.

The on-demand killing of prisoners of conscience for organs in China is driven by the state, run on an industrial scale, and carried out by both military and civilian institutions.

Report by China Organ Harvest Research Center

(Left) Falun Gong practitioners protest live organ harvesting in China, during a parade in New York on May 16, 2019.

(Right) (L–R) Grace Yin, founder and lead researcher at COHRC; Ann Corson, editor at COHRC Reports and chief editor at Doctor Against Forced Organ Harvesting Newsletter; and William Boericke, editor at COHRC Reports; speak at the National Press Club on Latest Developments in China’s On-demand Killing of Prisoners of Conscience for Organs in Washington on July 15, 2019.



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Furthermore, “studying the genocide of Falun Gong provides a lens through which the world can understand the persecution of other faiths in China. Addressing the persecution of Falun Gong is a crucial step towards ending religious persecution in China and the atrocities being committed against humanity and morality itself,” the authors of report explain.

In the case of Falun Gong, then-head of the CCP, Jiang Zemin, ordered a campaign in July 1999 to eradicate this spiritual practice, which involves living according to the principles of truthfulness, compassion, and tolerance and the practice of meditative exercises.

Jiang feared there were more people who had taken up Falun Gong than were members of the CCP—and he was concerned that the Chinese people would find Falun Gong’s traditional moral teachings more appealing than the CCP’s ideology of materialism and atheism.

An increase in the number of organ transplantations began soon after the persecution of Falun Gong began.

Insufficient Action from International Community

Yin said she hopes the COHRC report will help the world understand

Raising Awareness

Falun Dafa practitioners say they have been trying to counter the persecution in peaceful ways, by making calls to CCP officials or speaking with Chinese tourists to offer them insights that aren’t available in the heavily policed environment of mainland China. Zhang Yi, a practitioner originally from China’s Shandong Province, said that publicity is also a tool to

expose the perpetrators of rights abuses.

“The Chinese Communist Party tried to stifle the internet and regulate the press; they never managed to block out the true facts,” Zhang said.

U.S.-based political commentator Li Tianxiao said at the rally: “Probably 20 years ago, no one would have thought that Falun Gong could persist until today. ...

It is a testament that coercion and power cannot conquer belief.”

“Many of the people in the audience today have survived the worst of the persecution. Others have not personally experienced those horrors, but have shown up at events like these every year,” Lin said.

“They have all been persistent in their advocacy. This is the way to resist an evil regime—fighting lies with truth.”



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Falun Gong practitioner Hu Zhiming at an event commemorating the 20th anniversary of the Chinese regime’s persecution of Falun Gong, near the Chinese Consulate in New York on July 16, 2019.



Falun Gong practitioners gather in front of the Chinese Consulate in New York to commemorate the 20th anniversary of the persecution of adherents of the spiritual practice in China, on July 15, 2019.

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the severity, driving forces, and implications of China’s organ harvesting from prisoners of conscience, as well as the persecution of Falun Gong and other faiths in China.

The report is primarily intended to facilitate policymakers’ efforts to shape legislation and formulate policy, to develop effective strategies and measures in response to state-driven crimes, and to support justice and ensure accountability.

The authors of the report cited U.S. Chief Prosecutor Robert H. Jackson’s speech before the International Military Tribunal at the Nuremberg Trials in 1945 to illustrate why the world needs to take action:

“The wrongs which we seek to condemn and punish have been so calculated, so malignant, and so devastating, that civilization cannot tolerate their being ignored, because it cannot survive their being repeated.”

Yin said that many people in the world aren’t aware of this crime or its severity, and thus there is insufficient action from the international community to stop these atrocities.

Joint Statement Calls on US to Take Action

Four organizations at the event,



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including COHRC, International Coalition to End Transplant Abuse in China (ETAC), Human Rights Law Foundation (HRLF), and Citizen Power Initiatives for China (CPIIC) released a joint statement, which called on the United States to take action.

“We call on the United States Government to condemn the persecution of Falun Gong and other religious groups in China, call for an end to this most hideous of human rights disasters in the modern era, and prevent American individuals and institutions from becoming complicit in this crime against humanity,” according to the statement.

Yang Jianli, president and founder of CPIC, read the statement during the event and said it’s open to all organizations and individuals to co-sign.

Final Judgment of China Tribunal

The press release for the COHRC event quoted the final judgment report of the China Tribunal, which said organ harvesting was an “unmatched evil.” Discussion at the COHRC event often focused on the China Tribunal report.

On June 17, the China Tribunal, led by Geoffrey Nice, who prosecuted Slobodan Milosevic, delivered its report in London.

The judgment states, “The Tribunal’s members are certain—unanimously, and sure beyond reasonable doubt—that in China forced organ harvesting from prisoners of conscience has been practiced for a substantial period of time involving a very substantial number of victims.”

Calls for action are listed at the end of the judgment: “Finally—on actions to be taken—assuming Governments do not do as it might be thought they should, the usually powerless citizen is, in the internet age, more powerful than s/he may recognise. Criminality of the order revealed may allow individuals from around the world to act jointly in pressurising govern-



(Above) Benedict Rogers, East Asia team leader at Christian Solidarity Worldwide and co-founder and deputy chair at UK Conservative Party Human Rights Commission, at the National Press Club in Washington on July 15, 2019.

(Below) Louisa Greve, member of ETAC International Advisory Committee and director of External Affairs at Uyghur Human Rights Project, at the National Press Club in Washington on July 15, 2019.



ments so that those governments and other international bodies are unable not to act.”

The judgment reminds “governments and any who interact in any substantial way with the PRC should now recognise that they are, to the extent revealed above, interacting with a criminal state.”

It lists the following actors: doctors and medical institutions; industry and businesses, most specifically airlines, travel companies, financial services businesses, law firms, and pharmaceutical and insurance companies together with individual tourists; educational establishments; and arts establishments.

Actions to Take

Louisa Greve, a member of the ETAC International Advisory Committee and director of external affairs for the Uyghur Human Rights Project, said that apart from pushing the U.S. Congress to do more, initiatives should be launched to approach individual institutions and universities that still cooperate with China in organ transplantation, or training doctors for China.

Greve said other things could be done, including pushing medical institutions to reject articles of Chinese transplant surgeons if the organ sources are not transparent. “Deny them prestige,” she said.

“The other part is denying money. If they can’t have prestigious appointments, prestigious training sessions, then they may somehow lose out against other international medical practitioners for consulting fees, whatever it is.”

Actions are needed, not only to preserve the system, but also ethics, Greve said. “If you have an ethics system, you can’t just say, ‘It works for us, but we don’t care about ethics as long as it’s China.’”

Benedict Rogers, East Asia team leader for Christian Solidarity Worldwide and co-founder and deputy chair of the UK Conser-

vative Party’s Human Rights Commission, said more countries should be encouraged to learn from countries that have already banned their citizens from going to China to buy organs. More countries should pass legislation to ban organ tourism.

“Another thing we should also be doing is increasingly exploring mechanisms for accountability and talking about the criminality of the Chinese state for two reasons,” he said.

“The first is, we all know of course, that it’s going to be extremely difficult to actually get a prosecution in any of the international institutions. ... But just talking about a prosecution may scare people in the Chinese regime.”

Second, if many nations can work together and start talking about the criminality of the Chinese state, that can also have some effect, Rogers said.

Rogers said people also should use the China Tribunal’s judgment wisely to stop the atrocity.

“I think the most important thing is to make it widely known, and to make sure that governments are aware of the judgment and respond to it.”

The panel of the China Tribunal was a very distinguished and eminent one, Rogers said. None of the members had any previous agenda with organ harvesting, China, or Falun Gong. Given the high caliber of such a panel, governments around the world should take its judgment seriously and use it as a starting point for further investigation.

Yang said there are two other things that can be done: one is to collect information about individuals who are involved in forced organ harvesting, another is to spread the message into China, and let family members of prisoners of conscience become aware of the danger. If they can seek information about their imprisoned family members, that can also put some pressure on the prisons and camps.



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