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The C919, China's first self-developed large passenger jetliner, is presented in Shanghai on Nov. 2, 2015. The C919 was developed by the Commercial Aircraft Corp. of China Ltd.

THE BIG HACK

REPORT SHOWS HOW CHINA HACKED
WESTERN FIRMS TO STEAL AVIATION TECH

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OPINION

China's 'Communist Capitalism': a Monster Created by Economic Globalization

CHENG XIAONONG

Economic globalization has cast a huge shadow across the world. After the Chinese Communist Party (CCP) joined the economic globalization, it turned the process into a tool for its global domination.

Many Western scholars believed, wrongly, that economic globalization would lead the CCP down the road of democratization. At present, the new trade policy of the United States tries to reduce the negative effects of economic globalization on the United States and guard against the CCP's strategic warfare.

Is There Anything Wrong With Economic Globalization?

Economic globalization has always been regarded as the highest state of human society's progress. In the eyes of some leftists, it has even been crowned as "political correctness." Anyone who criticizes economic globalization is acting "incorrectly."

Ever since the outbreak of economic and trade conflicts between China and the United States, there has been overwhelming argument in favor of economic globalization. From Western economists, to anti-Trump media in the United States, to European and Asian governments, and most companies in the business community, they've basically all expressed the same view and hope to return to economic globalization and void the tariffs on China. Their argument is that it negatively affects the stability of the global economy.

The New York Times' May 16 article titled "The Global Economy Was Improving. Then the Fighting Resumed" exemplifies this view. If so many people share the same voice, does it become a sound conclusion? On the contrary, their voices represent a misperception that has developed over the decades.

The root of this view is the wrong understanding of economic globalization's natural defects and the trend of the CCP's system. Furthermore, this misconception deliberately ignores the adverse consequences of the entry into economic globalization of large economic entities dominated by a centralized government, and the negative effects brought by multinational corporations' overseas investment.

After World War II, many third-world countries became independent, and some of them, especially in Asia, embarked on a road of rapid economic development. Economic globalization was formed gradually in such a process.

At a cultural level, the impact of Western civilization and business culture on developing countries has made a lasting impression. While in the aspect of investment and international trade, it's the transfer of investment and technology from developed countries to countries suitable for investment, with cheap products from developing countries flooding into developed countries. Whichever developing country has hitched a ride on globalization will prosper. So, isn't economic globalization a win-win situation for both developing and developed countries? What's wrong, then?

So far, economic globalization has not been able to eliminate national borders. National borders mean that a country's government should protect the welfare of its citizens rather than give priority to the needs of people outside its borders.

On the other hand, voters in democratic governments vote for their own governments, not for a global one, and one of their main criteria for choosing a government is whether the ruling party can protect the well-being of its citizens rather than sacrificing them to achieve some of the government's global goals. It's here that Western economists have a blind spot. They comprehend economic globalization from the perspective of microeconomics only, and see the benefits of it from the standpoint of enterprises only, but forget to see problems from the viewpoint of national voters.

This mistake is manifested in two aspects. First, Western economists believe that in the context of free trade and free investment, enterprises will pursue maximum benefit and bring the greatest gain to the global economy. However, if it's not only Western companies that are participating in economic globalization, but also centralized governments like China's, how can Western companies in China that are tied up by the Chinese government outcompete it?

Second, enterprises from developed countries can indeed reduce costs and increase profits by investing in and transferring production lines to developing countries, but the synchronous actions of many enterprises may cause a sharp decline in domestic manufacturing jobs. While these companies make money from globalization, they don't necessarily pay taxes at home. The companies take advantage of offshore financial centers to evade taxes, while taxpayers in their home countries lose out. Since governments in the developed world don't have enough revenue, they have to borrow more, and future taxpayers

have to pay for it.

How a Centralized Super Economy Manipulates Economic Globalization

Another mistake Western economists have made is that they never took into account the possibility of economic imbalances between countries at the macro level in terms of the negative effects of economic globalization. However, the process of economic globalization so far has preliminarily demonstrated possible consequences of the manipulation of economic globalization by such centralized super-economies.

If a super-economy whose labor force accounts for 1/6 of the global joins the economic globalization, this large economy can attract investment and technology from every country, form a complete industrial chain, and then use cheap goods to squeeze the manufacturing enterprises of developed countries. It then occupies the global markets, and finally causes the global economy's dependence on this country's economy.

This would be unsustainable even from a purely international trade perspective, as it would result in shrinking manufacturing and large trade deficits in many countries, ultimately making international payments difficult, at which point this super-economy would no longer be able to make money.

On the other hand, for countries that have long relied on Chinese goods, with their own manufacturing vanished and a lack of foreign exchange for Chinese imports, there is little choice but to seek the support of the CCP and accept its political manipulation. In the long run, is this a win-win international economic and political situation, or a win-lose situation? The answer is obvious.

Furthermore, if the government controlling the super-economy is an authoritarian communist government, since such government has a strategic objective ideologically, namely, "socialism to even-



Chinese shipping containers beside a U.S. flag at the Port of Los Angeles in Long Beach, Calif., on May 14, 2019.

Due to the naiveté of the world's major democracies, economic globalization has set itself a bomb that will explode in the future.

The World Trade Organization headquarters in Geneva on Sept. 21, 2018.

tually win over capitalism," then at the executive level, this centralized government will have a global strategic target.

It will aim at the main and the most powerful democracy in the world, trying to weaken it, hit it, and this target is without a doubt the United States.

One of its important means to weaken and attack the United States is to use the domestic market of the super economy and the manufacturing capacity accumulated in the process of economic globalization to blackmail the U.S. The trade war is a war game in which Beijing tries to get American companies that import Chinese-made goods to lobby on its behalf, while also directly manipulating the American election system by stopping or resuming imports of

American agricultural products.

Currently, both sides are facing an unprecedented international pattern. Although the United States faces all sorts of infringement from the CCP, it can't deal with China in a similar manner as during the Cold War with the Soviet Union, because the CCP has joined the economic globalization for many years. The economy of these two has formed a mixed situation of mutual dependence. Once friction between these two upgrades, each side will suffer.

WTO Versus CCP: Who Constrains Whom?

It was an illusion of governments and World Trade Organization (WTO) officials that the CCP would consciously keep all the promises it made prior to joining. They even believed absurdly that the CCP's entry into economic globalization will lead to its democratization.

It now seems that rather than being effectively constrained by WTO rules, the CCP has set a precedent for successfully circumventing WTO rules. Most WTO members don't want to take up with the CCP due to their own financial interests, and the result is that the WTO keeps making concessions to Beijing's foul play. In this sense, the WTO has lost its ability to restrain violations, and its continued existence is therefore in doubt.

Before China came onto the global stage, economic globalization had already been in place without any major issues. This was not only because the countries participating were basically free societies, but also because they were not large economies, with neither the ambition nor the ability to challenge international rules.

After economic globalization treated China as an important cooperative entity, things changed significantly. Economic globalization was originally the cooperation of transnational enterprises between free countries, and the WTO provided rules and guidance around such economic coopera-

tion. What needs to be emphasized in particular is that economic globalization is not economic cooperation between governments, but cooperation between enterprises of different countries. This is important because all participants in economic globalization are free countries. Other than market economy, the so-called free countries do not directly manipulate all economic activities, nor do they use government manipulation to achieve their own global goals.

In other words, the participation of free countries in economic globalization does not, by and large, turn economic globalization into an instrument of their governments' global domination. As a result, WTO rules were never written with the goal of how to prevent participating countries from becoming a threat to the global economic and political order. Behind this benign vision of economic globalization lurks an old dream of global leftists: a global commonwealth.

Unfortunately, due to the naiveté of the world's major democracies, economic globalization has set itself a bomb due to explode in the future.

There are two aspects of the naiveté. First, it's assumed that all countries with market-oriented economies would embrace liberal democracy. Second, it's assumed that after the end of the Cold War, there will no longer be a realistic possibility of a major power threatening the global economic and political order.

While it's true that the Soviet Union of the Cold War era was a constant threat to world peace and order, the Soviet Union fully rejected market economy, and as such, members of the Soviet Bloc didn't engage in long-term, comprehensive economic cooperation with enterprises of free countries.

After the collapse of the Soviet Union, many naive Westerners celebrated that the world would never again have an authoritarian power that threatens world peace and or-

der. In their view, since China has adopted a market economy already, it will join the free world sooner or later, as the "panda huggers" in the U.S. and Europe have argued.

Their biggest mistake was failing to see before the CCP joined the WTO that it had built a unique basic institutional framework of "communist capitalism" by promoting a market economy (full privatization of state-owned enterprises and abandonment of planned economies).

My article published in 2015 put forward the system of "communist capitalism" for the first time, but at that time, I focused on ownership, namely, how the CCP cadres became oligarchs by misappropriating formerly state-owned assets, without further digging to analyze what kind of consequences will be produced once such communist capitalism entered economic globalization.

Now it seems that "communist capitalism" is neither a normal market economy nor a free society. Through economic globalization, it not only attracts enterprises, equipment, and purchase orders from various countries, forming the "world factory," but also makes Western countries' enterprises rely on China economically.

On the other hand, under such a system, the communist regime will surely try to influence and manipulate the international economic order, to challenge the United States in order to keep and expand its power.

Therefore, it can't be a real partner with the United States or a fair competitor acting in accordance with international rules, but instead treats the U.S. as an imaginary enemy, strategically. By continuing to weaken the United States with nonviolent means, the CCP is also practically disintegrating WTO rules and their binding force.

Strategic Significance of Sino-US Trade Dispute

After Trump took office, he began to clean up the negative legacies

of his predecessors, among which the most important item is the reset of U.S.-China relations.

After the CCP's accession to the WTO, its global economic scale kept increasing. When China thought it had gained enough strength, it began to control global trade according to its own needs, such as taking technology from other countries and enacting policies harmful to other countries such as the United States. The WTO was helpless in the face of an unreasonable and rogue state.

On the surface, the Sino-US trade dispute looks like many other trade frictions we've witnessed around the world, but there is one important factor frequently overlooked: out of the need to perpetuate its nationalist and ideological propaganda, the CCP is targeting both the economy and the military of the United States.

It took advantage economically, scientifically, and technologically, and then used its resources to strengthen its military, putting pressure on the United States.

This approach bears some resemblance to Japan's diplomatic and trade relations with the United States before the outbreak of the Pacific theater of World War II. So it's ill-advised for the United States to view existing problems from an economic perspective only.

Many of the United States' strategies deployed against China not only focus on economic relations, but also have an eye toward politics and the military. Although no one in American politics has explicitly made this point yet, the underlying consensus is becoming clearer.

Should the global economic order change? The relative positions of countries are very different. For the CCP, it's better to stay the course, so it can continue to take advantage of other countries. Many small and medium-sized developed countries are afraid of offending the CCP, yet they also want to keep taking economic advantage of the United States,

so they waver.

The United States, which has suffered greatly, is the only country with the incentive to change the global economic order. The change of global economic order can only be done by the United States, which at the moment is a bigger economy and has more global clout than China.

Facing a country that only takes advantage of others and doesn't keep its promises, the WTO now can only make empty threats and wait patiently for the CCP to take the initiative to change. The CCP, on the other hand, is only willing to make changes that are not harmful to itself, and won't give up its existing practices so easily.

In this case, the United States, which suffers the most from globalization, can only safeguard its interests alone. In fact, no other country cares about the United States' losses. The American interests can only be protected by the United States itself.

The new trade policy of the United States has revealed the dark side of economic globalization that has long been covered up. The weakness of the WTO in front of the "Red Terror" fully shows the miserable situation of economic globalization. It may be said that economic globalization has passed its peak and is now entering into the shadow created by itself. People will have to re-understand the future global economic pattern in order to extricate themselves.

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FABRICE COFFRINI/AFP/GETTY IMAGES



The foreign capital inflows into Chinese stocks are expected to double this year as a result of the increase in Chinese stocks' weighting in major indexes.

Hikvision cameras on display in an electronic mall in Beijing on May 24, 2019.

INVESTMENTS

US Pension Money Flows Into Blacklisted Chinese Companies

EMEL AKAN

WASHINGTON—U.S. investment funds turn a blind eye to human rights records of Chinese technology companies such as Hikvision and Dahua Technology. They are among the entities blacklisted by the U.S. government for their involvement in human rights violations in China.

The Trump administration added 28 Chinese organizations to its "Entity List" on Oct. 7, effectively blocking them from buying U.S. technology. However, this doesn't prevent U.S. investors from buying these companies' shares.

The list includes eight leading artificial intelligence (AI) and video surveillance companies that "have been implicated in human rights violations and abuses in China's campaign targeting Uighurs and other predominantly Muslim ethnic minorities," according to the U.S. Department of Commerce.

Many Americans own shares in these companies through their retirement funds or various investment funds. Hence, they unwittingly finance China's human rights abuses, according to China experts.

"For far too long we've let the Chinese Communist Party have access to the Western capital markets without requiring their companies to actually abide by the rules that all the other companies abide by," said Robert Spalding, China expert and author of the book "Stealth War: How China Took Over While America's Elite Slept."

China treats corporate accounting records of Chinese companies as state secrets, barring overseas regulators from accessing them. Hence the majority of U.S. investors are unaware of the identities of these companies and whether they comply with U.S. laws.

"As the American people become aware that their retirement funds are going into companies that not only face material risk from a financial perspective but also support atrocities like concentration camps [and] forced organ harvesting of prisoners of conscience then they're going to call on their political leaders to make a change," Spalding said.

The Chinese Communist Party has reportedly detained more than a million Uyghur Muslims in reeducation camps in China's northwestern region of Xinjiang. Besides Uyghurs, other religious groups and minorities in China—including Tibetan Buddhists, Christians, and Falun Gong practitioners—continue to suffer from systematic arrest, unlawful imprisonment, torture, and forced organ harvesting.

Among the companies blacklisted by the U.S. government are Hikvision and Dahua Technology, two of the world's largest manufacturers of video surveillance products. They're involved in the implementation of facial recognition technology used to monitor the populace throughout China. In particular, the two companies have won a total of more than \$1 billion worth of state-backed surveillance projects in Xinjiang between 2016 and 2018, according to IPVM, a U.S. surveillance video research company.

Sanctions will bar U.S. companies such as Intel, NVIDIA, Western Digital, and Seagate from selling products and solutions to Dahua and Hikvision.

Hikvision, with a market value of about \$42 billion, is the world's largest video surveillance company. The company's stock has risen more than fivefold since it started trading on the Shenzhen Stock Exchange in 2010. The shares, however, dropped more than 10 percent after the company came under scrutiny over its role in the mass surveillance of millions of Chinese citizens.

The U.S. Securities and Exchange Commission (SEC) "hasn't been aggressive in policing this," Spalding said, adding that the regulator has a responsibility to the American people when their money is invested in a company with a material risk or a company that has been placed on an entity list.

'Collateral Damage'

More Chinese companies may be added to the U.S. government's blacklist.

Daniel Rosen, founder of the Rhodium Group, told Bloomberg on Oct. 8 that hundreds more Chinese companies have similar business profiles, and hence "this could spill over to them."

"There's a fairly hefty chunk of high tech activity here that has been impacted by this move, and I think it's going to take a little while for people to sort it out. But it's going to create some collateral damage. I think," he said.

Other companies blacklisted include China's leading AI firms such as SenseTime Group and Megvii Technology. Both companies specialize in facial recognition and are the most well-funded startups in that space.

Founded in 2014, SenseTime has become the world's most highly

valued AI company, with a current valuation of \$4.5 billion, according to Forbes. The Hong Kong-based company raised a total of \$2.6 billion from financial backers including U.S. technology investors Tiger Global and Silver Lake Partners, as well as mutual fund firm Fidelity, and technology firm Qualcomm.

The Massachusetts Institute of Technology (MIT) spokesperson told Bloomberg on Oct. 8 that the school would review its partnership with SenseTime after the company was added to the blacklist. In February, MIT announced that it had formed an alliance with SenseTime as part of an initiative to advance AI research. SenseTime was founded by MIT alumnus Xiaou Tang.

The other leading AI company, Megvii, was founded in Beijing in 2011 and launched China's first online facial recognition platform Face++ in 2012. Since then, the Alibaba-backed company raised more than a billion dollars from venture capital funds and reached a valuation of \$4 billion in 2019.

In August, the company filed for an initial public offering (IPO) on the Hong Kong Stock Exchange and hired U.S. investment banks Goldman Sachs, Citigroup, and J.P. Morgan as joint sponsors of the planned IPO.

Goldman Sachs stated in an email that the bank was still "evaluating" its role in Megvii's IPO "in light of recent developments." According to the financial data company Pitchbook, one of the backers of Megvii is the Chinese private equity firm BHR from which Hunter Biden, former Vice President Joe Biden's son, recently said he would resign.

Other technology companies blacklisted include AI firms Yitu Technologies and iFlytek, as well as digital forensics company Melya Pico, and nanotechnology startup Yixin Science and Technology.

Some of these companies are public, and their stocks have become investment darlings for Western funds seeking high-growth assets.

The foreign capital inflows into Chinese stocks are expected to double this year as a result of the increase in Chinese stocks' weighting in major indexes.

Early this year, global index provider MSCI announced that it would gradually quadruple the weighting of Chinese large-cap

stocks in its global benchmarks this year. The firm also stated that it would add Chinese mid-cap stocks to its emerging market benchmark in November.

This move encourages investment funds to buy more Chinese stocks included in the index.

'Material Risk'

Media reports in September stated that Trump administration officials were looking into ways to limit U.S. investment in China, including removing listed Chinese companies from U.S. stock exchanges. White House trade adviser Peter Navarro, however, denied such reports, saying that there were no plans to block Chinese stocks.

Other reports, however, surfaced on Oct. 8 that the administration was now looking to scrutinize index providers' decision to add Chinese firms. The White House didn't respond to a request for comment.

"Of course we should punish those firms who are involved in human rights violations," Dan David, whistleblower and activist short-seller wrote in an email. "We either hold our values to a standard or we don't. It's just that simple."

David helped expose \$15 billion in fraud in U.S. capital markets and had 12 Chinese companies de-listed from the exchanges. He was the main character in the "The China Hustle," a documentary released in 2018 that explains how Chinese companies mislead U.S. investors.

"I have long held and lobbied that these companies are in fact material risks and are part of the catalyst for the documentary 'The China Hustle,'" David wrote. "Fraud, IP theft, forced technology transfers, etc. are not illegal in China when perpetrated against an American firm. I would say that's about as material risk as it gets."

Some of the largest U.S. public pension funds own substantial shares in Hikvision, for example. The New York State Teachers Retirement System (NYSTRS), which held 81,802 shares of Hikvision as of June, states that the fund is still "monitoring the situation."

"Our holdings are primarily held according to their weights in passive portfolios matching the MSCI ACWI ex-U.S. index, our policy benchmark," the fund's spokesperson said in an email.

The California State Teachers' Retirement System (CalSTRS), the nation's second-largest pension fund, held 4.4 million shares worth \$24.4 million as of June 30, 2018, according to the latest disclosure available.

OPINION

LeBron and the Tipping Point for Celebrity Opinions

ROGER L. SIMON



Two things are disgracing the reputation of Los Angeles at this moment—a sickening homeless crisis largely caused by the city's spineless liberal leadership and the statements of LeBron James, the leading player for the National Basketball Association's L.A. Lakers.

Because we live in a celebrity culture, the latter is more in the news these days. And that's part of the problem. Basketball mega-star James—close to the most famous athlete alive—has seen fit to inform the rest of us ignorant folk that Houston Rockets general manager Daryl Morey was "misinformed" when he tweeted in support of the Hong Kong democracy demonstrators. At a Shanghai hotel meeting with NBA Commissioner Adam Silver, the Lakers' forward even went so far, according to an ESPN report, as to urge punishment of the Houston executive.

They don't call him King James for nothing. But back to the "misinformed" assertion. It's one of the purest examples of projection since Sigmund Freud described that pathology at the turn of the 20th century. James accused Morey of being what he (James) was and is. It's James who is misinformed, extremely, and not just because, like so many athletes these days, he decided to skip college to extend his remunerative professional career, although that should at least encourage humility.

It didn't. James seems notably incurious about China and probably other things. When something interrupts the money flow, it's best not to know about it. Nevertheless, it's fine to make pronouncements and bully those who might have the guts to do so. Never mind that Mao outdid even Stalin and Hitler in mass murder; he still sells more T-shirts (although Che has given him a run for the money). Never mind that the Chinese regime still keeps millions of people locked in concentration camps. Maybe the poor souls can be offered NBA games on satellite TV after a day of forced labor and political indoctrination.

What a relief! It's easy to make fun of James now—Twitter is having a field day—but he's only the very large tip of a very large iceberg: know-nothing celebrities



Increasingly, celebrities' views are being rejected, even ridiculed, by the public.

who opine about politics. They are legion—and not just from the world of sports, although the head coach of the NBA's Golden State Warriors, Steve Kerr—who should know better given that his father was shot in the head by a Shiite terrorist—should start to think with a bit more clarity before he speaks in public.

Recently, however, entertainers seem to have been springing up with their opinions almost as never before, when those opinions are no more valid, in many ways less, than the man or woman on the street.

Privileged Guilt

James let the cat out of the proverbial bag here with his obvious greed, because much of this celebrity behavior is motivated by guilt from an extraordinarily privileged life, even more than it is by an unceasing craving for attention. They are revered and paid millions as an entertainer or an athlete for what many of us would consider just having fun.

So an ultra-left public face is invented, consciously or unconsciously, to assuage this guilt, to pretend to be the "people's tribune" when they are as far from the people as one could imagine.

Sometimes, this is comical. Robert De Niro can almost make you laugh with his out-of-control obscene attacks on Trump, spewing F-bombs like a machine gunner in an action movie, except you're not sure you're laughing with him or at him.

Just the other day, Jane Fonda (net worth \$200 million, according to wealthygorilla.com) informed us she's been a "climate scientist for decades and decades" (evidently a well-paid one) as she was dragged off by the cops to regenerate her activism from a bygone era. Again, comical.

Or nauseating, depending on how you're feeling that day. We may (fingers crossed) finally be reaching a tipping point, when celebrities opining about political and social issues is a turnoff for the country. Increasingly, their views are being rejected, even ridiculed, by the public.

James's certainly were. If, in choosing his personal gain over the suffering of more than a billion Chinese under communist rule, he has alienated a sufficient number of Americans, he may inadvertently have done us all a favor.

He may have inched us forward to that glorious day when entertainers, in the words of Fox News host Laura Ingraham, "shut up and sing," and athletes shut up and play ball.

Roger L. Simon, the co-founder and CEO emeritus of PJ Media, is an award-winning author and an Academy Award-nominated screenwriter. His new novel, "The Goat," is available on Amazon.

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



Chinese shoppers look at clothing in the NBA retail store in Beijing on Oct. 9, 2019.

LEBRON JAMES/GETTY IMAGES

LINTAO ZHANG/GETTY IMAGES

LeBron James of the Los Angeles Lakers during a preseason game against the Brooklyn Nets as part of 2019 NBA Global Games China in Shanghai, on Oct. 10, 2019.

PERSECUTION

From Near Death to New York: Prisoner of Conscience Recounts Torture, Abuse in Chinese Prisons

EVA FU

NEW YORK—When Li Dianqi collapsed onto a toilet inside a Chinese labor camp, with her head half-buried in the mess, she thought she was going to die.

The guards had earlier injected her with unknown drugs.

She was now too weak to move. Her limbs had turned red and swollen, while her muscles jerked convulsively. She could feel the blood rush to her head.

Li thought she would depart the world quietly, leaving behind all the filth and cruelty.

No more torture, no more brainwashing sessions and forced labor. Fortunately, another inmate noticed her prolonged absence and came in to look for her. She was revived after spending three days in the hospital.

Li was jailed at the now notorious Masanjia Labor Camp in 2000 for refusing to renounce her faith in Falun Gong, a spiritual practice banned by the Chinese Communist Party a year earlier.

She took up the practice, which includes meditative exercises and a set of moral teachings, in the 1990s when she was suffering from a tumor, failing intestines, and chronic fatigue.

Li, whose family members also took up the discipline, said those ailments disappeared not long after she started the practice. “Falun Gong not only saved my life, but also saved my family,” Li, who is now living in New York City, told The Epoch Times, referring to her daughter, who also benefited from the practice.

A National Campaign

Falun Gong, also known as Falun Dafa, was introduced in China in 1992, and quickly rose in popularity, with 70 million to 100 million people practicing by the end of the decade, according to official estimates at the time.

Li attributed the practice's popularity to its moral teachings, which center around the tenets of truthfulness, compassion, and forbearance.

“Falun Gong taught us to be kind, to be considerate of others, and incrementally improve ourselves to become a better person,” she said. “It brought happiness to the family.”

However, the communist re-

I didn't violate any law or commit any crime, it was the Chinese Communist Party that brought me here.

Li Dianqin



Li Dianqin at a Falun Gong rally on April 20, 2019.

Li Dianqin with Falun Gong practitioners in front of Chinese Consulate in New York for a rally and candlelight vigil calling for an end to the persecution on July 16, 2017.

gime deemed its popularity to be a threat to its control, and on July 20, 1999, it unleashed a nationwide persecution on adherents of Falun Gong.

Overnight, practitioners found themselves in the crosshairs of a brutal campaign aimed at eradicating the practice. State television began broadcasting continuous propaganda against the discipline. Meanwhile, an extralegal office was formed to execute the persecution across all sections of society, from the workplace to schools to government bodies.

Li, like millions of other practitioners in China, thought it was all a misunderstanding.

So when the local opera house in the northeast Chinese city of Yingkou put on a play vilifying the practice in 2000, which was compulsory viewing for all school students up to grade 9, Li and four other practitioners were eager to speak to the theater's manager to clarify the situation.

Li told the director about how the practice helped cure her diseases and gain more clarity in life. She implored him not to spread the propaganda. The director replied that he was merely following orders. He then excused himself and called the police.

She was arrested and detained as a result.

Arrests, Torture

The following decade for Li was one marked by frequent arrests and detentions. She was transferred back and forth between local detention centers, prisons, psychiatric hospitals, and labor camps such as Masanjia to coerce her into mental submission.

On one occasion—her very first beating—the police took turns slapping and beating her entire body until her face became disfigured, and her two hands swelled and turned purple-black.

Still, Li refused to do the one thing the police asked of her: renounce her belief.

“I wasn't afraid, because I knew I did nothing wrong,” Li said.

“I was arrested and released so many times I couldn't keep track of them,” Li said, adding that her keen memory was something she used to be proud of. As a former accountant, she was known for her quick thinking and for being able to report sales data to her boss from memory.

But the torture left permanent damage to her head and memory—her head sometimes still shakes automatically.

One beating left Li palpitating as though her muscles were piling up together. Her eyes were bulging, her bones became disjointed, and her knee became heavily swollen. The pain didn't go away until years later.

For three years from 2007 to 2010, Li sat on a three-legged stool in Shenyang Detention Center, a prison turned labor camp, to make plastic or cloth bouquets, some for export. She often worked from 7 a.m. to 1 or 2 a.m. to meet her production quota. Li recalled that the materials and packaging gave out a chemical smell so strong it was hard to breathe.

When Li was first taken to the labor camp, her only clothes were the light summer clothes she had on her back. An inmate later gave her a long-sleeve top and pants, and cotton shoes to get through the harsh winters. She didn't have any money for the prison uniforms. When Li was freed three years later, her clothes had blackened from the excessive wear.

Li said the guards treated them like slaves because their bonuses depended on the labor output of the inmates, many of whom were Falun Gong practitioners like her.

The guards once told her that they paid 30,000 yuan (\$4,232) for her as a laborer.

“We bought you, do you know that? You think we'll let you eat for nothing?” Li recalled the guards saying.

“I didn't violate any law or commit any crime; it was the Chinese Communist Party that brought me here,” Li told them.

When things got difficult, Li said she'd grit her teeth and remind herself of the principles: truthfulness, compassion, and forbearance.

Once during custody, the guards ordered Li to clean the public toilet without giving her any tools.

“Don't you cultivate truthfulness, compassion, and forbearance? Let's see how you can manage this. If you can clean this up, I will admire you,” she recalled a guard saying.

Without complaint, she cleaned everything up with her bare hands and shoes until they got torn, comforting herself with the thought that by doing so she could at least make the living conditions for other practitioners a bit more bearable.

Li said that she was sometimes racked by guilt over how the product of her forced labor was supporting the regime.

“How could I make things for them [the regime], and allow them to make money so that they could continue to persecute more people?”

Hope

Li's health quickly deteriorated over her many stints in detention: Her feet once became infected due to the unsanitary prison conditions; her stomach once swelled until it looked as if she were pregnant; her eyes were often bloodshot.

At one point, black pus began to secrete from her noses. She fainted frequently, sometimes multiple times a day. The inmates close to her were worried she wouldn't make it.

Li said that at one point she felt that “every cell of my body was dying.”

She also saw lives perish around her. A female practitioner died of suffocation after the police sealed her mouth with tape to prevent her from shouting out the words “Falun Dafa is good.”

“You don't know if your life will exist in the next moment,” Li said.

But one thought kept Li's spirits alive: She wanted to be a witness to the suffering inflicted on her and others—and tell it to the world.

“In the future, I will report your [the Chinese Communist Party's] crimes to the U.N.,” Li told herself. Some kindhearted people also gave her support during her time in detention, Li recalled. She once received a note from a unit leader at Masanjia that said, “Please cherish what you have.”

Li fulfilled her pledge when she fled to the United States in July 2016. Two weeks after she arrived, she stood in front of the Chinese consulate in New York to commemorate the anniversary of the persecution and celebrate a new sense of security.

Li said that she hoped her story could inspire more people to realize the extent of the brutality and bring the persecution campaign to an end.

“The U.S. government and people, as well as all who believe in principles, I entreat you to help us [so that one day we can] come back to our homeland.”

“With these people practicing truthfulness, compassion, and forbearance, the world will become a better place.”



Men work on a jet engine at a General Electric aviation engine overhaul facility in Petropolis, Rio de Janeiro, Brazil on June 8, 2016

CYBERSECURITY

Cybersecurity Firm Details How China Hacked Western Firms to Steal Aviation Tech

FRANK FANG

A new report by technology firm CrowdStrike has exposed how China engaged in a coordinated hacking operation involving intelligence officers, underground hackers, security researchers, and staff at foreign companies whom they recruited, in order to fulfill its development goals.

After looking over several Department of Justice indictments from August 2017 to October 2018, CrowdStrike concluded that the Jiangsu Province bureau of China's Ministry of State Security (MSS)—the country's chief intelligence agency—orchestrated the elaborate plan to steal aviation technology.

From 2010 to 2015, the group—which CrowdStrike nicknamed Turbine Panda—successfully breached several American firms, including Ametek, Honeywell, General Electric (GE), and Capstone Turbine, as well as French firm Safran, according to the report.

All of them were component suppliers to China's state-owned aerospace manufacturer Comac, which manufactured China's first domestically-built narrow-body twinjet airliner C919. The plane made its debut flight in Shanghai in May 2017.

Aircraft Engine

The persistent hacking during the six-year period allowed state-owned Aero Engine Corporation of China (AECC)—which was established in August 2016 with funding from Comac and the state-owned Aviation Industry Corporation of China (AVIC) as main shareholders—to domestically manufacture an airplane engine for the C919, likely based on stolen technology, according to CrowdStrike.

China took a two-prong approach: it contracted a foreign company to supply an engine for the C919, while simultaneously building one itself. In December 2009, Comac signed a deal with CFM International, for the latter to produce the LEAP-1C engine, a variant of CFM's existing LEAP-X, to power the C919. CFM is a joint venture between General Electric's subsidiary GE Aviation and Safran.

At the same time, China's State-owned Assets Supervision and Ad-

According to the CrowdStrike report: It is highly likely that its [Chinese engine] makers benefited significantly from the cyber espionage efforts of the MSS [Ministry of State Security] ... knocking several years (and potentially billions of dollars) off of its development time.

ministration Commission tasked both Comac and AVIC with developing an “indigenously created” turbofan engine.

AECC ultimately produced the CJ-1000AX engine—which closely resembles both the LEAP-X and LEAP-1C engines.

“It is assessed with high confidence that the MSS [China's Ministry of State Security] was ultimately tasked with targeting firms that had technologies pertaining to the LEAP-X engine and other components of the C919,” the report stated.

“It is highly likely that its [the Chinese engine] makers benefited significantly from the cyber espionage efforts of the MSS ... knocking several years (and potentially billions of dollars) off of its development time,” the report concluded.

To support its claim, CrowdStrike pointed out that Capstone Turbine, a C919 supplier, was hacked in January 2010, a month after CFM was selected as the plane's engine provider.

According to aviation website Flight-Global, the CJ-1000AX is expected to enter into service after 2021. So the C919 is only powered by the LEAP-1C for the time being.

The aviation and aerospace industries are among a list of sectors that Beijing has named as “Strategic Emerging Industries” in economic plans such as Made in China 2025 and “13th Five Year Plan” (2016–2020), which outline how China can supplant global competitors in high-tech manufacturing sectors.

China's Ministry of State Security

An October 2018 federal indictment charged 10 actors for trying to steal know-how for making turbofan engines: two officers at the Jiangsu bureau of MSS (known as JSSD), five computer hackers, a malware developer operating at the direction of JSSD, and two Chinese employees at a French aerospace manufacturer's office in Suzhou, a city in Jiangsu Province.

CrowdStrike's analysis led it to conclude that the indictment was related to three other cases: a JSSD officer named Xu Yanjun, who was arrested in Belgium and extradited to the United States in October 2018; Zheng

Xiaoqing, who was indicted in April 2019 for alleged theft of GE's turbine technologies; and Ji Chaoqun, a former U.S. Army Reserves officer charged with covertly working for the JSSD. Xu was charged with attempting to steal aviation secrets from foreign companies, including GE Aviation.

The cyber firm concluded that they were all part of the same scheme: Xu was tasked with recruiting Chinese nationals living overseas. And he successfully recruited at least three: Zheng, who was a former engineer at GE; Ji, who provided assessments on top talents in the aviation industry for potential recruitment by the Chinese regime; and Tian Xi, one of the two Chinese employees at the French firm who was indicted in the October 2018 case. CrowdStrike determined that the French manufacturer was Safran.

Xu gave Tian a USB drive with Sakula malware on it, so that Tian could use the USB to infect the networks in Safran's Suzhou office, according to the indictment and CrowdStrike's analysis.

“What makes these DoJ [Department of Justice] cases so fascinating is that, when looked at as a whole, they illustrate the broad, but coordinated efforts the JSSD took to collect information from its aerospace targets,” the report stated.

The JSSD recruited hackers from local hacking circles to carry out the actual intrusions against company networks, including by deploying malware such as PlugX, Winnti, and Sakula—the latter developed by security researcher Yu Pingnan.

In August 2017 while visiting the United States, Yu was arrested in Los Angeles on a charge of conspiring with others to hack the U.S. Office of Personnel Management, according to Reuters. The attack compromised data belonging to more than 22 million federal workers.

CrowdStrike said that though some involved in the scheme have been arrested, other operators of the group are likely to never see a jail cell.

What's more, these arrests will “ultimately not deter Beijing from mounting other significant cyber campaigns designed to achieve leapfrog development in areas they perceive to be of strategic importance,” it concluded.



BENJAMIN CHASTEN/THE EPOCH TIMES



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