

WEEK 50, 2019

THE EPOCH TIMES

CHINA INSIDER

HUAWEI

**Chinese regime on
brink of 'disintegration',
leading scholar says 6**

HUAWEI'S 'WOLF CULTURE'

EXPOSED

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HUAWEI

Exclusive: Inside Huawei Canada: 'Wolf Culture' and Alleged Discrimination

Former employees discuss company's efforts to become entrenched in Canada, fierce internal competition, and 'Chinese Communist Party' study sessions

OMID GHOREISHI

TORONTO—When Meng Wanzhou, the Huawei executive at the centre of a diplomatic row between China and Canada, visited the Toronto office of the Chinese telecom giant in 2016, the talk from local managers was that she didn't like seeing so many "Chinese faces" in the office.

Meng, whose high-profile arrest in December 2018 started a downward spiral in relations between Beijing and Ottawa, was one of the founding directors of Huawei's offices in Canada, and had a mission to establish a Canadian foothold for the controversial company founded by her father Ren Zhengfei, a former officer with the Chinese regime's People's Liberation Army.

Since Meng's arrest, China has arrested Canadian citizens Michael Kovrig and Michael Spavor, sentenced two other Canadians, Robert Schellenberg and Fan Wei, to death on drug smuggling charges, and blocked Canadian agricultural imports.

The Epoch Times spoke with former employees of Huawei's Canadian headquarters, who allege discriminatory practices such as letting go of employees 35 and older, required participation in what is called Chinese Communist Party (CCP) study sessions in the company for expat employees, and the open promotion of "wolf culture" in the company.

The Formative Years

Documents registered with the federal government obtained by The Epoch Times show Meng as one of the founding directors of Huawei Technologies Canada when the company was first registered in 2008. Her name was removed as a director in 2013, but she continued making occasional trips to Canada.

At the time, the Shenzhen-based company was in the midst of its expansion outside China, capturing market share by significantly underbidding competitors and getting help from Chinese government subsidies and Chinese military "gift contracts" to lessen the pressure of turning a profit in new markets. By 2010, it was listed among the Global Fortune 500 corporations. Last year, its annual revenue passed \$100 billion.

"Huawei took the international telecoms equipment market by storm by charging about an average of 40 percent less than the market rates. They were able to do that because they were a [Chinese Communist] Party-related company," Mark Anderson, CEO of Strategic News Service, said in a past interview.

Around the same time that Huawei was establishing its Canadian operations, Canada's once-crown-

jewel tech company Nortel was on its way down, filing for bankruptcy in 2009 after its stock price dropped below \$1. Brian Shields, a former senior security adviser at Nortel, blames IP theft by Chinese hackers for the company's demise, saying Chinese hackers were accessing confidential files from 2004 through 2009. The benefactor of Nortel's fall, Shields said, was Huawei.

A partly redacted internal document from Global Affairs Canada dated Dec. 14, 2018, obtained by The Epoch Times under an Access to Information Act request, says that "with the demise of Nortel," Huawei only faces competition from two companies in the West: Cisco and Ericsson.

The document adds that Huawei has over 850 employees across Canada, mainly in Ontario, and is the 25th-largest R&D investor in the country, maintaining partnerships with "nearly a dozen Canadian universities" as well as six regional and national telecom carriers.

The document acknowledges that "the U.S. administration and U.S. senators have publicly urged Canada to ban Huawei from 5G networks."

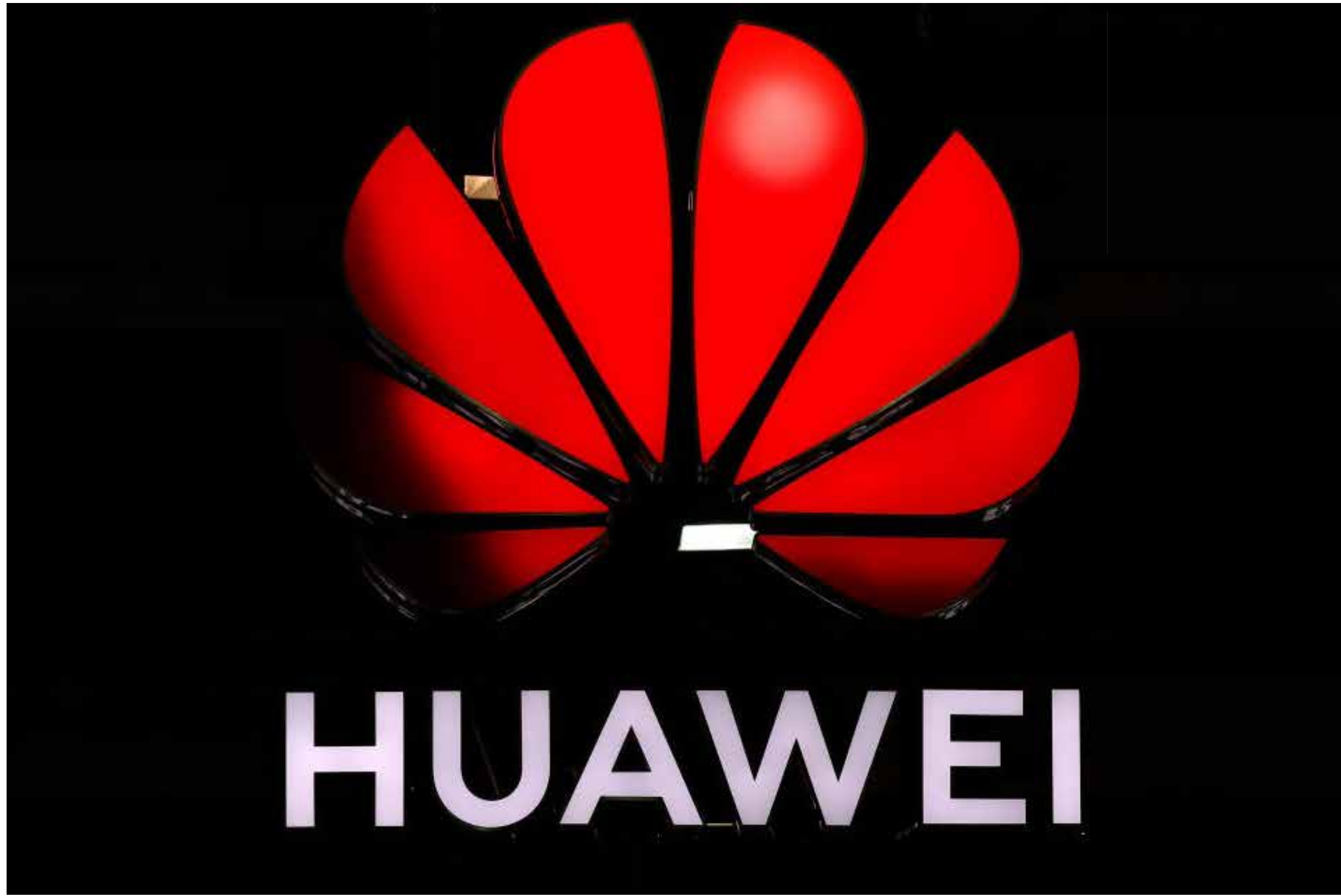
Canadian Operations

When Huawei first started operations in Canada, the focus was on securing contracts with the major telecom carriers in the country. Meng oversaw negotiations with Wind Mobile (now Freedom Mobile) to provide vendor financing. Huawei assumed the risk of financing with the backing of a Chinese bank. She leveraged her high-level finance connections and accompanied a bank executive to Toronto to sign the vendor financing agreement during a visit to the office in 2008.

Documents obtained by The Epoch Times show the company filed an amendment with Corporations Canada to update its list of activities to include "financing (deferred payment and lending)" in 2012.

Seeing a friendlier environment in a provincial government in Ontario, the company started moving R&D personnel to its offices in the province from the United States, where it was increasingly coming under scrutiny for its ties with Beijing. This week, Huawei revealed plans to move its entire research centre from the United States to Canada, as it faces sanctions in the United States.

Huawei launched an aggressive recruiting drive to attract Canadian technical talent, luring employees from Cisco, Alcatel-Lucent—another company that fell as Huawei ascended—and the bankrupt Nortel to join its ranks. In a five-year plan, it set out to recruit over 2,000 technical R&D personnel between 2015 and 2020. Its R&D operations in Ottawa were expanded to To-



An illuminated Huawei sign on display during an event in Zurich, Switzerland, on Oct. 15, 2019.

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Mary Liu, former employee

ronto to take advantage of talent graduating from universities in Toronto.

Huawei managed to recruit all the top five 5G experts from Nortel, and they continued to work on the next evolution in wireless technology for Huawei. The federal government has so far not made a decision on whether to allow Huawei to be part of Canada's 5G network or follow the advice of its allies to ban it.

The company was given a \$6.5 million grant in 2010 from Dalton McGuinty's Ontario Liberal government for investing in its R&D centre in Ottawa and hiring local employees, and another provincial grant of \$16 million in support of its investment in the province by the government of Kathleen Wynne in

2016. The Ontario Research Fund also approved about \$740,000 for a joint project between Huawei, Carleton University, Telus, and Bell Mobility in 2011.

CBC reports the company funds \$56 million in academic research in Canada—against the advice of security experts—and a report by The Globe and Mail shows that in many cases research partly funded by the Canadian public at these universities ends up as intellectual property for Huawei.

The company's operations in Canada (as in other countries) are divided into three business units: The carrier network business unit deals with selling products and solutions to carriers, with the bulk of the focus in Canada being on wireless solutions; the enterprise

business unit provides data storage and analysis services; and the consumer business unit focuses on personal handset and device sales.

"Canadian operation of Huawei is very profitable compared to operations in other countries," said Mary Liu, who worked as a high-ranking employee of the company in Toronto. (The Epoch Times is using aliases for former staff who wish to keep their identity private to avoid retaliation from Huawei and the Chinese regime.)

Liu added that to minimize Canadian taxes, the profit is offset with R&D costs and minimum transfer costs with other business units. According to Liu, Huawei successfully negotiated a favourable tax scheme based on a fixed annual profit rate of around 3 percent with the Canadian government, used as the base to pay business tax in Canada.

The true cost of the products is a well-hidden secret, with only a handful of trusted local employees being privy to that information, typically most of them expats transferred from China.

The company maintains a very centralized operation, with key financial decisions for offices abroad made in Shenzhen. All critical proposals and solution quotes to telecom companies must go back to the headquarters, which has a 10,000-strong financial team to serve global operations.

Anchoring in Canadian Society

As Huawei started to grow, concerns in Canada as well as south of the border about its ties to Beijing also grew. In 2012, a U.S. congressional committee said the company was a threat to U.S. security; the same year, Prime Minister Stephen Harper's government banned it from bidding on building the government's telecommunications network.

The new push was for Huawei to become more deeply entrenched in Canadian society, especially as it had finally solidified deals with the major mobile providers in 2014, including Rogers, Bell, and Telus. That is why Meng reportedly wanted to see more "non-Chinese" faces in the company's offices, especially for those who interact with outside clients. (Amid the controversy surrounding 5G, Rogers has since limited its use of Huawei in favour of Ericsson.)

An aggressive advertising campaign saw the company being promoted at major entertainment events and becoming a sponsor of Hockey Night in Canada, showing

its logo to millions of TV viewers each week.

Huawei added Scott Bradley, a well-connected former Bell executive and once-Liberal Party candidate, to its ranks in 2011. Bradley left his post as senior vice-president for corporate affairs in January this year, amid the Canada-China tensions following Meng's arrest. Among his accomplishments was working with the Huawei Canada CEO to get an approved shortlist of products that the government would allow Huawei to sell in Canada.

Huawei has since hired other political insiders, including Alykhan Velshi, an aid to Harper when he was the prime minister, and Jake Enwright, a former spokesperson for Conservative Leader Andrew Scheer. Enwright left his post in April. The company has a number of other lobbyists on its roster who used to work for former Liberal or Conservative governments or major Canadian businesses.

Alleged Discrimination

Former Huawei Canada staff The Epoch Times spoke to allege the company often discriminated based on race and age, with the latter being a legacy company culture imported from China.

Liu said she was told directly by her superiors that Chinese employees—even Chinese-Canadians—should be offered a lower level of compensation.

She recalls that in one meeting, a high-ranking executive was dismayed at high employee costs, saying his expectation was that the Chinese employees should be getting paid less.

"For non-technical staff and those who deal with the public, they preferred to have non-Chinese employees," she said. The intention, she explained, was to make the company appear to be well integrated in Canadian society.

She adds that Huawei "wanted to always keep a young workforce," a policy that was imported by an executive who transferred from China around 2016. This policy, similar to the policy of hiring more non-Chinese locals, was reinforced by Meng, Liu said.

Under this policy, employees who are 35 and older and haven't yet become managers are put in a pool maintained by headquarters in China, and if no divisions want them, they are let go, according to Liu.

The practice of dismissing employees 35 and older in Huawei in



Scott Bradley, then-senior vice president of corporate affairs for Huawei Canada, shown outside a bail hearing for Huawei's chief financial officer Meng Wanzhou in Vancouver on Dec. 10, 2018.

China has been widely reported in the Chinese media, with employees expressing concern about job security once they pass 34. This alleged policy has generated a lot of online discussion among Chinese citizens. Company executives in China have denied the existence of the practice.

The company is also currently facing public backlash in China over the treatment of an employee. Li Hongyuan, a 13-year Huawei veteran, was detained by police for 251 days last year after he asked for a severance payment when he was laid off. Reuters reported. His case has become a trending topic online, with Hu Xijin, editor-in-chief of Chinese state tabloid Global Times, saying "Huawei has lost love this time round."

Olivia Bai, another long-time former employee in Canada, says younger employees would be cheaper for the company and also more likely to work longer hours.

"You always heard about this and that employee getting laid off because of age. It wasn't written down anywhere, but it was widely talked about," Bai said.

Anna Yee, who worked as a full-time employee, says she was diagnosed with cancer and took medical leave, coming back to work after she was cured. However, she said she was eventually let go because of her age, after the new initiative to keep a young workforce was imported.

Liu said she heard directly from her superiors that the company wanted to get rid of Yee because of her age. At the time, Yee was in her early 50s.

Yee said up to her termination, she always had good reviews and was known as a hard worker.

"I loved working, and I always had good performance reviews," she said.

After she was given her notice, Yee confronted her superiors by email, telling them what they had done amounted to age discrimination. She said the company denied any discrimination but boosted her severance package. She protested again, and the company increased its offer of severance again but didn't reinstate her job. She is now considering legal options.

The Epoch Times contacted Hua-

wei for comment but received no response.

Communist Party Studies and 'Wolf Culture'

According to former Huawei employees, expat staff transferred from China to Huawei Canada, which account for about 10 percent of the personnel in the Toronto headquarters, are required to participate in what is called Chinese Communist Party (CCP) study sessions every Saturday morning. Liu said she often heard complaints from some of the expats about having to attend these sessions.

In addition, all staff, including expats and locals, have to adhere to the company's "wolf culture," promoted by founder Ren, himself drawing from his background with the Chinese military. The purpose is to have all employees embrace the fearlessness and bloodthirsty nature of hungry wolves when pursuing the business interests of the company, being resilient while operating in harsh conditions as a team.

"They have the guidelines on Huawei's internal website for all to see and follow. The idea is that you have to compete to succeed no matter what, even if it means competing with your fellow colleagues," Liu said. "They even had us read articles on the 'wolf culture' and share our understandings, and then write up reports on the understandings and submit to the headquarters in China."

Bai said the result of the promotion of wolf culture was that there was always a demoralizing atmosphere of competition in the company, creating tension between employees and managers and between fellow colleagues, and putting pressure on people working long hours so as not to fall behind.

"It's normal for people to work an average of 10 hours a day, and then again after dinner, with no overtime pay," Bai said. "You hear stories about this or that employee complaining about the long hours and no overtime pay, and then getting let go. Of course they don't officially say that's the reason, but that's what everyone says."

She adds that typically in companies, if someone is not performing to the expected level, they would first receive a warning and review meetings so they would have a chance to improve their performance. But in Huawei, they would make the working conditions more difficult for the employee they wanted to let go, such as increasing their workload and giving them poor performance ratings, so they would leave on their own.

"It really was an unhappy place to work," Bai said.

Huawei currently has a number of job postings online, mostly for R&D positions. However, the former employees say workers they know who are still with the company tell them Huawei is currently doing rounds of layoffs, especially in non-technical and sales-related positions related to the major carriers.

"My [former] colleagues tell me they're just waiting to get notified of being laid off," Bai said.

Becky Zhou contributed to this report.



(Right) Huawei chief financial officer Meng Wanzhou arrives at her home after spending the day in court in Vancouver on May 8, 2019.

(Below) Louis Huang of Vancouver Freedom and Democracy for China holds photos of Canadians Michael Spavor and Michael Kovrig, who are being detained by China, outside British Columbia Supreme Court, in Vancouver, on March 6, 2019, as Huawei Chief Financial Officer Meng Wanzhou appears in court.



JASON REDMOND/AFP VIA GETTY IMAGES

STEFAN WERMUTH/AFP VIA GETTY IMAGES

THE CANADIAN PRESS/JONATHAN HAYWARD

HECTOR RETAMAL/AFP VIA GETTY IMAGES

Getting China Policy Right—at Long Last

STEVEN W. MOSHER

Commentary

In February 1947, U.S. President Harry Truman decided to aid the Greek government in its fight against a communist insurgency. He told the American people that the civil war in Greece was a critical test of America's ability to confront international communism. Yet, despite his anti-communist rhetoric, he largely ignored a far more consequential communist threat: the one that even then threatened the most populous country on earth.

Chairman Mao Zedong's Red Army was on the march, but the "deep state" of his day counseled Truman not to intervene. Mao and his followers were not true communists, State Department advisors told him, but merely "agrarian reformers." By the time he realized otherwise, the government of Nationalist China, our long-time ally, had been driven off the mainland. A communist dictatorship, closely allied with the Soviet Union, had been created.

This was only the first of many, many missteps that the United States has made in dealing with the Chinese regime over the decades. From Jimmy Carter's recognition of the People's Republic of China in 1979—virtually without conditions—to Bill Clinton's promotion of China's membership in the World Trade Organization, U.S.—China policy has been driven by a strange concoction of naïveté and greed—naïveté about the Chinese Communist Party's willingness to undertake political and economic reform, and greed stoked by the imagined fortunes to be made in the giant China market.

In recent years, however, a broad swath of Americans has come to understand some fundamental truths about the Chinese regime. The closure of thousands of U.S. factories and the loss of millions of manufacturing jobs has tarnished the country's image. The factory worker whose job has been outsourced to China is unlikely to harbor warm feelings about the country whose predatory practices led to his or her firing. The ongoing blizzard of reports about the country's multitudinous human rights violations—among the worst in the world—has done its part as well, strengthening antipathy toward the regime on both ends of the political spectrum.

But I believe that the major impetus for the new clarity with which Americans view China had been President Trump himself, whose toughness and plain speaking have crystallized in the minds of many their vague feelings of disquiet about the behavior of the communist giant.

Pew Research Center began assessing American attitudes toward China in 2005 and found that these have been trending negative ever since. In fact, some 60 percent of the American public now have an unfavorable impression of China. It is important to note that this shift was not a response to shifting elite opinion, but to a large degree was a driver of it. Washington elites, whether these work in the State Department, the think tanks, or the elite media, have for the most part resisted the effort to redefine China as a hostile power. They would rather continue their fruitless "engagement" with China rather than confront it, and shrink back in horror at the thought of a new "cold war."

In other words, the new consensus about China has emerged not because of, but in spite of, elite opinion. In this sense, it constitutes a kind of populist rebellion on the part of ordinary Americans against the globalist elite, the "deep state," the opinion makers (or whatever you want to call those who believe themselves to be our intellectual betters).

The Chinese regime is busily engaged in setting up a hi-tech digital dictatorship of a kind that has previously existed only in the pages of dystopian science fiction novels.

It has taken decades for reports of the damage caused by elite engagement with China to percolate back up into their exalted ranks, but the nature of the challenge from the Chinese regime—so much more complex and dangerous than that posed by the Soviet Union—is now generally recognized. The result is a new consensus—one which now encompasses the majority of people in both parties, the military establishment, and most elements of the mainstream and alternative media—that holds that the Chinese regime constitutes an existential threat to the United States in both economic and strategic terms.

The new consensus recognizes that engagement did not, as promised, fundamentally transform China into a country

that respected the rule of law either within its own borders or abroad. Rather, it sees that past U.S. policy to conciliate China by giving it "a seat at the table" has failed, and that the United States needs to work with its allies to contain China's economic and territorial aggression, hold it accountable for its grievous violations of human rights and, at least where critical technologies are concerned, disengage our two economies.

Even globalists like Fareed Zakaria, who recoil at the very thought of "containment" and "disengagement" where China is concerned, now concede that it is run by "a repressive regime that engages in thoroughly illiberal policies, from banning free speech to internment of religious minorities."

This, of course, doesn't begin to describe the totalitarian nightmare that is today's China. The Chinese regime is busily engaged in setting up a hi-tech digital dictatorship of a kind that has previously existed only in the pages of dystopian science fiction novels. The goal is to monitor everyone, all the time, in real time. And by means of video surveillance cameras, electronic eavesdropping, face-recognition technology, retinal scans, artificial intelligence, big data, etc., Beijing is making daily progress toward this goal. One may expect that these methods of control will in time be exported—for a profit, of course—to other oppressive regimes around the world, such as Venezuela.

Beijing's foreign policy is currently the most significant global threat to U.S. interests and, by extension, to the rules-based international order that the United States created after 1945.

The Chinese regime continues to bolster its military spending by double digits each year. According to its published figures, which undoubtedly underestimate real defense spending, China now has the second-largest military budget in the world after the United States.

At the same time, it frequently resorts to non-kinetic means to force other countries to do its bidding, such as imposing bans on Chinese tourism or the export of rare earths to countries critical of its policies, or baiting and bribing the leaders of poor countries into accepting loans that are actually disguised debt traps. China's communist leaders are well aware that leveraging its economic might to achieve political ends this way violates the rules-based international order but, as long as their interests are advanced, they simply don't care. As Deng Xiaoping famously remarked, "It doesn't matter whether a cat is white or black as long as it catches mice." The Chinese Communist Party's behavior is black indeed.

The international consequences of ignoring the growing threat from China over the past few decades have been enormous—the continued existence of a now nuclear-armed North Korea, the spread of authoritarian regimes in Latin America and Africa, the threat to freedom of navigation in the South China Sea and elsewhere, the continuing threat to Hong Kong and Taiwan, and the undermining of international institutions.

Fortunately, we now have an administration in Washington that not only recognizes the challenge posed by the Chinese regime, but is willing to condemn it for its actions at home

and abroad. As U.S. Secretary of State Mike Pompeo recently put it at a speech at the Hudson Institute, "the Chinese Communist Party is a Marxist-Leninist party focused on struggle and international domination." He went on to say that the United States and its allies must keep China in "its proper place," which means of course to keep its multifaceted mischief within its own boundaries. Given China's ongoing military build-up and hegemonic ambitions, NATO should reconceive itself as a bulwark not just against Russia, but against an even more threatening China.

With American power and purpose combined with that of its allies and robustly deployed, China will be deterred from engaging in the kinds of overt adventurism that could result in open conflict. Containing the Chinese regime in this way will help ensure that the internal contradictions common to any totalitarian state will intensify and lead to its eventual demise. This is not to say that the Chinese Communist Party will reform itself. Rather I hold that the political system itself will simply disintegrate, in the same way that the Soviet system disintegrated, perhaps leaving China a collection of provincial-sized political units.

Dynastic collapse has often happened in Chinese history and there is no reason to think that it cannot happen again. This will provide an opportunity for the democratic aspirations of the Chinese people—already on full display in Taiwan and Hong Kong—to reach the heartland of China itself. It is about time.

Steven W. Mosher is the President of the Population Research Institute and the author of "Bully of Asia: Why China's Dream is the New Threat to World Order."

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

HUAWEI

Former Huawei Employees Detained for Trying to Expose Company's Violation of Iran Sanctions



Workers prepare the venue for Huawei HAS2019 Global Analyst Summit in Shenzhen, China, on April 16, 2019.

NICOLE HAO

Two people have been reportedly detained by the Chinese authorities for attempting to reveal how Huawei, the country's military-linked tech giant, skirted U.S. sanctions barring sales of electronic equipment to Iran.

Yang Zhanqing, a co-founder of Chinese NGO Changsha Fengng, told the Chinese-edition Epoch Times on Nov. 5 that seven former Huawei employees had talked to him about the roles they played in the company's Iranian projects. According to Yang, at least two of these individuals have been detained for their outspokenness.

Huawei is China's biggest tech company and spearheads Beijing's push to dominate global 5G networks. The United States accuses Huawei of selling Iran equipment with U.S.-made components, which violates sanctions Washington had imposed on the Middle Eastern country.

Last December, Huawei chief financial officer Meng Wanzhou, also the daughter of the company's founder Ren Zhengfei, was arrested by Canadian police in Vancouver at the request of U.S. authorities. She is currently being held on bail as the United States investigates her role in Huawei's alleged acts.

Whistleblowing for Legal Leverage

Changsha Funeng is a non-government legal services organization based in Changsha, the capital of Hunan Province in southern China. The group specializes in helping dissidents and other vulnerable individuals.

Yang Zhanqing founded Changsha Funeng in 2016 with Cheng Yuan, who this July was jailed, along with two other human rights lawyers, by the Changsha branch of the Ministry of State Security for the crime of "subverting state power."

According to Yang, one of the individuals Changsha Funeng worked with is Li Hongyuan, the former Huawei employee whose 251 days of detention without any charge being made has created a stir on Chinese social media.

Li, who had worked for Huawei for 13 years, was terminated from his job and wrongfully detained by police after attempting to expose corruption within the company. He was eventually released due to a lack of evidence.

On Dec. 5, Yang said that Li also tried to expose the fact that Huawei had sold to Iran phone exchange machines and solar inverters which used U.S.-made Intel chips.

It is because of this information that Li has not yet been charged, as "Huawei considers its [selling of embargoed equipment to Iran] a business secret. It'll be evidence of a crime that Huawei committed if it's exposed to the public," Yang said.

Yang, who lives in the United States, provided The Epoch Times with the names and other personal information of former Huawei employees who had spoken to him about the company's dealings with Tehran. To protect their identities, they are referred to using pseudonyms.

Several former employees involved in selling Huawei products to Iran and were paid \$100 per day for their business trip allowances ... they have records of their Iran trips as well as receipts of the company's payments.

Yang Zhanqing, co-founder of Chinese NGO Changsha Fengng

"We had a WeChat group discussing how to expose Huawei does business with Iran. The group had seven or eight Huawei former employees at that time," Yang said, referring to events in 2018. Those in the group planned to go to the media with their stories.

The former employees divulged their knowledge in hopes of gaining an advantage in their legal cases, as they fought for compensation upon having their employment terminated. "Exposing Iran-related projects was one of their solutions," Yang said.

In one of the text messages that Yang provided, a former Huawei employee using the name "Radish" said that he worked for a project called IranCell between 2012 and 2014, the purpose of which was to build a mobile communication network in the country. He made several trips to Iran to assist with the system's installation.

"My current passport has an Iran visa," Radish texted in the WeChat group.

Another former employee called "Winter" said in the group that Huawei had "several projects" in Iran.

"Several former employees involved in selling Huawei products to Iran and were paid \$100 per day for their business trip allowances ... they have records of their Iran trips as well as receipts of the company's payments," Yang said.

Huawei Has 'Come to Represent State Authority'

In 2018, Yang arranged for two of the former employees "Zhang Lu" and "Sishui Lianian" to meet with a reporter from a Hong Kong media outlet.

Zhang Lu was the pseudonym of Li Hongyuan, the man who was detained for 251 days. But on Dec. 16, one day before the scheduled meeting, both Zhang Lu and Sishui Lianian couldn't be contacted. Sishui Lianian's wife sent Yang a detention notice from the Shenzhen public security bureau, showing that Sishui Lianian was being held in the city's No. 2 Detention Center.

Yang has been unable to reach Sishui Lianian or his family.

Zeng Meng, another former Huawei employee, was prevented from renewing his employment contract at the Huawei North African office for reasons of age. Feeling that he had been wronged, Zeng also took to social media to expose Huawei's misdeeds.

On Dec. 30 last year, Zeng was detained in Thailand and extradited to Shenzhen on Jan. 8. Similar to Li, Huawei sued Zeng, initially for "leaking trade secrets" and then for "fraud" after police failed to produce evidence for the first charge. He was finally released on March 29. Yang said the cases demonstrate the influence Huawei has in the Chinese regime.

"To some extent, it's already come to represent state authority," he said. "They can do as they please, knowing they have backing."

Yang knows more than 60 former employees who were wrongly laid off by Huawei, and said he was concerned about others, who, like Li and Zeng, were detained for speaking out.



President Donald Trump takes part in a welcoming ceremony with Chinese leader Xi Jinping in Beijing on Nov. 9, 2017.

CHINESE REGIME

The Chinese Communist Regime is on the Brink of 'Disintegration,' Says Leading China Expert

FRANK FANG

The Chinese communist regime is heading toward disintegration and the West needs to be prepared to manage the fallout, according to a leading China scholar.

Arthur Waldron, China historian and Lauder Professor of International Relations in the Department of History at the University of Pennsylvania, made the remarks in a recent interview on The Epoch Times' American Thought Leaders. He shared his views on the Chinese Communist Party's (CCP) imminent collapse, U.S. foreign policy on China, and the relentless Hong Kong protests that have posed a major challenge to Beijing's rule.

CCP's Disintegration

The CCP has started on a path of decline and is headed toward a similar fate as the Soviet Union when it collapsed in 1991, the professor said.

"I believe that China is in this stage of disintegration or 'jie ti' (解體), and it's something that you don't see immediately," said Waldron.

The Chinese regime's practice of forced organ harvesting—which results in an estimated tens of thousands of prisoners of conscience killed every year to supply its organ transplant market—and its treatment of Uyghurs and other Muslim minorities in the northwestern region of Xinjiang, made it "the most evil regime" since the Nazi Germany, Waldron said.

He recalled a conversation with an unidentified person, who is a close adviser to Chinese leader Xi Jinping. "He said to me, Arthur, what the hell are we going to do? Everybody knows that this [political] system doesn't work. We have reached a 'si hu tong' (死胡同)," said Waldron said, explaining that the Chinese phrase means a "dead-end street."

The adviser continued: "But what we don't know is what is the next step to take because ... there are mines everywhere and if we take a step, we may set off a terrible explosion."

The Chinese economy is not high-flying as it used to be. The country's third-quarter (GDP) growth rose 6.0

"These 5 or 6 months ... taught everybody in Hong Kong that the Chinese Communists are dangerous, odious, and absolutely not to be trusted," Waldron said.

I believe that China is in this stage of disintegration or 'jie ti', and it's something that you don't see immediately.

Arthur Waldron

percent year-on-year, the slowest rate in 27 years. According to Reuters, the growth decline was attributed by economists to weakness in export-related industries, particularly the manufacturing sector.

"This regime knows it's in grave peril, domestically," Waldron said, before adding "So the real intellectual problem is how do you exit communism?"

US Foreign Policy

"I say that Kissinger's China policy, and Nixon's China policy, is the single greatest failure of American foreign policy," Waldron said.

After over two decades of diplomatic isolation, former U.S. Secretary of State Henry Kissinger, under former President Richard Nixon, opened U.S. relations with the People's Republic of China by flying to the Asian country in 1971.

At that time, China was under the rule of former Chinese leader Mao Zedong. Kissinger's visit paved the way for Nixon to visit China in 1972, the first U.S. president to visit China while in office.

"At that time even Mao Zedong himself felt that the [Chinese] Communist Party was going to collapse soon, but that visit from President Nixon and Kissinger saved the Communist Party," said pro-democracy activist Wei Jingsheng in a rally held in Washington, D.C. on Sept. 2005.

Under former President Jimmy Carter, the United States severed official ties with Taiwan and recognized Beijing in 1979.

The U.S. government's decision to welcome China into the World Trade Organization (WTO) in 2001 also backfired, according to Waldron.

"We brought it [China] in as a way of trying to somehow coax them to be what Nixon and Kissinger dreamed they would be, which is to say they would learn from America and they start democratizing, but they didn't do that," Waldron said.

In fact, Waldron added, not only has China not become liberalized, the "party regime is tighter and better organized now than it was under Mao."

As for now, Waldron pointed out that U.S. trade and investment, including

those from the pension funds, into China, is keeping the Chinese Communist Party afloat.

"If they had to live on what they can get from their state-owned enterprises, which lose money, and from taxation, it would be a completely different situation," Waldron said.

On Nov. 6, a group of bipartisan U.S. lawmakers led by Sen. Marco Rubio (R-Fla.) introduced a bill aimed to block a federal retirement fund from investing in Chinese equities.

Waldron believed that the current administration should "adopt really as hardline as possible" stance toward China.

In terms of the future U.S. foreign policy regarding China, Waldron said the current Secretary of State Mike Pompeo has a tough task at hand.

"I think perhaps the biggest challenge facing Pompeo and his people today is to realize that we have to start thinking about [how] China comes to this dead end," Waldron said. "They have to decide what they're going to do [in] the dead end and we have to decide what we're going to do in response."

Hong Kong

In Hong Kong, the ongoing pro-democracy protests are close to entering its sixth month with no end in sight, as police continue to be accused of using heavy-handed tactics to quell the demonstrations and the city government and Beijing refuse to meet protesters' demands, thus fueling public anger.

"The whole origin of this [Hong Kong] crisis is disastrous decision making by the communist authorities, and then their failure to understand this and to let it protract," Waldron said.

He explained that if Beijing had kept its promise made in 1997 and 1984, Hongkongers would only be concerned about heading to a polling place to vote every one or two years.

Hong Kong, the former British colony, was handed over to Beijing in 1997, after the two sides inked the 1984 Sino-British Joint Declaration. Under the treaty, the regime guaranteed that Hong Kong will retain its autonomy from the Chinese regime and its freedoms for 50 years.

Under the United States-Hong Kong Policy Act of 1992, Hong Kong is considered a special entity, separate from China, in matters of trade, investments, and visas. However, the special treatment might come to an end soon after the U.S. government recently enacted the Hong Kong Human Rights and Democracy Act, which requires the secretary of state to annually review whether the city is "sufficiently autonomous" from China to justify its economic privileges with the United States.

"I think the special status is over. I hope not, but I think it is over," Waldron said. "I think that the police have been compromised, gravely. The legal system is now under attack."

Recently, a defecting Chinese spy to Australia revealed that Chinese agents were behind the abduction of five Hong Kong booksellers in 2015.

As for the arson attack against the Hong Kong edition of The Epoch Times' printing press on Nov. 19 by four masked men dressed in black, Waldron said that he suspected they were members of the triads.

"One of the features that we have seen and dramatized in Hong Kong is the close collaboration between the Chinese mafia or the triads and the [Hong Kong] government," Waldron said.

When a government doesn't want to listen to its citizens and wants them to stay in line, creating violence such as sending triads to attack people is an effective tactic because it would scare the population, he added.

On July 21, men in white shirts stormed the Yuen Long metro station and attacked passengers with sticks, clubs, and poles. The police did not arrive on the scene until about 45 minutes later.

Six days later in Yuen Long, when thousands of protesters took to the streets to protest against the metro attacks, Amnesty International issued a statement calling out the police as the aggressors for beating retreating protesters and attacking civilians.

"These 5 or 6 months ... taught everybody in Hong Kong that the Chinese Communists are dangerous, odious, and absolutely not to be trusted," Waldron said.

THE EPOCH TIMES



Arthur Waldron, China historian and professor at the University of Pennsylvania, in a recent interview on The Epoch Times' American Thought Leaders.

HONG KONG

Beijing Was Misled by Its Own Propaganda on HK Elections, Insider Reveals

ANTHONY WALLACE/AFP VIA GETTYIMAGES



Hong Kong Chief Executive Carrie Lam speaks during a press conference at the government headquarters in Hong Kong on Dec. 3, 2019.

OLIVIA LI

ommunist Party leader Xi Jinping was dumbstruck by the landslide victory of Hong Kong's pro-democracy camp during the city's district elections as Hong Kong's Chief Executive Carrie Lam expressed confidence that the pro-Beijing camp would "definitely win," thus allowing for the elections to be held as scheduled, a source close to high-ranking Chinese officials said.

The insider, who spoke to the Chinese-language Epoch Times on Dec. 3 on condition of anonymity, said that officials from the Hong Kong Liaison Office, the Hong Kong and Macau Affairs Office (Beijing's two main bodies handling Hong Kong affairs), and Lam all misjudged the situation and reported to the central authorities that the local elections should take place.

"In particular, Lam was the most resolute among them. She said the protesters would have to accept their defeat after the elections, and would then have nothing to say," the source said.

"Now, the result is the opposite of what Beijing had hoped. Until today, Chinese authorities have not come up with any appropriate plan to respond to the election results. The shock is so great that right now within the top leadership, it's still a total mess."

The Nov. 24 Hong Kong District Council elections, the first round of local elections since the start of the protests in June, served as a gauge of public sentiment about the pro-democracy protests.

Among a total of 452 seats in 18 districts, democratic candidates secured 388 district council seats, while the pro-Beijing camp won 59 seats. With Hong Kong residents turning out in record numbers to vote, the victory of the democratic camp indicated to Beijing that the majority of Hongkongers support the pro-democracy protesters and condemn authorities' handling of the protests.

Lam gave two reasons why she insisted that the elections be held as scheduled, the source said.

"First, cancelling or delaying the elections would incur international

The [election] result is the opposite of what Beijing had hoped. Until today, Chinese authorities have not come up with any appropriate plan to respond to the election results. The shock is so great that right now within the top leadership, it's still a total mess.

Insider

criticism, as well as many other negative outcomes. Second, Lam thought the majority of Hong Kong citizens wanted to restore their normal life and were growing tired of the protests. So she believed that most Hongkongers would vote for the pro-Beijing candidates."

A large number of Hong Kong publications have tried to convince their readers that the protesters are the cause of violence and that most Hongkongers are against them.

According to the source, on the day of the election, the Hong Kong Liaison Office sent people to all polling stations in the morning. When they heard that many senior citizens were at the polls, they reported to Beijing that the pro-Beijing camp would definitely win, because they believed that most seniors disapprove of the protests.

"Some Western media disclosed that at least seven Chinese state-run media, including Global Times, had pre-

pared a report to celebrate the victory of [pro-Beijing] candidate Junius Ho Kwan-yiu before the final results came out," he said. "They really did that, and it was because Beijing had believed most seniors were their supporters."

When the democratic camp claimed victory, the Chinese authorities decided to keep mum.

"They were completely at a loss," the source said.

Chinese officials are dissatisfied with the Liaison Office's handling of the Hong Kong protests. Reuters has previously reported that Beijing plans to replace the head of the Liaison Office, Wang Zhimin. The insider told The Epoch Times that Wang may face disciplinary punishment, and Beijing may be looking for a replacement.

"Most likely, instead of promoting a Chinese official already in the Hong Kong system, Beijing will choose a fresh person from outside of Hong Kong," he said.

THOMAS PETER/REUTERS



Local candidate Kelvin Lam celebrates with supporters after it was announced he won the local council elections in his district, at a polling station in Hong Kong, on Nov. 25, 2019.



TRUTH *and* TRADITION

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