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THE EPOCH TIMES

# CHINA INSIDER


## PROBING CHINESE INVESTMENTS

US' LARGEST PUBLIC  
PENSION FUND DRAWS  
SCRUTINY

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The California Public Employees' Retirement System building in Sacramento, Calif., on July 21, 2009. Ben Meng, a former CCP insider, is the chief investment officer of America's largest public pension fund.

Chinese Regime Goes on Propaganda Offensive Over Coronavirus 7

 **CalPERS**  
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT S  
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## CHINESE INVESTMENTS

# Washington Increases Scrutiny of CalPERS Over Chinese Investments

## Does supporting Beijing's agenda serve the best interests of US retirees?

FAN YU

### Commentary

The novel coronavirus pandemic has hastened U.S. companies' efforts to "decouple" their supply chains and operations from China.

Companies were already assessing their dependency on Chinese manufacturers and customers amid the U.S.-China trade war, concerns around intellectual property and corporate espionage, and efforts by Beijing to wean itself off U.S. technology.

But there's been little momentum around financial decoupling. U.S. investment funds and pension funds—which manage the retirement savings of millions of public employees—have even increased their investments in Chinese companies.

At the center sits the biggest public pension fund in the United States, the \$400 billion California Public Employees' Retirement System (CalPERS) and its Chinese-born chief investment officer (CIO), Ben Meng.

Pension funds' investments in China could put American retirees at risk and have attracted the attention of the Trump administration.

"It's something we are looking at," U.S. national security adviser Robert O'Brien said at The Heritage Foundation, a Washington-based think tank, on March 11. "Some of the CalPERS investment policies are incredibly concerning."

"We've got folks who are going to rely on their pension for their retirement and putting those investments into companies that don't have GAAP [generally accepted accounting principles] ... and they don't have the same reporting requirements that American companies do—is scary."

His comments followed earlier calls by Rep. Jim Banks (R-Ind.) that Meng should be fired, citing Meng's ties to the Chinese communist regime and his association with a secretive Chinese program to recruit overseas talent—which The Epoch Times outlined in a July 2019 report.

### Questionable Investments

At the minimum, pension funds should provide more transparency around their exposure to international markets.

In the CalPERS 2018–2019 Annual Investment Report, the pension fund didn't aggregate exposure by country. A search found that CalPERS held 240 individual positions with "China" in the security name as of June 30, 2019, a 40 percent increase from the 172 names in the previous year. The positions span corporate bonds, domestic and international securities, and private investments.

Some of these investments directly or indirectly support the Chinese regime.

As of June 30, 2019, CalPERS held 5.7 million shares in China Communications Construction Co., a state-owned engineering and construction company that has built naval and military bases in the disputed South China Sea.

CalPERS also owns shares in several Chinese state-owned enterprises that are involved in China's controversial Belt and Road Initiative (also known as One Belt, One Road), which has been criticized by Washington as a way for China to spread influence abroad and burden developing countries with unsustainable debt.

The pension fund held 63.1 million shares in China Unicom,

a state-owned telecommunications operator providing landline and mobile communication networks. China Unicom provides internet service to the communist regime in North Korea.

CalPERS, as of June 30, 2019, also held shares in Hikvision, a state-owned company that builds surveillance equipment used in concentration camps holding Uyghur Muslim minorities. Hikvision was added to the Trump administration's blacklist late last year, barring U.S. firms from doing business with the company without government approval. It's unclear whether the fund still invests in Hikvision.

### Fiduciary Duty Question

CalPERS has been at the forefront of many pension fund innovations, including a large allocation to alternative asset classes and its fight to lower fees and expenses paid to investment managers.

The pension extols its "sustainable investment program" advocating for ESG (environment, social, and governance) investing and actions to deal with climate change. CalPERS dedicates a webpage to sustainable investing. Its own investment policy states that investments should avoid human rights violations. It's difficult to square these touted virtues with CalPERS's extensive investment activity in China.

This is an inconvenient truth for all asset managers. CalPERS has defended its China investments by referring to a legal "fiduciary duty to provide retirement security" to Californian pensioners.

In other words, we don't care about ESG if we think it's a good investment.

Pensioners need to know that their retirement coffers may be at risk. Every major Chinese company, especially those involved in areas of key interest to Beijing, such as military, security, and cyber, must answer to the Chinese Communist Party (CCP). The Party agenda and its politics are as deeply ingrained in business as profit-making.

Corporate governance, shareholder rights, and compliance standards are lax in China. Companies aren't subject to the same stringent financial regulatory standards as U.S. companies.

For example, all corporate records must remain in China. Want to examine a company's books and records, and its audit work papers? Tough luck—those are deemed "state secrets" according to Beijing. What about internal-control compliance, such as abiding by the Sarbanes-Oxley Act, which U.S. companies are subject to? Nope, doesn't apply there either.

An example is China Forestry Holdings. CalPERS held 5.3 million shares in the Chinese timber producer but was forced to write off the position—taking a massive loss—after the company was found to have falsified its assets and revenues figures, defrauding investors of the Hong Kong-listed company. The company has now been liquidated.

Enron and WorldCom-type accounting frauds are far more common among Chinese companies and pose a significant risk to investors.

If pension funds simply dismiss these governance risks, what fiduciary duties are they upholding?

### Thousand Talents Program

Then there's the issue of current CIO Meng's background. In a July 2019 report, The Epoch



National security adviser Robert O'Brien at the State Department in Washington on Feb. 12, 2020.

Times documented how Meng, the person overseeing CalPERS's investments, had extensive ties to the CCP.

After several years working at CalPERS, Meng was hired by Beijing in 2015 as deputy CIO of China's \$3 trillion State Administration of Foreign Exchange (SAFE).

Meng was recruited under the CCP's Thousand Talents Plan (TTP), a headhunting program that aims to enlist prominent science, tech, and finance talent—both foreign and those of Chinese descent—to work in China. The U.S. Senate Judiciary Committee called TTP one of "China's non-traditional espionage against the United States" and the program is widely recognized as a danger to U.S. national and economic security.

In a 2017 article in the People's Daily, the CCP's official mouthpiece, Meng was quoted as saying, "In human life, if there is an opportunity to serve the motherland, such responsibility and honor cannot be compared to anything."

This is no simple job switch. One doesn't become a high ranking official at SAFE for simply being a good investor. SAFE is far more politically sensitive to China than CalPERS is to the United States. As deputy CIO of SAFE, Meng was privy to sensitive information of the CCP and was charged with managing the investments of China's vast foreign reserves, a duty that Beijing doesn't bestow upon anyone but the most loyal.

In other words, Meng was an

important component of the CCP's national financial apparatus.

After a three-year stint at SAFE, CalPERS hired Meng back as CIO in 2018.

The pension fund and Meng didn't immediately respond to a request by The Epoch Times for comment.

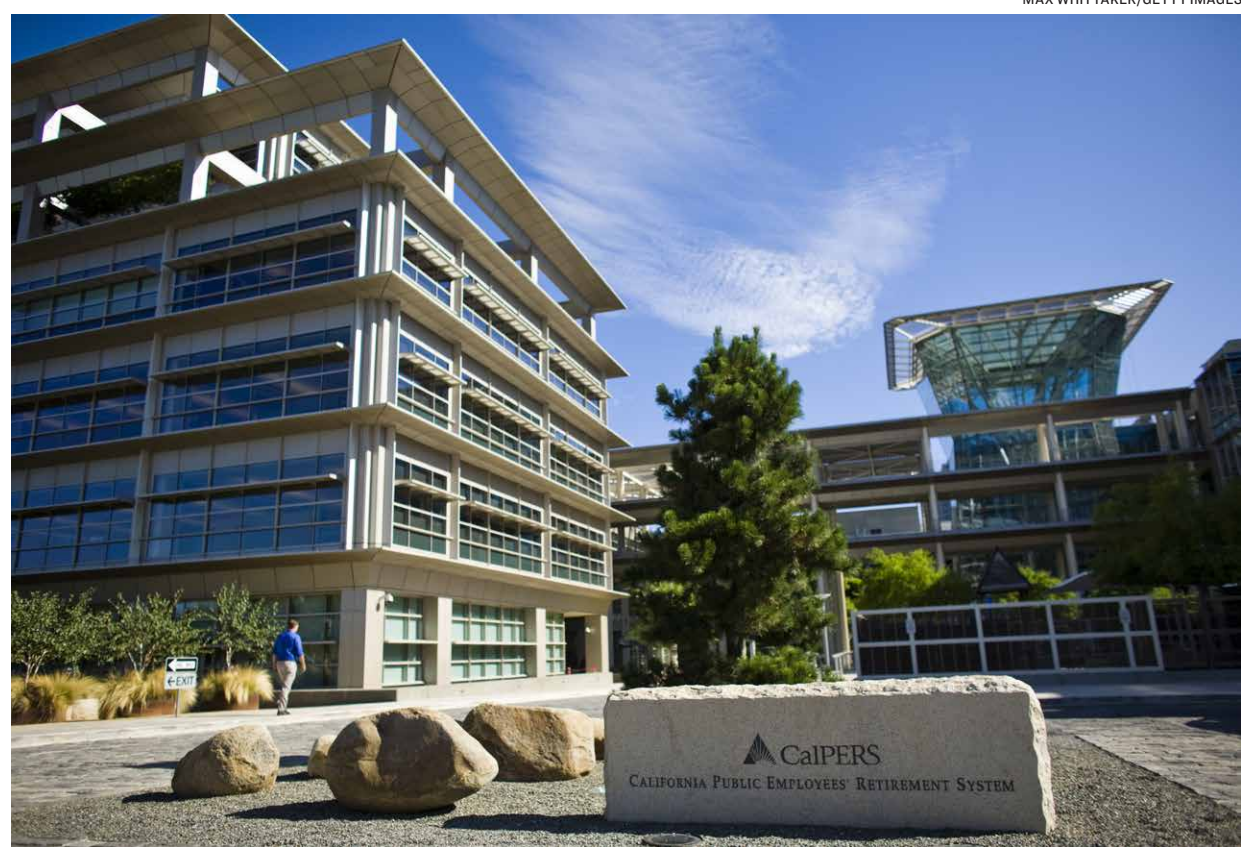
In a statement to media, Meng acknowledged he was recruited to China via TTP but claims that his ties to the program were severed when he was named the pension fund's new CIO. But so far, those defending Meng have largely missed the point.

**CalPERS owns shares in several Chinese state-owned enterprises that are involved in China's controversial Belt and Road initiative.**

Oaktree Capital Management founder Howard Marks—a legendary Wall Street figure—accused Banks of targeting Meng unfairly, to "impugn someone's character on the basis of their family's national origin." Blackstone Group CEO Stephen Schwarzman—a Trump adviser—called Meng "accomplished" and "a talented investor."

Marks is right. And Meng may be a very competent and talented investor. But neither defense addresses concerns about the fact that a former CCP insider runs America's largest public pension fund.

The California Public Employees' Retirement System (CalPERS) building in Sacramento, Calif., on July 21, 2009.



ALBERTO PIZZOLI/AFP VIA GETTY IMAGES



A man wearing a protective mask walks by a deserted Piazza di Spagna in central Rome on March 12, 2020.

## CARONAVIRUS

## Italy's Coronavirus Outbreak Puts Spotlight on China Ties

CATHY HE

The worsening coronavirus outbreak in Italy has led its government to re-evaluate its relationship with Beijing and align more with Washington, an expert said.

Almost a year after Italy became the first G-7 country to sign on to the Chinese regime's flagship foreign policy project, the Belt and Road Initiative (BRI, also known as One Belt, One Road)—drawing criticism from its Western allies—the country's initial handling of the outbreak indicated a shift in relations.

"The outbreak of the coronavirus in Wuhan has led the Italian government to re-assess its approach to China, while also sending a message to the Trump administration," Nicola Casarini, senior fellow and head of research for Asia at Rome-based think tank Istituto Affari Internazionali, told The Epoch Times in an email.

Casarini said the current center-left Italian administration, which is different from the populist government that signed up for the BRI in March 2019, has utilized the outbreak to further its ties with Washington. Italy was the first Western government to announce a halt of flights from China, and its flight ban is currently set for the longest period among Western countries, lasting until April 28, he said.

"This measure can be explained by the willingness of Prime Minister Giuseppe Conte and the Health Minister Roberto Speranza to present themselves as trusted transatlantic allies—something that traditionally helps in Italy if someone wants to make a political career," Casarini said.

Despite this early effort to contain the disease, Italy has since found itself to be the worst-hit country outside of China, where the outbreak originated. In February, it was found that the virus had been circulating unnoticed in northern Italy. From there, the virus spread to the entire country. Italy now has more than 12,000 infections and 800 deaths, and the country has been placed under lockdown.

### Italy-China Ties

Italy's decision to join the BRI in March 2019 sparked concern from the United States and Western allies.

Beijing's BRI, a massive infrastructure investment project aimed to connect Asia, Africa, and Europe through a network of railways, ports, and roads, has been criticized for saddling developing countries with debt burdens they cannot repay. Meanwhile, Washington worries that the plan is also designed to strengthen China's military influence and spread technologies capable of spying on the West.

The White House National Security Council warned Italy at the time that endorsing

**The outbreak of the coronavirus in Wuhan has led the Italian government to reassess its approach to China.**

Nicola Casarini, senior fellow and head of research for Asia at Rome-based think tank Istituto Affari Internazionali

the BRI "lends legitimacy to China's predatory approach to investment and will bring no benefits to the Italian people."

German Foreign Minister Heiko Maas echoed that sentiment, saying at the time that some countries that "think they can do clever deals with the Chinese, they will come down to earth with a bump and find themselves dependent on China."

Italy has defended its decision, with Foreign Minister Luigi Di Maio last month saying that it signed on to the initiative for "commercial reasons" and "economic advantages," Bloomberg reported.

But according to data compiled by the RWR Belt and Road Monitor, which tracks Chinese investments under the initiative, Italy hasn't attracted many projects in the past year, with the exception of a deal between Jetion Solar (China) Co. and Eni SpA to invest about \$2.2 billion and develop new solar projects.

A Chinese plan to develop the port at Trieste also hasn't gotten off the ground, Bloomberg stated.

Meanwhile, Italy also has continued to run a trade deficit with China, which in January stood at \$2.4 billion euros (\$2.7 billion), according to preliminary data released in February by Italy's statistics agency Istat.

Since the outbreak, economists expect the country's already struggling economy to head into a recession by the end of the first quarter, with critical tourism and luxury industries particularly hard hit.

### Regime's PR Push

Recently, the Beijing regime has donated medical supplies to Italy and sent a team of medical experts to assist in local containment measures.

These measures, analysts say, form part of a campaign by the regime to frame itself as a global leader in disease control efforts and detract attention from criticism that its initial cover-up of the outbreak allowed the virus to spread abroad. This "positive" propaganda push includes recent statements by Chinese officials suggesting that the virus didn't originate from China and merely first broke out there.

Casarini believed that after the crisis subsides in Italy, the Chinese regime will "begin pouring money (through investments) in Italy, in particular in the industrialized north more affected by the epidemic," in an attempt to boost bilateral relations.

"In the medium-to-longer term, however, Rome-Beijing relations will continue to go through highs and lows, depending not only on their bilateral ties, but more importantly on the evolution of Italy-USA relations," he added.

Casarini suggested that how Italy and other European countries will approach relations with the Chinese regime in the wake of the outbreak depends on how "politicians and the media present the case."

He said that "if the blame is put on China and its regime which has withheld critical information at the beginning of the outbreak, thus allowing the virus to spread worldwide," then European countries are likely to harden their stance toward the regime. However, if the regime-promoted narrative of "fighting together the common enemy" takes off, then the reverse may happen.

"Admittedly quite remarkable to countenance at this stage, but it could indeed happen, especially if China begins pouring more money into Europe," Casarini said.



Italian Prime Minister Giuseppe Conte (R) with Chinese leader Xi Jinping during a welcoming ceremony at Villa Madama in Rome on March 23, 2019.

ALBERTO PIZZOLI/AFP VIA GETTY IMAGES



South Korean soldiers wearing protective gear spray disinfectant to help prevent the spread of COVID-19, at a shopping district in Seoul on March 4, 2020.

## OPINION

# Editorial: Where Ties With Communist China Are Close, the Coronavirus Follows

Severe COVID-19 outbreaks highlight different countries' entanglements with Beijing

### EDITORIAL BOARD

In the final weeks of 2019, a novel coronavirus outbreak occurred in the city of Wuhan, in central China. As the world welcomed a new decade, the Chinese Communist Party (CCP) opted to suppress information about the emerging crisis until it could no longer remain hidden.

Nearly two months after mainland Chinese authorities acknowledged the outbreak and the existence of the contagious virus, the crisis has spread round the globe, assuming epidemic proportions in multiple regions. The number of infected beyond China's borders is now in the tens of thousands, with more than 1,000 having succumbed to the virus. The stock market has plunged as experts warn of a possible economic recession.

A variety of factors have facilitated the rapid spread of the coronavirus, officially termed SARS-CoV-2, and the disease that it causes, COVID-19. Globalization has brought the peoples of the world into closer contact, increasing the risks of a worldwide pandemic.

Yet the heaviest-hit regions outside China all share a common thread: close or lucrative relations with the communist regime in Beijing.

#### Medical Crisis, Political Peril

Under political or economic influence from the People's Republic of China (PRC), many foreign entities and politicians, including international organizations, have been swayed to the extent that they take the side of the CCP, accommodating the pernicious communist system and turning a blind eye to unspeakable crimes committed by the mainland Chinese authorities.

Recent decades have seen the PRC greatly expand its power in economic and geopolitical affairs. Deceiving the world with a narrative of "China's peaceful rise," the communist regime has lured foreign governments and international firms to invest in China's rapidly developing markets.

But the CCP has never abandoned its ideological tenets of class struggle and totalitarian control. In the 30 years since the Tiananmen Square massacre, and from the start in 1999 of the persecution of the spiritual practice Falun Gong to today's systematic persecution of all faiths and independent thought, the state of human rights in the PRC has only worsened.

The true nature of the CCP and

communism has long been known to readers of The Epoch Times. Fifteen years ago, The Epoch Times published the editorial series "Nine Commentaries on the Communist Party," igniting a grassroots movement in China to reject communism. Since 2004, more than 350 million people have renounced their ties to the Party and its affiliated youth organizations.

Seen in conjunction with the CCP-hijacked geopolitical environment of today, the geographical distribution of what the World Health Organization (WHO) now calls a coronavirus pandemic highlights the ultimate peril facing those who align themselves with the specter of communism.

Outside China, the spread of COVID-19 has been most severe in Italy, Iran, South Korea, and Japan. Not all of these countries are located near China, but all have extensive interests in the PRC.

Italy, the most heavily affected country outside China as of March 10, was the first (and only) G-7 nation to sign onto the PRC's Belt and Road Initiative (BRI, also known as One Belt, One Road). In an attempt to prop up its weakening economy, Italy has also sought to capture the Chinese market for selling its luxury goods.

With the outbreak now forcing Rome to put the country under lockdown, such prospects have been put on hold.

Italy also has signed scores of sister-city agreements with China, with the cities of Milan, Venice, and Bergamo included among them. These are the areas hardest-hit by the virus.

In the Middle East, Iran has seen a surge in the number of infections, particularly among government officials.

The Iranian regime has had a comprehensive strategic partnership with China since 2016, and its ties with Beijing began years before that. In violation of international sanctions, Iran has imported embargoed materials from China, while continuing to sell oil to the PRC. The Islamic Republic allowed flights in and out of four major Chinese cities until the end of February.

On-the-ground footage taken by Iranian citizens is reminiscent of the tragedy playing out in Wuhan, with overworked medical staff, dependent patients, and body bags lining hospital floors.

And while official figures released by the Iranian authorities show deaths and confirmed cases

Deceiving the world with a narrative of 'China's peaceful rise,' the communist regime has lured foreign governments and international firms to invest in China's rapidly developing markets. But the CCP has never abandoned its ideological tenets of class struggle and totalitarian control.



A medical staff member treats a patient infected by COVID-19 at a hospital in Wuhan, Hubei Province, China, on March 11, 2020.

trailing behind Italy's numbers, it is likely that the real scale of the outbreak remains grossly underreported. Reviewing available data, an epidemiologist cited by The Washington Post on March 5 estimated that the actual number of people infected in Iran could have been up to 28,000, nearly five times what the regime had reported.

In South Korea, the public has grown increasingly critical of President Moon Jae-in for refusing to ban Chinese tourists at large and instead only barring entry for those who recently traveled to Hubei Province, the epicenter of the epidemic in China.

More than 1.4 million people have signed a petition to the Presidential Blue House calling for Moon to be impeached. The petition text reads, "Seeing Moon Jae-in's response to the new epidemic, we feel that he is more of a President for China than Korea."

#### History's Lessons

Despite its proximity to, and extensive business with, mainland China, Taiwan has seen a relatively small number of infections.

On Jan. 26, John Hopkins University identified Taiwan as having the second-highest risk of epidemic spread outside China. However, robust prevention measures have proven effective.

Taiwan officials began to board planes and assess passengers on Dec. 31, 2019, after Wuhan authorities first confirmed the outbreak. In early February, Taiwan banned entry to foreign nationals who have traveled to the PRC. As of March 10, there are just 47 confirmed cases in Taiwan. The self-ruled island has been held as a model for epidemic

control, despite being repeatedly denied participation in the CCP-friendly WHO.

As China affairs commentator Heng He put it, Taiwan has a clear understanding of the communist regime and may be the only state that learned the lessons of the 2003 SARS outbreak, which also began in China.

In Hong Kong, which has seen millions of residents stand up to Beijing's encroachment on the city's freedoms and rule of law since last year, the outbreak has been similarly subdued.

By contrast, Japan, albeit not geographically aligned with the PRC, placed profit over prudence. With millions of Chinese traveling to Japan for shopping and sightseeing annually, the country was slow to close its borders to mainland arrivals. Japan was among one of the first countries to report cases outside of China, and the number of infected has increased to more than 1,000 locally.

Recently, the CCP has attempted to portray its draconian handling of the coronavirus epidemic as a triumph for the Party's authoritarian system. But the Chinese historical record is more sobering. Throughout the centuries, plagues and other calamities signaled the downfall of imperial dynasties.

Taking history as a mirror, as ancient Chinese scholars did, it is apparent that the coronavirus pandemic is a calamity linked with the CCP and its 70 years of brutal rule. And today, the world is an interconnected community. Any country, community, or organization that keeps too close to the CCP and falls for its deception will taste the bitter fruits of that investment.

The heaviest-hit regions outside China all share a common thread: close or lucrative relations with the communist regime in Beijing.



Falun Gong practitioners during a parade in New York on May 16, 2019.

## HUMAN RIGHTS

# Chinese Regime's Human Rights Abuses Highlighted in US State Department Report

### FRANK FANG

China's abysmal human rights record, particularly in persecuting the spiritual group Falun Gong, is a focus of the latest human rights report by the U.S. State Department.

"In China, the Chinese Communist Party (CCP) uses high-tech surveillance systems to monitor potential dissidents," Secretary of State Mike Pompeo said at a March 11 press briefing about the report.

Every year, the State Department assesses countries around the world on their human rights record.

Pompeo reiterated his remarks from July last year at a State Department-hosted religious freedom conference, calling China's treatment of Uyghurs in northwestern China's Xinjiang the "stain of the century." He added that Beijing "tries to hide what it's doing by intimidating journalists."

More than a million ethnic Muslim minorities, including Uyghurs, Kazakh, and Kyrgyz people, are being detained in roughly 1,200 internment camps in China's Xinjiang region, according to the 2019 Trafficking In Persons report by the State Department. Beijing claims these camps are "vocational training centers."

"It's imprisoning religious minorities in internment camps—part of its historic antipathy to religious believers," Pompeo said.

Pompeo also criticized Venezuela, Iran, and Cuba for their human rights abuses. "We pray for a day when Cubans, Venezuelans, Chinese, Iranians, and all peoples can speak and assemble freely without fear of their own governments," he said.

#### Organ Harvesting

The report also pointed to China's state-sanctioned practice of killing prisoners of conscience for organ transplant surgery, citing two recent findings.

In June 2019, a nongovernmental independent people's tribunal in London found "direct and indirect evidence of forced organ harvesting" in China, citing "extraordinarily short waiting times" and "massive infrastructure development of facilities and medical personnel for organ transplant operations."

The panel, known as the China Tribunal,



Secretary of State Mike Pompeo delivers remarks on the 2019 Country Reports on Human Rights Practices at the State Department in Washington on March 11, 2020.

In China, the Chinese Communist Party uses high-tech surveillance systems to monitor potential dissidents.

Secretary of State Mike Pompeo

concluded beyond a reasonable doubt that state-sanctioned forced organ harvesting had taken place for years in China "on a significant scale," and is still occurring today.

Additionally, panelists found that adherents of Falun Gong have been the main source of organs.

Falun Gong, also known as Falun Dafa, is an ancient spiritual practice with meditative exercises and moral teachings. Since July 1999, the Chinese regime has initiated a nationwide persecution, throwing hundreds of thousands of adherents into prisons, labor camps, and brainwashing centers, according to the Falun Dafa Information Center.

The tribunal released its full judgment on March 1, including new evidence about Chinese officials' direct involvement in forced organ harvesting.

#### Lawyers

Lawyers in China also are being targeted by the Chinese regime for taking on "sensitive" cases, such as "defending pro-democracy dissidents, house-church activists, Falun Gong practitioners, or government critics," the report stated. Such lawyers were punished by authorities, including with revocation of their licenses or imprisonment.

For example, Liu Zhengqing, a lawyer based in Guangdong Province who is known for defending rights activists and adherents

of Falun Gong, had his license revoked in January after he was charged by local prosecutors with "jeopardizing national security."

According to a December 2019 report by Radio Free Asia (RFA), the charges were related to Liu's representation of two clients: Zhang Haitao, an electronics salesman who was given a 19-year prison sentence in 2016 for online criticism of Chinese authorities for their treatment of Uyghurs; and Li Yanming, a Falun Gong adherent living in Guangdong's Foshan city.

"Lawyers are required to be members of the CCP-controlled All China Lawyers Association, and the Ministry of Justice requires all lawyers to pledge their loyalty to the leadership of the CCP upon issuance or annual renewal of their license to practice law," the report stated. The regulation, issued in July 2018, drew concerns about the further erosion of the rule of law in China.

#### Continued Persecution

The report identified many political prisoners that are still detained in China as of the end of last year, including two Falun Gong adherents, Bian Lichao and Ma Zhenyu.

Bian, a former middle school teacher in Tangshan city in Hebei Province, was sentenced to 12 years in prison in 2012, according to Minghui.org, a website that monitors the persecution of Falun Gong in China.

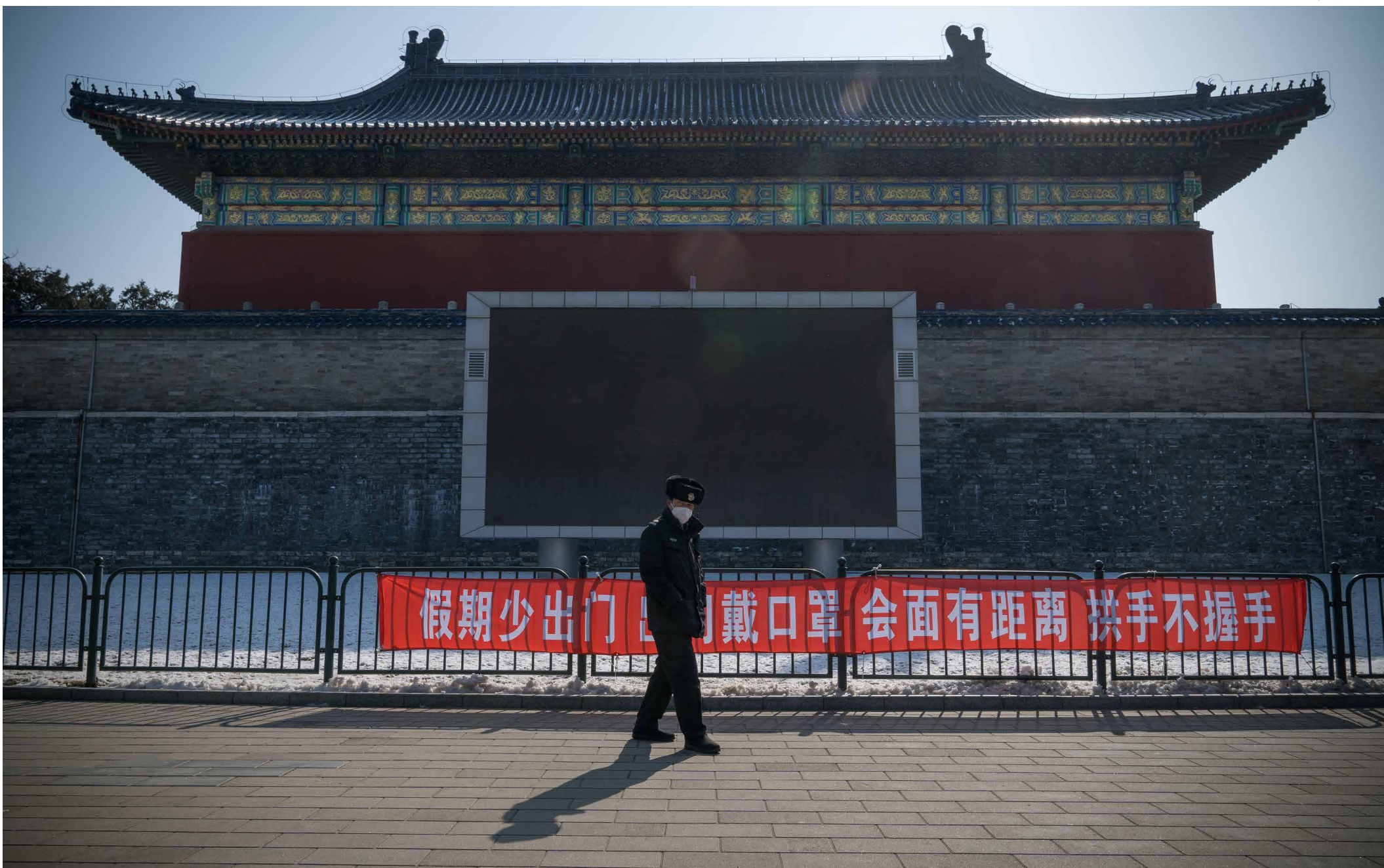
In March 2014, Bian's wife and daughter were arrested by local police in Hebei. They were then tried in court in December the same year. In April 2015, the daughter was sentenced to three and a half years and the wife four years, on charges of "promoting Falun Gong on the internet."

Ma Zhenyu was formerly a radar engineer working for the 14th research institute of the state-run China Electronics Technology Group Corp. In July 2019, Ma's wife, Zhang Yuhua, who escaped to the United States, said that her husband was serving a three-year prison term.

Appearing at the 2019 religious freedom conference hosted by the State Department in Washington, Zhang expressed worry that her husband might be killed for his organs while imprisoned.

According to Zhang, Ma was sentenced in 2017 for sending six letters to the Chinese regime's top leaders urging them to end the persecution of Falun Gong.

ANDREA VERDELLI/GETTY IMAGES



A security guard walks past a propaganda banner in Beijing's Temple of Heaven Park on Feb. 15, 2020.

## PROPAGANDA

## Chinese Citizens: We're Fed Up With Beijing's Coronavirus Propaganda

EVA FU

The Chinese regime has deployed its massive propaganda machine to boost its leadership in its "all-out war" against the novel coronavirus outbreak.

Since February, local authorities across China have gone all out to promote "positive" propaganda about the regime's virus containment efforts, although those efforts don't appear to be winning the hearts and minds of its citizens.

In Hubei Province, for example, where the epidemic is most severe, officials published more than 50,000 outbreak-related reports that cast a positive light on government efforts to contain the virus. In Shanghai, authorities tried to find and promote stories of "model citizens" who donated money to virus prevention efforts or did exemplary work in treating patients. These reports have often

spurred a fiery backlash online—in posts that are often later scrubbed by China's internet censors.

A February video propagated by Chinese state media, for example, showed 14 nurses from China's northwestern Gansu Province having their heads shaved as a precautionary measure before being dispatched to Wuhan, the capital of Hubei and where the virus first emerged. Several wept during the ordeal, while others looked visibly upset.

The nurses, who purportedly volunteered to undergo the procedure, were lauded as heroes by state media. Yet many Chinese netizens who saw the video, which has millions of views, thought differently.

"To shave off their hair as a group ... use their sacrifice to put out this performance, then create publicity hype—such an act is far too cruel," a Chinese commentator wrote on Shanghai-based media Eastday. State-run

media Gansu Daily, which first published the video, later deleted the post from Weibo, China's Twitter-like social media platform.

### Nobody believes in the CCP [Chinese Communist Party] anymore.

Wuhan resident Jiang

Meanwhile, Wang Zhonglin, the Chinese Communist Party (CCP) secretary of Wuhan, triggered public outrage after he recently called for a thorough "appreciation education" to teach the public to be grateful to the Party for its outbreak response.

"Wuhan people are heroic people who also know how to be grateful," Wang said on March 6, according to state-affiliated Changjiang Daily. The remark didn't sit well with

local residents.

"Gratitude should be self-initiated, right?" Gao, a Wuhan resident, told The Epoch Times. "Saving Chinese people is its obligation, the basic responsibility of a government ... what is there to be grateful about?"

The official "reversed the proper order," Hu, who lives in the Jianghan district of Wuhan, told The Epoch Times. "He should thank the people of Wuhan."

More people, locked in their homes, lamented the struggle to obtain fresh food and to sustain their lives. One resident, speaking on condition of anonymity, said he had been skipping meals to cut expenses.

"They have buried us alive," Wuhan resident Xin told The Epoch Times, adding that certain food prices have surged by up to tenfold. Officials, however, are able to abuse their privileges and obtain the products at cost, he said.

Xin had recently filmed a video to protest the lack of supplies, for

which he was reprimanded by local police officers.

"They don't solve the problems, but only go after people who raise the problems," he said. "We commoners can only pray for heaven's blessings; we live one day at a time."

Jiang, who lives in Wuhan's Qingshan district, the area where locals heckled officials from their windows, labeled the CCP as the "most shameless" regime in the world.

"Nobody believes in the CCP anymore," he said.

Zhang, also from Wuhan, believes that locals' experiences during the crisis have made people less willing to cooperate with the regime.

"When locals circulate the images of police in hazmat suits in their homes, there's a message they are trying to convey: We can't talk, and dare not talk," she said, referring to the measures adopted during Xi's visit to the city.

"Truth is the only comfort."

## PROPAGANDA

## Chinese Regime Ramps Up Global Propaganda on Coronavirus Pandemic

BOWEN XIAO

The Chinese Communist Party has ramped up its propaganda efforts to control the narrative surrounding the novel coronavirus—by rejecting criticism and painting a picture that Beijing is effectively handling the outbreak.

The regime's propaganda has gone through several phases: first ignoring the severity of the outbreak, then creating positive coverage, and now, blaming the United States.

Internal government documents obtained by The Epoch Times have highlighted how the regime bungled its data tracking and censored discussions of the outbreak, fueling the virus's spread.

High-ranking communist authorities have pushed a handful of talking points to deflect blame, including that the origin of the virus isn't clear and may have come from the United States—a conspiracy recently pushed by Chinese Foreign Ministry spokesman Zhao Lijian.

The virus first emerged in the central Chinese city of Wuhan in December 2019.

Zhao wrote on Twitter on March 12, "When did patient zero begin in US? How many people are infected? What are the names of the hospitals? It might be US army [sic] who brought the epidemic to Wuhan. Be transparent! Make public your data! US owe [sic] us an explanation!"

A February opinion article by state-run Global Times claimed that "so far, even the scientific world has no conclusion where the virus came from."

Beijing has also pushed the narrative that its efforts to contain the virus bought the international community time to prepare, with the official Twitter account of China's Ministry of Foreign Affairs writing that "China's endeavor to combating the epidemic has bought time for int'l preparedness. Our contribution is there for all to see."

That was echoed by a Harvard economist who said in a March 9 interview



HECTOR RETAMAL/AFP VIA GETTY IMAGES

A customer's body temperature is measured in a store in Shanghai on March 10, 2020.

on NPR's Marketplace program that "China really did great work in buying the rest of us time."

Stories hyping China's capability to contain the disease were pushed by Chinese state media at the same time that Beijing accused the United States of fear-mongering surrounding China's outbreak.

Author and China expert Gordon Chang told The Epoch Times: "There's been a repeated, relentless campaign against the United States, and it's been malicious, irresponsible, false, of course, and dangerous. This whole notion of China being beneficial to helping the world is misguided and indeed dangerous."

Chang said Beijing is bent on this narrative because the epidemic has become an "existential" crisis for the Chinese Communist Party's rule.

"Because the Chinese people are hot, angry, they're demanding fundamental political change, and so China needs to change the subject to show ... that the Communist Party is leading the defense."

Chang believes more such propa-

ganda materials will be published in the coming days.

"Beijing is going to relentlessly pursue them because it sees this as essential to its survival," he said, adding that the "United States has an ally, which is the Chinese people, and we should never forget that our enemy is the regime."

Beijing has also accused the United States of creating panic by implementing restrictions on travelers from China.

Dr. Anthony Fauci, head of the National Institute of Allergy and Infectious Diseases at the National Institutes of Health, has said that the travel ban made a difference in combating the spread of the virus in the United States.

The blame game narrative against the United States is gaining steam and appears to be one of the more effective talking points not just for countries outside of China, but for people inside China, according to Sarah Cook, senior research analyst for China, Hong Kong, and Taiwan at Freedom House, a U.S.-based human rights group.

"It seems like they may have stumbled on this last one accidentally, as various conspiracy theories along these lines started circulating on social media and then officials piggybacked on it and amplified the narrative after discovering that it was actually convincing people," Cook told The Epoch Times via email.

This whole notion of China being beneficial to helping the world is misguided and indeed dangerous.

Gordon Chang, China expert

Cook said that this "anti-American narrative" has resonated with many in China and has to some degree "been successful in refocusing anger and frustration away from the Party." She said the narrative was "subtly stoked by official statements, state media reports, and the convenient absence of censorship for posts shifting the blame to the United States."

Li Wenliang, one of the eight whistleblowers who first publicized information on the virus and who later died from it in February was reprimanded by Chinese authorities for posting information about the virus. Wuhan officials said on Jan. 1 they took "legal measures" against eight people, including Li, who had "spread rumors" about the disease, which "caused adverse impacts on society" according to a statement posted on Weibo, a Chinese Twitter-like platform.

In the United States, over 3,200 people have contracted the virus and at least 62 people have died, according to data compiled by the Center for Systems Science and Engineering at John Hopkins University, at the time of writing.

The White House and the State Department didn't respond to requests by The Epoch Times for comment.



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