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# CHINA INSIDER

Workers at an electric fan factory assembly line in Jiujiang, Jiangxi Province, China, on March 30, 2018.

## MOVING OUT

FIRMS SHIFT SUPPLY CHAINS  
AWAY FROM CHINA

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## ANALYSIS

# China Joins Electric Vehicle Fundraising Gold Rush

Chinese companies rush to IPO ahead of expected new listing requirements

FAN YU

Chinese electric vehicle (EV) manufacturer Xpeng priced its initial public offering on Aug. 26 and subsequently saw its stock price surge more than 50 percent above its IPO price by Friday, becoming the latest EV maker to see its shares skyrocket in recent weeks. Everything EV has gone hyperbolic in 2020. Nevermind a recession or a virus pandemic—Tesla Inc., the biggest name in the industry, has seen its shares soar more than 400 percent since Jan. 1. It is now the world's most valuable automaker by market capitalization. Xpeng's fortuitous timing of its IPO means it just became the latest company to ride the EV high tide.

Guangzhou-based Xiaopeng Motors (commonly known as Xpeng) sells EV models in China and competes with Tesla as well as other domestic Chinese EV makers such as NIO and Li Auto. Xpeng has also developed its own autonomous driving capabilities. Its IPO was priced at \$15 per share, above the initial expected range, raising approximately \$1.5 billion on the New York Stock Exchange.

## EV Industry High Tide

EV stocks have been on fire this year, propelling Tesla to become the world's most valuable automaker despite meager profits. Market capitalization changes daily, but as of Aug. 28 Tesla's value of \$412 billion is worth around twice as much as the world's second-most valuable automaker, Japan's Toyota.

Tesla's success has spurred a spate of new fundraising for EV makers. The highest profile was Arizona-based EV startup Nikola Motors, which merged with a special-purpose acquisition company (SPAC) called VectorIQ in June to become a publicly traded company. And despite showing no revenues, Nikola's stock closed at \$41.35 on Aug. 28, giving the company a \$15.6 billion valuation.

EV development is a central element of this as China views itself as a global leader in EV research and adoption

Nikola's success story—financially, if not businesswise—has led several other EV makers to pursue public listings via SPACs. Other EV companies merging with SPACs include Fisker, Canoo, and Lordstown Motor, all of which announced transactions in July or August 2020.

This is the environment the Alibaba-backed Xpeng has chosen to sell its U.S. ADR (American depository receipt) shares. It follows the footsteps of another Chinese EV maker, Li Auto, which raised \$1.1 billion through an IPO on Nasdaq in July. Li Auto priced its shares at \$11.50 a share at a valuation of \$10 billion. On Aug. 28, Li Auto stock closed at \$17.60, or 53 percent above its IPO last month.

Another Chinese EV maker, Nio, held its U.S. IPO in September 2018. Nio has also taken advantage of current market conditions and raised \$428 million in cash from a follow-on stock sale in June. On Aug. 28 it just announced that it would seek to sell more shares, up to 86 million shares, raising up to \$1.7 billion in cash. All three companies are among the largest Chinese EV manufacturers.

Raising capital from foreign investors to spearhead Chinese technological development is not a new idea. But it has received added focus as Chinese Communist Party (CCP) boss Xi Jinping has issued his economic treatise of "dual circulations," a symbiotic economic program to stimulate domestic development consumption while expanding production for exports at the same time.

EV development is a central element of this as China views itself as a global leader in EV research and adoption. And it would play a role in both boosting domestic consumption (EV adoption by Chinese buyers) as well as driving international demand (exporting its EVs globally).

## Rush to Raise Cash Before New Disclosure Rules Kick In

Another, and more immediate, impetus to raise cash quickly is that the United States may soon close off its

financial markets to Chinese IPOs.

A wave of accounting scandals and financial frauds have soured U.S. investors on Chinese listed companies. Following the massive Luckin Coffee fraud earlier this year—one of the biggest Chinese corporate frauds in recent years—the Senate unanimously approved legislation that would prevent companies that refuse to hand over accounting records for examination by U.S. regulators from listing their shares in the United States. While that has not yet been signed into law, the Trump Administration is considering similar actions to force foreign companies listed in the U.S. to comply with U.S. disclosure regulations, which could kick in by next year.

Such rulings could kick out U.S.-listed Chinese stocks unless the CCP comes to an agreement with U.S. regulators to allow U.S. access to Chinese companies' books and records, something that the CCP had deemed to be "national secrets" in the past. And without the influx of Chinese IPOs, Wall Street investment banks could see a steady source of revenues dry up in the future.

In a regulatory filing with the SEC ahead of its IPO, Xpeng cited regulatory uncertainty as a potential risk of investing in its stock.

"Enactment of any of such legislation or other efforts to increase the U.S. regulatory access to audit information could cause investor uncertainty for affected issuers, including us, and the market price of the [shares] could be adversely affected," Xpeng's filings said.

This issue impacts all Chinese companies, not just EV makers. And this has caused several Chinese companies to rush to market and get funding in the door before such legislation is passed.

Other Chinese companies that have filed IPO paperwork in the United States include wealth management platform Lufax, a unit of Ping An Insurance Group, real estate firm KE Holdings, and Chinese data center operator ChinData.

## 2020 ELECTION

# How Biden, Trump Diverge in Their Approaches to China

BOWEN XIAO

## News Analysis

The camps of Democrat presidential candidate Joe Biden and President Donald Trump see China—the world's second-largest economy—through very different lenses.

While both camps have presented a campaign agenda that's tough on the Chinese Communist Party (CCP)—past dealings and comments paint a more contrasting picture.

Trump's reelection campaign's second-term agenda includes a specific section headlined "End our reliance on China," which lists some key goals such as bringing back manufacturing jobs from China and holding the CCP accountable for its poor handling of the outbreak of the CCP virus, among others.

The Biden campaign repeatedly mentioned tackling China under its "Made in All of America" plan, which includes goals such as bringing back supply chains and reducing dependence on China by taking "aggressive trade enforcement actions."

Americans' view of China as a whole, particularly since the outbreak became a global pandemic, has largely worsened. A July Pew Research survey found 73 percent of U.S. adults viewed China unfavorably—an increase of 26 percent compared to 2018. There is a "widespread sense that China mishandled the initial outbreak and subsequent spread of COVID-19," the authors wrote.



President Donald Trump and presumptive Democratic presidential nominee Joe Biden.

## Biden on China

While on the campaign trail, Biden repeatedly downplayed the threat posed by China. At a campaign stop in Iowa last May, Biden said, "China is going to eat our lunch? Come on, man."

"I mean, you know, they're not bad folks, folks," he said. "But guess what, they're not competition for us."

Biden, as a U.S. senator, supported China's 2001 entry into the World Trade Organization, giving it permanent normal trade relations with the United States. In a pitch to union members last May, Biden said, "We have the most productive workers in the world—three times as productive as workers in Asia."

Biden also opposed the travel ban on China that Trump added in January in a bid to stop the spread of the virus, according

to the Trump campaign.

"This is no time for Donald Trump's record of hysteria and xenophobia, and fear-mongering," he said in March before reversing his position on the ban.

Biden's relationship with Xi Jinping goes deeper. They got to know each other when Biden was vice president. In 2015, Biden noted that he and Xi "have had countless private discussions that go well beyond the typical talking points."

"I told the president [Xi] this after our multiple meetings—that I came away impressed with the president's candor, determination, and his capacity to handle what he inherited."

At a 2011 roundtable in Beijing, Biden said, "President Obama and I, we welcome, encourage, and see nothing but

positive benefits flowing from direct investment in the United States from Chinese businesses and Chinese entities."

U.S. intelligence officials recently concluded that Beijing wants Trump to lose. William Evanina, director of the National Counterintelligence and Security Center said they "assess that China prefers that President Trump—whom Beijing sees as unpredictable—does not win reelection."

## Trump on China

Trump during the 2016 campaign promised to confront China over its unfair economic practices.

During his first term, Trump's administration implemented an "all-of-government" national security approach to counter China's infiltration of the Unit-

ed States, a large-scale effort not seen from previous U.S. administrations.

Trump has sanctioned Chinese officials on multiple occasions, including for supporting China's new authoritarian national security law and for human rights abuses against Uyghurs and other minorities.

A number of Chinese-backed companies have also been blacklisted by the United States over China's human rights abuses.

Americans' view of China as a whole, particularly since the outbreak became a global pandemic, has largely worsened.

In January, Trump signed a phase one trade deal with China. But in July, he said the relationship had been "severely damaged" and that signs of a phase two deal were slim. Trump also said a "complete decoupling" from China remains an option. Under Trump, arrests of Chinese spies have gone up. No one had been charged with spying for China during the last four years of the Obama administration, while the Trump administration indicted four alleged spies in 2017 alone.

FBI Director Christopher Wray recently revealed that the bureau currently has more than 2,000 active investigations that trace back to the CCP, marking a roughly 1,300 percent increase in economic espionage probes with links to the Chinese regime.

He said the bureau opens "a new counterintelligence investigation that ties back to China every 10 hours."

Other notable actions to counter China include ending the United States' special relationship with Hong Kong, pushing back against China's claims in the South China sea, and shutting down China's Houston consulate.

## DECOUPLING

# US Firms Move Supply Chains Out of China, Explore Options Closer to Home

EMEL AKAN

WASHINGTON—The U.S.-China trade war and the COVID-19 pandemic have forced companies to reduce their excessive dependence on China as a single supplier.

U.S. brands have started to explore sourcing options closer to home, with Latin and South America gaining significant traction in recent months, according to a survey by Qima, a Hong Kong-based supply chain inspection company.

The survey conducted in July among more than 200 businesses around the world found that respondents are increasingly moving their sourcing away from China. Ninety-three percent of U.S. respondents reported that they had plans to further diversify their supply chains. Meanwhile, less than half of EU respondents had a similar strategy.

China is still a major global player for sourcing, however, its dominance has become "noticeably less dramatic" compared to prior years, according to a Qima report that shows key survey findings.

For example, 75 percent of respondents globally named China among the top 3 sourcing geographies this year, compared to an overwhelming 96 percent in 2019.

Many companies especially those in textile and apparel have made supplier diversification a priority for a while, with Vietnam

continuing to gain popularity as an alternative to China.

"Consistently ranking among China's regional competitors, Vietnam continues to reap the most benefits of the continued mass exodus of Western buyers from China, with 40 percent of EU respondents and almost as many U.S. brands including Vietnam among their top sourcing regions," the report stated.

Among other Asian countries, Taiwan is emerging "an indisputable leader" as it enjoys over-

whelming preference as a sourcing market among American companies.

The pandemic has also accelerated the need to reshore supply lines to the United States or nearshore to Latin and South America. "For U.S.-based companies, sourcing destinations closer to their home country continue to grow steadily, with the popularity of Latin and South America almost doubling compared to last year," the Qima report stated.

The survey found that 39 per-

cent of U.S.-based companies indicated plans to source more from the United States and North America and 13 percent from South and Latin America.

"Meanwhile, EU brands are increasingly turning to Turkey as a near-shoring destination," the report stated.

For decades, most large U.S. multinational corporations have heavily invested in facilities and human resources in China to gain access to the Chinese market, and they have already given up their intellectual property as a price of entry.

However, the pandemic, coupled with the souring sentiment against the Chinese communist regime over the past few months, has forced many corporate boards to dramatically alter their sourcing strategies.

Supply chain sustainability

also has become a hot political topic as the November election approaches.

President Donald Trump pledged to end U.S. reliance on China and bring back 1 million manufacturing jobs in his second term. He recently proposed providing tax credits and allowing "100 percent expensing deductions for essential industries like pharmaceuticals and robotics" to incentivize companies to produce in the United States.

Trump also signed an executive order on Aug. 6 to ensure that essential medicines, medical supplies, and equipment are made in the United States.

For U.S.-based companies, sourcing destinations closer to their home country continue to grow steadily, with the popularity of Latin and South America almost doubling compared to last year.

From a report by Qima, a Hong Kong-based supply chain inspection company

Former Vice President Joe Biden, the Democratic nominee, also pledged to "bring back critical supply chains." He promised to "bolster American industrial and technological strength and ensure the future is 'made in all of America' by all of America's workers."

In the past two decades, China has become a crucial global supplier. According to the United Nations, China accounts for nearly 20 percent of global trade in manufacturing intermediate products, up from 4 percent in 2002.



A banner for the Chinese vehicle manufacturer Xpeng Inc., outside the New York Stock Exchange, ahead of the company's IPO trading under the stock symbol "XPEV" in New York on Aug. 27, 2020.



Employees are working on a battery production line at a factory in Huaibei, Anhui Province, China, on March 30, 2020.

## SURVEILLANCE

# How WeChat's Health Tracking App Feeds Into China's Authoritarian Surveillance

EVA FU

Since the peak of China's CCP virus pandemic in February, a three-color health code has ruled the lives of roughly 1 billion Chinese people, assessing whether they can move around freely or must stay in quarantine.

Enabled by the Chinese regime's ubiquitous use of big data and overzealous attempts to stop COVID-19 spread, the mini-app—embedded within the super-app WeChat that citizens use for nearly all aspects of daily life, from paying for food to booking doctor's appointments—rates each individual's health with a green, yellow, and red code. Authorities scan the barcode on people's phones to check if an individual is virus-free, has had contact with virus patients, is COVID-19 positive, or exhibits symptoms of the virus.

While authorities haven't explicitly mandated the usage of the app, the barcode must be scanned when boarding a bus or subway, checking into a hotel, entering a supermarket, and entering or leaving their residential district.

The collection and handling of sensitive personal data by WeChat have unsettled some cybersecurity experts, who worry that such information may apply to areas far beyond health and feed into the state's surveillance machine.

Information remains limited about how people's data is stored, but public reports and leaked documents suggest that WeChat is working closely with Chinese police and sharing the data without users' knowledge.

Developed and owned by Shenzhen-based tech giant Tencent, the app has recently drawn U.S. scrutiny over its security and privacy vulnerabilities, which officials say could be exploited by the Chinese Communist Party (CCP). President Donald Trump issued an executive order in early August that bans U.S. transactions related to WeChat, citing national security grounds.

## Police Access

Internal and public records both show that police authorities have access to the health code's data.

The Epoch Times obtained an internal announcement from Xiong'an New Area, a state-backed megacity project in Hebei Province, that noted that the local police bureau would be



A policeman keeps watch as people wait in line to undergo COVID-19 swab tests at a testing station in Beijing on June 28, 2020.

It's further intrusion and control into citizen's private lives. There is not much that can be done in a totalitarian country, but this deeper intrusion would be rejected in free societies.

Casey Fleming, CEO of intelligence and strategy firm BlackOps Partners.

"in charge of big data analysis, data mining, and in-depth application" of the health code.

In Tianjin city, app users' personal information is cross-checked with a number of governmental departments, including the police, telecom providers, railroad authorities, and the Political and Legal Affairs Commission—the party organization that oversees police, courts, prisons, and other law enforcement authorities—according to a government notice dated in May. Details about "key personnel"—meaning those who have a red code on the app—are to be sent to local outbreak control officials and the city's police bureau through a "centralized information-sharing platform."

Such practices, in the context of a long list of the regime's extensive high-tech monitoring, leaves the possibility that Beijing could weaponize the platform to further oppression both in China and abroad, said Casey Fleming, CEO of intelligence and strategy firm BlackOps Partners.

"It cannot be considered normal inside China, since the CCP controls everything in the country," he told The Epoch Times, adding that, with "the CCP literally in full control, there are no checks and balances to prevent extreme abuse and coercion."

The Epoch Times did not immedi-

ately hear back from Tencent about WeChat's privacy concerns.

## All-Encompassing

While virus fears appear to have receded in China, the health code app appears poised to stay—and play a greater role in citizens' lives.

Hangzhou, capital of eastern Zhejiang Province, has integrated the app with residents' digital social security cards and driver's licenses, and had raised the possibility of introducing a gradient-colored health code that scores people by lifestyle habits, such as smoking and drinking. The government later scrapped the plan due to heavy backlash.

Deqing county, also in Zhejiang, has linked the health code to residents' identification cards since mid-July.

Shenzhen officials have discussed plans, but divulged little detail, about converting the health code into a "citizen code" that identifies each individual on online platforms.

The health code should be completely upgraded to fully utilize its digital value, according to an article by Chinese state media Xinhua Daily, which asserted that police departments should be tasked with "creating, issuing, and managing the code" and combining it with the national ID card system.

"It's further intrusion and control into

citizen's private lives. There is not much that can be done in a totalitarian country, but this deeper intrusion would be rejected in free societies," said Fleming.

Currently, those who wish to travel to China are also required to use the app. Travelers who come from, or pass through 78 countries, including the U.K., New Zealand, South Korea, and Singapore, are required to present a virus-negative test result via the WeChat mini app before boarding a China-bound flight.

Some local governments have also integrated the app with the social credit system, an overarching national reputation-ranking mechanism, to pressure citizens into following quarantine rules. Pilot programs exist in Heilongjiang Province of China's northeast, southern island of Hainan, and central Hubei Province.

Aside from possible criminal prosecution for violating rules, the infractions could be recorded in one's personal files, which will "follow you for your entire life" and have a "significant impact" on one's future life and work, including mortgages, banking, and other finances, read a Heilongjiang government notice.

## Past Concerns

WeChat, the most popular messaging app in China, has come under heavy criticism in the United States and elsewhere for its overt compliance with Chinese censorship. The app blocks users' access to content published by Chinese-language outlets critical of the CCP, including the Chinese edition of The Epoch Times, NTD, Voice of America, and Radio Free Asia—even if the users are located in the United States.

Digital watchdog Citizen Lab in 2016 found that accounts first registered with Chinese phone numbers continue to face censorship, whether or not they reside in China or later change to an international number. Earlier this year, it also found WeChat to be monitoring its overseas users to improve algorithms for surveilling mainland users.

"They [Chinese-Americans] might live in a free society, but they rely on sources controlled by the CCP on WeChat to get their information," Chen Chuangchuan, a U.S.-based Chinese rights activist, recently told The Epoch Times, adding that a number of his outspoken pro-democracy friends' WeChat accounts were blocked.

# Leaked Government Documents Reveal Chinese Officials Refused to Follow Leader Xi's Orders

GU QING-ER

Throughout Chinese history, the Qinling mountain range in China was referred to as "the dragon vein."

Xi'an city, the ancient capital of at least 11 Chinese dynasties, is nestled among the mountains—a geological feature that divided China into its northern and southern regions. Qinling was considered a sacred site with connections to the rulers of the Chinese empire.

In modern times, local officials have illegally built luxury villas near the mountains and profited from them.

Since Chinese leader Xi Jinping came to power in 2012, he has launched an overarching anti-corruption campaign to rid the Chinese Communist Party of his political rivals. Since 2014, Xi targeted corrupt officials involved in the Qinling villas and sought to demolish the structures.

Among them is the former Party boss for the northwestern province of Shaanxi, Zhao Zhengyong, who received a two-year suspended death sentence

for graft. Zhao was known to have close ties to former Party paramount leader Jiang Zemin. A faction loyal to Jiang is opposed to Xi's leadership.

But an internal government document about the Qinling "anti-graft" project revealed that demolition work has continually stalled, and that some villas were still in operation.

China commentators analyzed that this indicates Xi is not yet successful in ridding the Party of disloyal officials and getting his subordinates to fall in line.

## Documents

The Epoch Times recently obtained from a trusted source a government internal report issued in early 2018 by the Xi'an city municipal Communist Party committee, Qinling office.

According to the document, a team within the Party's internal anti-corruption watchdog, the Central Commission for Discipline Inspection (CCDI), launched an inspection on the Qinling villas between Aug. 9 and Oct. 13 of 2017.

The report mentioned that the CCDI identified two separate illegal resorts



Chinese leader Xi Jinping is applauded by top officials as he arrives for the closing session of the regime's rubber-stamp legislative conference at the Great Hall of the People in Beijing on May 28, 2020.

## BORDER DISPUTE

# India, China Trade Blame Over New Border Activity as Tensions Remain High

VENUS UPADHAYAYA

The Indian government said that it "pre-empted" the movement of China's People's Liberation Army along the Pangong Tso Lake in the Ladakh region of the Himalayas and prevented Beijing from violating the agreed-upon border between the two countries, during a new standoff.

While the Chinese side blamed Indian troops for violating the border agreements and for escalating tensions overnight on Aug. 29-30, India's defense ministry pointed to the PLA's "provocative military movements."

Indian Army Col. Aman Anand said in an Aug. 31 defense ministry statement, "PLA troops violated the previous consensus arrived at during military and diplomatic engagements during the ongoing standoff in Eastern Ladakh and carried out provocative military movements to change the status quo."

India and China have been locked in a conflict that started with fresh face-offs between the two militaries in May. While each side has accused the other of violating perceptions of the disputed territory called the Line of Actual Control (LAC), the conflict took a bloody turn in Galwan on June 15.

In that incident, 20 Indian soldiers and an unknown number of Chinese soldiers were killed in Galwan in a hand-to-hand clash, in which Indians accused the PLA of using medieval-style weapons such as nail-studded clubs.

"Indian troops preempted this PLA activity on the southern bank of Pangong Tso Lake, undertook measures to strengthen our positions and thwart Chinese intentions to unilaterally change facts on the ground," Anand said about the latest occurrence.

Since the Galwan incident, the 70-year diplomatic relationship between the two

countries has suffered a major setback. India has taken various economic and strategic postures against the Chinese, including banning TikTok and 59 other Chinese apps and reviewing the status of Confucius Institutes—Chinese-language academies with funding from China.

In multiple official statements since Aug. 31, Beijing has accused the Indian side of illegal trespassing and provocative behavior at the site of the activity.

"On Aug. 31st, Indian troops violated the consensus reached in previous multi-level engagements and negotiations between China and India, illegally trespassed the Line of Actual Control again at the south-

ern bank of the Pangong Tso Lake and near the Requin Pass in the western sector of China-India border, and conducted flagrant provocations, which again stirred tension in the border areas," Counselor Ji Rong, spokesman for the Chinese embassy in India, stated on Sept. 1.

The border dispute goes back to the 1950s because of the absence of an international boundary between the two countries. The neighbors share over 2,500 miles of border after China annexed Tibet in 1949 and later had various agreements to normalize the LAC, the disputed western boundary.

Former Deputy Chief of Army Lt. Gen. Gurmeet Singh told The Epoch Times by telephone that India wants China to maintain the status quo that existed on May 5.

"The Chinese, in the last talk, had said that, based on the mutual consensus and having discussed all the friction points on the eastern Ladakh, they suggested that mutual and equal disengagement should be done. ... The Indian side had told them categorically, that [it] would require complete disengagement and restoration of sta-

tus quo as on the 5th of May 2020," Singh said, adding that a delay in the talks has resulted in tension.

Singh said that on Aug. 29 at around 11 p.m. local time, the Indian army detected some activity on the Chinese side, and being on "high alert" since June 15, it took preventative measures. He said the Indian side also had "intelligence" about it.

India has no interest or benefits from a more escalatory situation with China. So I don't think that this is where the two governments are going to really be looking to, to push this very far.

James Carafano, a national security expert at the Heritage Foundation

Rong said China is "resolutely opposed" to what he termed as India having grossly violated "China's territorial sovereignty, seriously violated relevant agreements, protocols and important consensus reached between the two countries, and severely damaged peace and tranquility along the China-India border areas."

"China has made solemn representations to the Indian side, urged the Indian side to strictly control and restrain its frontline troops, earnestly honor its commitments, immediately stop all the provocative actions, immediately withdraw its troops illegally trespassing the Line of Actual Control, and immediately stop any actions leading to the escalation and complication of the situation," Rong said.

Meanwhile, James Carafano, a national security and foreign policy expert at the Washington-based Heritage Foundation, told The Epoch Times over the phone that he doesn't expect the situation to escalate into a full-fledged war.

"For the simple reason is neither side really has anything to gain through the tension," he said.

"India has no interest or benefits from a more escalatory situation with China. So I don't think that this is where the two governments are going to really be looking to, to push this very far."



A staff worker wears a protective masks while checking an audience's healthy QR code by the entrance prior to an outdoor screening event in Shanghai, China, on July 25, 2020.



Chinese leader Xi Jinping (L) and Premier Li Keqiang arrive for the opening session of the National People's Congress at the Great Hall of the People in Beijing on May 22, 2020.

## CCP INFIGHTING

# Delayed Media Coverage of Top Official's Tour Shows Internal Strife: Experts

NICOLE HAO

Chinese Premier Li Keqiang visited Chongqing city, which experienced severe flooding following heavy rains, from Aug. 20 to Aug. 21, but state-run media didn't report on his trip until Aug. 23—an unusual delay for media outlets that typically provide constant coverage of top officials' public activities.

The media reports also focused on economic development—a departure from the information about Li's trip that was posted on the Chinese central government's official website from Aug. 20 to Aug. 25. The website emphasized that Li had observed the effects of the flooding and encouraged locals to unite amid the catastrophe.

China analysts say this inconsistency adds to mounting evidence of disagreements between Chinese leader Xi Jinping and Li, and suggests internal strife within the Communist Party leadership. “The state-run media intentionally didn't report on Li's Chongqing trip, but there was a shocking photo of Li in a cornfield posted on the Chinese central government's website. The photo forced [state broadcaster] CCTV to report on his trip on the evening of Aug. 23,” wrote U.S.-based China political affairs commentator Zhong Yuan in a commentary published by the Chinese-language Epoch Times.

The photo, taken in a flooded cornfield at Shuangba village in Tongnan district of Chongqing on Aug. 20, shows Li inspecting a corn crop that was destroyed due to the flooding. Unlike typical official photo ops that show pristine images, Li is shown standing in muddy water with dirtied rain boots.

**Xi wanted to show that he is the real boss of the Chinese economy by organizing this seminar without Li. He wanted to tell people that Li doesn't make any decisions.**

U.S.-based China affairs commentator Tang Jingyuan

“The Chinese regime doesn't want to expose any real catastrophe situations to the public, because the tragic lives that Chinese people have suffered will damage the regime's image and threaten its ruling,” Zhong wrote.

That's why China's state media didn't report on the visit, “even for an official as senior as premier,” he added.

**9 Economists**

According to Party ranking, as premier, Li oversees the country's economic policies.

During this year's annual conference of the Party's rubber-stamp legislature in May, Li spoke about the economic effects of the CCP virus epidemic and the need to recover from the downturn. But during an economic seminar organized by Xi at Zhongnanhai—the Party's headquarters—on Aug. 24, Li was conspicuously absent.

State-run media Xinhua reported that Xi invited nine top Chinese economists to the seminar. Xi was accompanied by Wang Huning, head of the Party's Secretariat and leader of China's propaganda system, and Han Zheng, the vice premier in charge of Hong Kong and Macau affairs.

“Xi wanted to show that he is the real boss of the Chinese economy by organizing this seminar without Li. He wanted to tell people that Li doesn't make any decisions,” said U.S.-based China affairs commentator Tang Jingyuan. Since May, Xi and Li have issued conflicting comments regarding the state of China's economy.

Xi emphasized that his goal for China is to become “a moderately prosperous society,” and claimed that China is advancing toward achieving that goal, with “400 million people in the

middle class.”

During a speech at the May 28 session of the rubber-stamp legislature, Li revealed that 600 million Chinese only earn 1,000 yuan (\$140) per month, which isn't enough to cover monthly rent on a one-bedroom apartment in a midsized Chinese city.

Li also promoted the idea of setting up a “street vendor economy” to alleviate rising unemployment as a result of the pandemic. But state media such as Xinhua later criticized the policy idea, saying street vendors would damage a modern metropolis's image.

**Flood Visits**

Central and southern China have suffered historic flooding since June. On Aug. 18, Xi visited areas of Anhui Province, which was inundated after local rivers overflowed. This was his first trip to a disaster zone this year.

But in photos printed in state media, Xi is seen only visiting un-flooded areas. An insider from the Fuyang municipal government in Anhui told The Epoch Times that all aspects of Xi's trip were well-planned, including where he went, who he met with, and the local people who would talk to him.

The person shared the local authorities' preparation documents, which revealed that locals were selected in advance to appear on state media. What they spoke about—explaining how authorities' helped their plight—was also prepared ahead of time.

Li's Chongqing trip was his second to a flood-damaged region this year. Unlike his first trip to Guizhou Province in July, when floodwaters had receded, Li visited flooded villages and towns on the second trip.

## 2020 ELECTIONS

# Chinese Human Rights Lawyer, Speaking at RNC, Calls Chinese Regime ‘Enemy of Humanity’

FRANK FANG

Chen Guangcheng, a blind Chinese human rights lawyer who fled China and arrived in the United States in 2012, has called on democratic countries and voters to support President Donald Trump in confronting challenges posed by the Chinese Communist Party (CCP). “The CCP is an enemy of humanity. It is terrorizing its own people and it is threatening the well-being of the world,” Chen said on Aug. 26 as a speaker at the third night of the Republican National Convention (RNC), themed “Land of Heroes.”

“In China, expressing beliefs or ideas not approved by the CCP—religion, democracy, human rights—can lead to prison. The nation lives under mass surveillance and censorship.”

China's communist regime has persecuted millions of people of faith, including Christians, Uyghur Muslims, Tibetan Buddhists, and Falun Gong practitioners. Falun Gong is a spiritual practice with moral teachings and meditative exercises

that has been subjected to state-wide persecution since July 1999, with hundreds of thousands being detained and tortured inside prisons, brainwashing centers, and labor camps.

In June 2019, U.S. ambassador for religious freedom Sam Brownback said that Beijing's “war on faith” will fail, in a speech at The Heritage Foundation, a U.S. think tank.

Political dissidents such as Chen are challenging the CCP's one-party rule.

“When I spoke out against China's ‘one child’ policy and other injustices, I was persecuted, beaten, sent to prison, and put under house arrest by the Chinese Communist Party,” Chen said.

Beijing began enforcing the one-child policy in 1979, and families that didn't comply were subjected to heavy fines, forced abortions, and sterilization. The policy was eventually lifted in 2016.

Chen was imprisoned in 2006 following his class-action lawsuit against local authorities in eastern China's Shandong Province over excessive enforcement of the one-child policy. He was then sentenced to four years and three months in prison for “damaging property and disrupting traffic.”

**When I spoke out against China's ‘one child’ policy and other injustices, I was persecuted, beaten, sent to prison, and put under house arrest by the Chinese Communist Party.**

Chinese rights activist Chen Guangcheng

After serving his sentence, Chen was released in 2010 but was subsequently put under house arrest.

“In April 2012, I escaped and was given shelter in the American Embassy in Beijing. I am forever grateful to the American people for welcoming me and my family to the United States, where we are now free,” Chen said.

Chen had a message for the Trump administration and other democratic governments around the world.

“The U.S. must use its values of freedom, democracy, and the rule of law to gather a coalition of other democracies to stop CCP's aggression,” Chen said.

In July, U.S. Secretary of State Mike Pompeo called on free nations to “induce change in the CCP's behavior” in a speech at the Richard Nixon Presidential Library and Museum in California.

Chen added on Aug. 26: “President Trump has led on this and we need the other countries to join him in this fight—a fight for our future.”

“We need to support, vote, and fight for President Trump... for the sake of the world.”

Before his speech at the RNC, Chen spoke to the New York-based broadcaster NTD, a sister media of The Epoch Times.

Chen pointed to the current pandemic, which is caused by the CCP virus, commonly known as the novel coronavirus, as an example of how the CCP poses a threat to the entire world.

Beijing initially went to great lengths to conceal the spread of the CCP virus, silencing eight whistleblower doctors—among them ophthalmologist Dr. Li Wenliang—after they took to Chinese social media to warn about a mysterious new form of pneumonia in late December 2019.

In May, Trump told reporters at the White House that the pandemic has been the “worst attack” on the United States.

“It should have never happened. It could have been stopped at the source. It could have been stopped in China. It should have been stopped right at the source, and it wasn't,” Trump said at the time.



Chinese human rights activist Chen Guangcheng addresses the Republican National Convention on Aug. 26, 2020.

## OPINION

# China War Scenarios: Versus the US, Versus India, Versus Taiwan

AUSTIN BAY



In July, senior government officials in Taiwan and the United States warned that communist China was aggressively threatening Taiwan's independence. U.S. Secretary of Defense Mark Esper contended Beijing had taken its intimidation “to a new level.”

China's 1995-1996 “missile drizzle” operation, sometimes called the Third Taiwan Strait Crisis, set a high bar for aggressive threats to Taiwan. For nine months, Beijing fired short- and medium-range missiles into the surrounding ocean. Though communist missile crews carefully avoided the bullseye, large splashes bracketed the island.

The missile launches had several goals: (1) frighten the Taiwanese into accepting Beijing's political hegemony, (2) demonstrate the mainland's growing military might, and (3) probe American political will to defend the island.

Beijing's 2020 antics have the same goals. In March 1996, two U.S. Navy carrier battle groups arrived in the area. Beijing quietly backed down.

However, China's 2020 military is far superior to its 1996 version. America may no longer have a decisive military edge. Moreover, 2020's diplomatic and military threats follow Beijing's callous annexation of Hong Kong.

The official warnings spurred several recent articles that examine a U.S.-China war sparked by a Beijing invasion of Taiwan. Some are quite dire. For example, the latest issue of the U.S. Naval Institute's Proceedings magazine has a Taiwan war scenario set in January 2021.

The authors have Beijing defeating Tai-

wan in three days. Proceedings titled the article “The War That Never Was,” but that doesn't mean war didn't erupt. Beijing strikes in the wake of the contested 2020 U.S. presidential election and continuing pandemic. Communist China “wins without fighting,” at least without fighting the United States. The scenario's creators: Adm. James Winnefeld, former vice chairman of the joint chiefs of staff, and Michael Morell, former acting director and deputy director of the CIA.

I think a Chinese quick victory over Taiwan is highly unlikely, even a Taiwan temporarily alone. My latest book, “Cocktails

From Hell,” included a Taiwan Straits war scenario in which China struck Taiwan with thousands of missiles and smart weapons, then launched an amphibious assault using air-cushion vessels, helicopters, and parachute drops to insert infantry forces. What's the likely result? A major war with the United States. However, the war on partially occupied Taiwan might be long and bitter.

I sketched several other war scenarios and at least two I think are more likely than an invasion of Taiwan.

One is “Meeting Engagement in the South China Sea.” A sea battle “sparks a short but deadly war between the United States and China in the South China Sea with the Philippines and Vietnam likely U.S. allies. Here's an example of a triggering event: Chinese and Filipino vessels exchange fire; the U.S. Navy attempts to intervene, and a Chinese missile hits a USN warship.”

That was instructive speculation. Here's the provocative reality: On Aug. 21, the Philippines accused China of illegally seiz-

ing fishing gear in the South China Sea's disputed Scarborough Shoal area. In April, Vietnam claimed a Chinese coast guard vessel sank a Vietnamese trawler.

Current events make what I called “the China versus India scenario” uncomfortably likely. Here's a summary of the Sino-Indian War, Round Two, or the War for Southern Tibet: “China launches a limited invasion with the goal of pushing the border 25 to 30 miles farther south in both the eastern and western sectors. China would quickly call for a ceasefire to avoid escalation to nuclear war and offer to negotiate a permanent border demarcation.”

## Here's the internal war scenario that truly worries Beijing: The Next Chinese Revolution.

Fantasy? This year, Indian and Chinese soldiers have clashed along the Line of Actual Control that threads through the Himalayas. The confrontations in India's Ladakh region and in the Naku La mountain pass in Sikkim were particularly dangerous. The 1962 Sino-Indian War ceasefire has produced a kind of stability, but a ceasefire isn't a ratified peace treaty.

But here's the internal war scenario that truly worries Beijing: The Next Chinese Revolution. China reaches a point (2035?) where “for a variety of reasons... economic slowdown, ethnic unrest, loss of citizen cooperation, complete disgust with corruption—authoritarian control cannot be sustained.” The revenge of Tiananmen Square?

Austin Bay is a retired colonel in the U.S. Army Reserve, author, syndicated columnist, and teacher of strategy and strategic theory at the University of Texas-Austin. His latest book is “Cocktails from Hell: Five Wars Shaping the 21st Century.”

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



Freshmen march during military training at Guangzhou University in China's Guangdong Province, on Sept. 20, 2005.

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## WHAT PEOPLE ARE SAYING



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NEAL BOGOSIAN



The Epoch Times truly has a neutral stance on news events in comparison to large media companies and **enables me to create my own opinions about issues.**

CORBIN LUBIANSKI



I love sitting down to read the newspaper. I love the wholesome topics and the beautiful stories. I love the news that is covered in a fair way. I love the topics in health, wellness, travel. **It's so fantastic to have a traditional value newspaper that also talks about herbs and eating and healthful living! Thank you!**

BRITTANY COOPER



In my political monthly forum I have taken copies of some of my weekly editions for members to look over and take home to read. **I've recommended many of my friends to take out subscriptions. There has been good feedback from information in some articles I've shown around to others.**

RITA MARTINSON



I have mentioned to my family and friends how much my husband and I value The Epoch Times. One of the fronts in our nation's battle to preserve our Constitutionally established political, cultural, and religious freedom is in our school rooms where the covert strategic assault against them began a hundred years ago. Truth is our sword. Would that this "sword" could be in the hands of educators and school boards throughout our nation.

CYNTHIA PETERSON



My mother received a local newspaper for many years. Shortly after President Trump was elected, she noticed that the paper became more and more liberal, biased, and untruthful. She called the paper's subscription department, complained that it was not the paper that it used to be, and canceled her subscription. **I told her and my sister about The Epoch Times, and they subscribed shortly after and have been reading it ever since then.**

BARBARA WENDELL

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JENNIFER MARTINEZ

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