# THE EPOCH TIMES



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# **CHINESE ESPIONAGE**

# Chinese Spy Operations in US Are 'Off the Scale,' Analyst Says

# **CATHY HE**

The Chinese regime's espionage operations around the world have been accelerating over the past decade and are now "off the scale," an analyst warns.

His comment comes at a time when U.S. federal prosecutors announce a new China-related case almost every week.

In the past two months, a New York City police officer was arrested and accused of spying on the Tibetan community for the Chinese Consulate; five Chinese nationals were charged with allegedly hacking more than 100 companies and entities worldwide; a Chinese researcher at UCLA (University of California Los Angeles) was charged with destroying evidence (a hard drive) to hamper an investigation into whether he had transferred sensitive software to China; a NASA researcher was arrested and accused of hiding his funding from China; and a former CIA officer was arrested for allegedly spying for China for a decade.

Nicholas Eftimiades, a former senior U.S. intelligence official who has been analyzing Beijing's spy activities for about three decades, detailed his findings in a 1994 book, "Chinese Intelligence Operations."

"When I wrote the first book, it was noticeable and it was active. And it was mostly ignored by the United States and other Western countries," Eftimiades told The Epoch Times.

"But now, it's sort of off the scale," he said, noting that a database he maintains on Chinese espionage cases reported worldwide currently lists more than 600 cases-most of them recorded in the past 10 years. The cases broadly span theft of trade secrets, illegal export of technologies critical to national security, cyberhacking, and traditional spying. The analyst recently published a monograph, the first in a series of three, as an update to his book.

There's almost no way of knowing the true scale of the regime's global espionage program, Eftimiades said, noting that it could range from "easily" in the tens of thousands of cases to even hundreds of thousands.

Unlike traditional espionage, the Chinese regime has adopted a "whole-of-society" approach to

acquiring foreign intellectual property (IP), as it "energizes all of society to support national, economic, and military development goals," Eftimiades said. Collectors range from state agencies and state-owned enterprises to private enterprises and researchers.

Much of the IP theft has concentrated on advanced technologies in the fields of aerospace, information technology, energy, and new materials—sectors mentioned in the regime's "Made in China 2025" industrial policy. The plan tags 10 sectors for aggressive development to transform the country into a high-tech manufacturing powerhouse by 2025.

# Waking Up

The likelihood

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Nicholas Eftimiades

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Eftimiades, who has been sounding the alarm on the Chinese threat since the 1990s, said that at the time, "nobody cared" about the issue, save a few members of Congress. This concern didn't catch on within U.S. administrations, which had been focused on Russia, and, following the Sept. 11 attacks, on terrorism, until the Trump administration, he said. "So for decades, we have ... been

lacking in any type of response to China's extremely aggressive economic actions," he said.

As the focus didn't shift to China until about four years ago, U.S. intelligence and enforcement agencies have had to play catch-up, Eftimiades said. The FBI now has more than 2,000 investigations connected to China, Director Christopher Wray said in July. In the past decade, there's been roughly a 1,300 percent increase in economic espionage cases linked to the regime, Wray added. Eftimiades pointed to multiple in-

stances of Western intelligence officers being recruited by the Chinese regime as an indication that "we have not been very good in our response" to Beijing's espionage.

For instance, former CIA officer Jerry Chun Shing Lee—a naturalized U.S. citizen who was born in Hong Kong occurred in the commercial sector, and grew up in Hawaii—was sen- Eftimiades said. He says he's "rou tenced in November 2019 to 19 years tinely surprised" by the "lackadaisiin prison; he pleaded guilty to conspir- cal" response of industries, particuing to deliver classified information to larly companies that don't work in Chinese intelligence after he left the defense, such as Silicon Valley firms. agency in 2010. In September 2019, former Defense Intelligence Agency officer Ron Rockwell Hansen was

sentenced to 10 years for attempted espionage on behalf of China.

In France, two former officers of that nation's foreign intelligence agency (equivalent to the CIA) were sentenced in July to lengthy prison terms for spying for China. One of them reportedly served as the station chief in Beijing in the 1990s, before being recalled to France after he had an affair with the then-French-ambassador's Chinese interpreter.

"The likelihood is we're still very, very deeply penetrated," Eftimiades said. But he said the United States is beginning to understand the threat. Last week, Democrats on the House Intelligence Committee released a re-

port in which they concluded that U.S. intelligence agencies have failed to adapt to the Chinese regime's tactics. "The stakes are high. If the IC does

not accurately characterize and contextualize Beijing's intent, America's leaders will fail to understand the factors that motivate Chinese decision-making," the report stated, referring to an acronym for the intelligence community.

The regime hasn't only been exploiting human operatives, it has also innovated to combine human and cyber espionage, "in many cases, masterfully executed," Eftimiades noted.

For instance, a branch of China's top intelligence agency, the Ministry of State Security, allegedly coordinated a network of hackers, security researchers, and Chinese nationals working at foreign companies to steal aviation secrets, including from General Electric, according to a 2019 report by U.S. cybersecurity firm Crowdstrike. The U.S. Justice Department announced three related indictments, including one against a former GE engineer for allegedly stealing the company's turbine technology to benefit Beijing.

Meanwhile, the gradual awakening across government agencies hasn't "Western industries as a whole re-

main quite ignorant of what's happening," he said.



Face mask-clad Chinese honor guards stand in Beijing's Tiananmen Square on Sept. 30, 2020.

# **VIRUS DIPLOMACY**

# Beijing Seeks to Aggressively Export Its COVID-19 Vaccines at Cheap Prices

## **NICOLE HAO**

ecent Chinese media reports revealed that Beijing is seeking to export COVID-19 vaccines at extremely low prices, while selling them at consid-►erably higher rates—more than 22.5 times in one case—inside China. As countries race to develop safe vaccines, the Chinese regime has aggressively pushed for Chinese manufacturers to ex-

port their doses to foreign countries. A World Health Organization official confirmed on Oct. 6 that China was in talks to have its locally produced vaccines assessed by the agency, as a step toward making them available for international use.

One Chinese drug company said it would sell the vaccine to Brazil for around \$2 per dose. But in interviews with Chinese media, the company's CEO said it would sell the vaccine at 300 yuan (about \$44) per dose in China.

# **Global Prices**

The \$2 per dose is lower than other global manufacturers' pricing.

On Aug. 5, Johnson & Johnson announced that it reached an agreement with the U.S. government to supply 100 million doses of its investigational vaccine, Ad26.COV2.S, after it gets approval from the Food and Drug Administration. The U.S. government is funding the manufacturing costs and will offer the vaccine on a "not-for-profit" basis at \$10 per dose.

Another U.S. pharma giant, Moderna, said in August that smaller volume agreements for the company's experimental vaccine will be priced in the range of \$32 to \$37 per dose. Larger volume deals would be priced lower.



Security guards wait in line to undergo COVID-19 coronavirus swab tests at a testing station in Beijing on June 30, 2020.

Meanwhile, British-based AstraZeneca said its vaccine would be distributed by India's Serum Institute in India and other developing countries for around \$3 per dose.

Pfizer and BioNTech, however, announced that they would offer their 100 million doses of an mRNA-based COV-ID-19 vaccine for free, as the U.S. govern-

ment has committed to paying for them. U.S.-based China affairs commentator Tang Jingyuan said Beijing seeks to dominate the global market with cheap vaccines to build its image as a global savior in fighting the pandemic.

"It wants to show the world that a totalitarian ruling system is more effective," Tang said.

The Chinese regime also wants to influence other countries into supporting its zilian health regulator Anvisa to register *Reuters contributed to this report.* 

agenda. "It's likely to get underdeveloped countries to rely on its vaccines, then these countries would support it at the United Nations and other international organizations," Tang said.

# **Chinese Price**

Chinese state-run Global Times reported on its English website on Oct. 2 that Brazil's São Paulo state government ordered 46 million doses of a COVID-19 vaccine from Chinese firm Sinovac Biotech at a price of \$90 million.

who said the unit price of the deal would be around \$2 per dose.

São Paulo Gov. Joao Doria confirmed the deal on Oct. 2. He said he had asked BraSinovac's COVID-19 vaccine candidate. However, Global Times didn't report this

deal in the Chinese language. Neither did other mainland Chinese state-run outlets. The Hong Kong-based pro-Beijing media

outlet Phoenix reported on the deal on Oct. 2, but the article was quickly removed from its website and social media accounts.

According to a web cache version of the article, the outlet cited Sinovac CEO and chairman Yin Weidong, who said the company will adopt an "international market price" to sell its vaccine in China, estimating that the cost on the domestic market should be lower than 600 yuan (\$88.35) for two doses.

For potential buyers in Indonesia and Turkey, Yin said Sinovac would give them a low price, but didn't cite a figure.

The report noted that the vaccine could potentially have side effects. "If the side effects aren't serious or only a relatively small portion of inoculated people have side effects, it wouldn't be an issue and the vaccine candidate is safe," it stated.

During Sinovac's phase three clinical trial, some people reported side effects of a fever, achy injection sites, and so on, the report stated.

China has at least four experimental CO-VID-19 vaccines in the final stage of clinical trials, which are being tested in countries such as Pakistan, Indonesia, Brazil, Russia, and the United Arab Emirates.

State-run drug company China National Pharmaceutical Group (Sinopharm), whose vaccine is in phase-three trial, an-Global Times cited a company source nounced on its website on Sept. 10 that the price would be lower than 1,000 yuan (\$147.26) for two or three doses in the domestic market.

JEFF WHEELER/STAR TRIBUNE VIA AF

# **RIOTS TIES**

# China Ties to US Riots Exposed by Trevor Loudon

# ELLA KIETLINSKA

ost of the riots that racked the United States within the last few months were organized by two socialist organizations that have close ties with the Chinese Communist Party (CCP), said Trevor Loudon, author, and filmmaker, who has been researching radical and terrorist groups and their covert influence on mainstream politics for more than 30 years.

The Freedom Road Socialist Organization (FRSO) based out of Minneapolis, an openly pro-CCP organization, and Bay Areabased Liberation Road, with very close ties to the Chinese consulate there and the Chinese Progressive Association (CPA), are behind the recent riots, Loudon said in a recent interview on Epoch Times' Crossroads program.

# Liberation Road

Liberation Road is "basically a Chinese-directed movement," Loudon said. It is a socialist organization, drawing from Marxist ideology, "with a clear focus on building the resistance to Trump," its website said.

Liberation Road, whose people "burnt Ferguson, Missouri, to the ground in 2014," split from FRSO several years ago over the issue of whether to work with the Democratic Party "and it is the parent body of Black Lives Matter [BLM]," Loudon said.

Alicia Garza, a co-founder of the Black Lives Matter movement, is also the principal of the Black Future Labs project, which is "a fiscally sponsored project of the Chinese Progressive Association," the donation page of the Black Futures Labs stated.

Future Labs to the Chinese Com- Loudon said, but the Chinese Promunist regime because there are two organizations named "Chinese Progressive Association," one in San Francisco and one in Boston. The Black Future Labs works with only the Chinese Progressive Association in San Francisco, which is a different entity than its namesake in Boston, ac-

cording to the New York Times. However, both organizations named the Chinese Progressive Association (CPA) "are controlled by Liberation Road," Loudon said. "Both of them are controlled by Maoist communists who have been a part of the same groups for 50 years now. They might be organizationally autonomous, but they are part of the same movement."

The CPA in Boston has very close Chinese Consulate in New York,

gressive Association in San Francisco is also very closely tied to the Chinese consulate there. They are "both front groups for the same communist organization" even though they are governed by separate boards, he added.

In addition, Alicia Garza and two other BLM co-founders are "directly affiliated to Liberation Road," Loudon said.

Loudon also explained that Black Lives Matter has links to the CCP through its allied organization Asians for Black Lives. Two leading founders of Asians for Black Lives, Alex Tom and Eric Mar, were former leaders of the Chinese Progressive Association, he said.

Tom openly talked about his contacts with the Chinese Embassy or a Chinese Consulate, and ties and officially works for the Marwas "avery close ally" of Rus-



Protesters burn a flag outside President Donald Trump's campaign rally at the Target Center, in Minneapolis, on Oct. 10, 2019, in Minneapolis.

Sen. Dianne Feinstein (D-Calif.) for about 20 years, Loudon said.

# **Freedom Road Socialist**

**Organization (FRSO)** FRSO is based on Marxist ideology with a mission to fight for socialism in the United States and seeks to establish a new Communist Party, according to its website. Its website openly declares it is

sell Lowe, an identified CCP spy pro-China, Loudon said, and it

MIKE DE SISTI/MILWAUKEE JOURNAL SENTINEL VIA USA TODAY VIA REUTERS

Some media outlets denied the A man on a bike rides past a city truck on fire outside the Kenosha County Courthouse during riots following the police allegation about links of the Black shooting of Jacob Blake in Kenosha, Wis., on Aug. 23, 2020.

who used to work at the office of has been part of the Maoist movement for 40 years. It also has close contact with communist China and follows Chinese Communist Party propaganda; some of

its cadres even live in China. Riots in Minneapolis were sparked by FRSO, specifically by its member Jess Sundin, who also is a leader of the movement called Twin Cities Coalition for Justice 4 Jamar, and the wife of FRSO political secretary, Loudon said.

Loudon produced a video that includes a podcast showing Sundin "admitting that she was the main organizer of the riots" and talking about the joy she felt when she saw a police precinct "being burnt to the ground."

She also admitted that the violence, looting, and arson were "intrinsically part of the movement," Loudon said. "It wasn't a peaceful demonstration being hijacked."

Riots and unrest in other cities, including Kenosha, Dallas, Houston, Tallahassee, Jacksonville, Miami, Tampa, Salt Lake City, and Los Angeles, were organized and coordinated by the same group, Loudon said.

Loudon wrote that FRSO political secretary Steff Yorek said on the day President Donald Trump was inaugurated, "We need to stay in the streets the entire four years opposing Trump and making the country ungovernable."

Joshua Philipp contributed to this report.

**OPINION** 

# US Presidential Election Not Only About America, But Also China and the World

# CHIN JIN

he eyes of the world are squarely on the upcoming U.S. election in November. And none more closely than the 1.4 billion people in China.

The choice made by the American people will not only reverberate across the free world, but will be felt keenly by the Chinese.

The citizens of the People's Republic of China are already closely monitored and controlled by a state which is dramatically expanding its reach globally. The stakes could not be higher. Will the world go down the path towards greater freedom or greater restriction?

Liberalism and conservatism are the two ends of the pendulum effect in world changes. Although the free world won the anti-fascist war, the ambitious but naïve liberal thinking of American leaders quickly brought the world into a state of Cold War for forty years.

After the Cold War ended, U.S. leaders were politically shortsighted and lacked the ability to foresee new developments in the world structure. They failed to capitalize on the favorable situation by adopting decisive strategies to expand the unipolar supremacy and dominance of a liberal-democratic world model.

Instead, they adopted a new long-term appeasement strategy, ignoring Russia's returning authoritarianism, and offering a free hand to the Chinese Communist Party (CCP), assisting their vigorous growth.

The CCP's strategy of dividing and conquering the West was tolerated and continued erroneously until the end of the Obama administration.

The world needs a major power to play a leading role. The United States has often

failed to represent the core values

of the free world in its post-World War II leadership role, while other key leaders among developed Western nations cannot afford to lead the world because of insufficient national power. They simply do not have the ability to outline, implement, or develop their aspirational goals. After Trump came to power, political trends have swung further to the conservative right. In less than four years, the way leaders are reshaping the world has undergone a fundamental change.

President Trump's unique approach in his rather tumultuous first term in office has certainly stunned the world in its style, but on any fair assessment, some things he has done have been very helpful.

For example, he forced North Korea to suspend nuclear weapons testing, and effectively advanced the Middle East peace process when he withdrew from the Iran nuclear agreement. These are not insignificant achievements. In the eyes of the Chinese people, the most important development is that Trump has become the first U.S. President to dare take on the deadly CCP regime since 1949.

A second term under the Trump administration may even see the president accomplish his goal of returning strength and political power to the United States, to sweep the outmoded communist regime away into the mere textbooks of history.

This goal, implicitly couched in "Make America Great Again" (MAGA) sloganeering, could well result in the obliteration of the CCP and ultimately reinstate a safer, more orderly, civilized, progressive world.

By contrast, if Biden wins, and follows the more conciliatory policies of his predecessors regarding China, the CCP could survive for longer, and continue to dramatically expand its hardly transparent agendas and sphere of influence, leaving them dangerously

# unaddressed.

The Democrats have been delusionally-lenient to the CCP over the last seven decades, hoping for change coming from within. That is clearly not going to happen voluntarily.

Power is rarely yielded by choice, and certainly not by a regime which believes in absolute power. The take-over of ports, setting of debt-traps, ingratiation with politicians, infiltration of universities and societal institutions, together with strategic buy-ups of land and essential services—in multiple countries—is all done by design. The motive is lust for power.

Therefore, the outcome of the U.S. presidential election is not only about the United States but is also about China and the world.

A post-CCP China is emerging and desperately needs the support of the United States and the world.

The United States under the current Republican administration is displaying determination to reshape the world by forming a coalition to address the menace the CCP poses to the world. The post-CCP China will certainly endure disturbance and chaos, and will need the U.S.-led coalition to help keep order in its transition.

Australia, as a regional middle power, can and should, play a role in this mission. This should take into account and conform to the longterm national interests of a strong Australia, especially in the region.

Australia-based Dr. Chin Jin is the global chair of the Federation for a Democratic China. The group advocates for the democratization of China through opposition to the Communist Party and support for human rights. It was founded following the 1989 Tiananmen Square Protests.

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



Democratic presidential candidate Joe Biden, left, speaks to reporters in Wilmington, Del., on Aug. 13, 2020. President Donald Trump before boarding Marine One on the South Lawn of the White House in Washington on June 27, 2018.

# In the eyes of the Chinese people, the most important development is that Trump has become the first U.S. President to dare take on the deadly CCP regime since

1949.

# **CHINESE REGIME**

# Chinese Regime Presents 'Urgent Threat' to Institutions and Freedoms in the West: Canadian MP Garnett Genuis

### **JUSTINA WHEALE & JAN JEKIELEK**

The gravest security threat the free world faces is ongoing efforts by the Chinese regime and other non-state actors to influence elites and take over control of democratic institutions for their own purposes, says Canadian MP Garnett Genuis.

"It is a real and pressing and urgent threat to our way of life when our municipalities, our universities, private companies, community organizations, and political parties can be co-opted and pushed and pulled to serve the interests of a foreign power—interests and values that are hostile to our own," Genuis told Jan Jekielek on Epoch Times' American Thought Leaders.

As the Conservative Party's shadow minister for international development and human rights and a member of the Inter-Parliamentary Alliance on China, Genuis says there's a need for more awareness about the Chinese regime's covert influence operations "in every country, at every level."

"There's a need for a broader recognition of the risk ... a recognition of the fact that elites at every level are subject to efforts at this kind of co-opting, whether it's school boards, small town mayors, university presidents, individual members of parliament—there's a lot of attempt at this kind of influence," he said.

"It's so important for people in the free world, in every country at every level, to develop greater awareness about this."

In recent months, news on Beijing's influence operations has become more prominent, as the United States takes a tougher stance on China amid fallout from the COVID-19 pandemic.

In the past two months alone, a New York City police officer was arrested and accused of spying on the Tibetan community for the Chinese Consulate; five Chinese nationals were charged with allegedly hacking more than 100 companies and entities worldwide; a Chinese researcher at UCLA (University of California Los Angeles) was charged with destroying evidence (a hard drive) to hamper an investigation into whether he had transferred sensitive software to China; a NASA researcher was arrested and accused of hiding his funding from China; and a former CIA officer was arrested for allegedly spying for China for a decade.

Last month, The Epoch Times obtained a document leaked from one of the Chinese regime's foreign affairs offices that showed efforts to target elites in Genuis's home country, Canada. The leaked document revealed a list of targets for influence. Calgary Mayor Naheed Nenshi, a number

## of Calgary city officials, several academics, and a now-former mayor of St. John's were on it.

Genuis says the pandemic has created a "growing global awareness" of the threat the Chinese Communist Party (CCP) presents to the free world, though ordinary citizens seem to be wisening up faster than some in the political realm.

"Everyday people who follow these events, I think intuitively understand the need we have to protect our countries," he said. "Sometimes for elites it gets muddier. There are maybe competing personal interests."

Genuis says countries must now prioritize "moving on these issues of foreign interference by state or state-backed actors coming from China or elsewhere," because the risks of co-optation and covert control can undermine any democracy or institution.

### China's 'Holocaust'

Genuis has long been an advocate for human rights, sparked in part by his own family history—his grandmother was a Holocaust survivor—and he was raised with an awareness of the importance of speaking up for others who couldn't speak for themselves, he says. Now, he sees disturbing parallels between the Holocaust and what is happening to ethnic and religious minorities in China today.

"There were a lot of similarities to what we have seen developing [during the Holocaust] and are seeing develop within the Chinese Communist Party—we have concentration camps in East Turkistan, we have efforts to co-opt other religious philosophies, efforts to control people through sophisticated technology—this is the sort of thing that we have seen before and are seeing again," he said.

The repression and persecution of Uyghur Muslims, Falun Gong practitioners, Tibetans, Christians, Hong Kong democracy activists, and others, are some of the most egregious ongoing human rights abuses happening under the regime today, he says. But now, Beijing seems to be growing more aggressive and using their tools of repression with an increasingly wider scope.

The Orwellian surveillance system used to monitor religious minorities, for example, was the test pilot for China's notorious social credit system. The system uses technology such as facial recognition and algorithms to track citizens is now being rolled out across China, he notes.

In Hong Kong, what started out as Beijing's attempt to co-opt democratic institutions behind the scenes, has turned into "a full-frontal assault" on the autonomous re-

# CHINESE REGIME



Garnett Genuis, Canada's Shadow Minister for International Development & Human Rights and a member of the Inter-Parliamentary Alliance on China.

# There's a need for a broader recognition of the risk ... a recognition of the fact that elites at every level are subject to efforts at this kind of co-opting

Canadian MP Garnett Genuis

gion, says Genuis. This summer the Communist regime introduced a draconian national security law that undermined the 'one-country-two systems' arrangement in principle. The CCP has since used increasingly aggressive measures to gain control of the region such as interfering in local elections and arresting democracy activists en masse.

"This is the manifestation of the more aggressive, impatient face of the Communist Party," said Genuis.

### Combatting China's Human Rights Abuses From Canada

Genuis says the CCP's nefarious methods of control, consistent with those used in the history's worst genocides, show "the need for us to be vigilant" and resist "giving in to the appeasement way of thinking" when it comes to confronting China.

Quoting Winston Churchill, he said appeasement "is like feeding a crocodile expecting it to eat you last."

This is partly why Genuis has been a strong advocate for human rights in China. His first-ever private member's bill introduced in 2017, Bill C-350, aimed at fighting forced organ harvesting in China by making it a criminal offence for a person to acquire an organ that they know was acquired without consent. It would also make those involved in forced organ harvesting inadmissible to Canada.

The bill was inspired by the over 10 years of research done by two Canadian lawyers, David Matas and David Kilgour, on statesanctioned organ harvesting from Falun Gong practitioners in China, which kills the victim in the process.

Matas and Kilgour, along with investigative journalist Ethan Gutmann, released a report in June 2016 which estimated, based on evidence such as hospital data and doctors' statements, that Chinese hospitals have performed some 60,000 to 100,000 transplants a year since 2000, with the source for most of the organs coming from prisoners of conscience, primarily Falun Gong practitioners. An independent London tribunal ruled last year that forced organ harvesting is indeed taking place in China "on a significant scale."

Though Genuis's bill did not get passed in time for the 2019 election, he is still pushing for it to be put through, despite delays due to reduced sittings in parliament amid COVID-19.

# **The Real China**

As free nations begin to grapple with the Chinese regime's efforts to dominate the world, it is important people don't see this as some kind of "clash of civilizations" or cultural divide between the western world and China, said Genuis.

The Chinese regime's assertion that the Communist Party or communism represents true Chinese culture is a false narrative, he said, pointing to Taiwan as an example where Chinese culture and democracy go hand-in-hand. True Chinese culture is steeped in thousands of years of moral and spiritual teachings which were abruptly and brutally suppressed during the communist revolution.

"What the Communist Party has represented is an effort to destroy that ancient culture, and then now kind of belatedly, to co-opt some of the iconography," he said.

"It's important for us to be clear and to clearly speak as allies of the Chinese people, people who are the first victims of the Chinese Communist Party, and to push back against this narrative that this is somehow a clash of civilizations. This isn't a clash of civilizations. People of all backgrounds desire freedom, democracy, human rights, the rule of law, respect for their fundamental freedoms, their human dignity. These things are the birthrights of all human beings."

# Time to Take a 'Tougher Approach' Toward CCP, Experts Say

# **BOWEN XIAO**

mid the continuing personal and economic wreckage caused by COVID-19 and with President Donald Trump himself recently contracting the disease, experts say that it's time to respond more strongly to the Chinese Communist Party (CCP).

The U.S. government has an assortment of tougher strategies it can employ when it comes to the CCP. Economic decoupling is frequently mentioned by experts on China, who told The Epoch Times that it's the best way to hit back where it hurts the most.

Instead of alerting the world in the early stages of the coronavirus outbreak in Wuhan, China, and the fact that it was transmissible by humans, the regime in Beijing misled the world and instead tried to cover it up, allowing the virus to spread around the world. While it isn't clear exactly when Trump contracted the virus, he said on Oct. 1 that he and the first lady had tested positive.

"The Chinese Communist Party needs to be held to account," Brian Kennedy, chairman of the Committee on the Present Danger: China, and author of "Communist China's War Inside America," told The Epoch Times.

"One immediate way is to make sure that the Chinese government makes good on their defaulted sovereign debt held by 20,000 American families," Kennedy said. "It would be a down payment on all the harm that the PRC [People's Republic of China] has done to the United States and would demonstrate that the United States was going to make the PRC play by the same rules that other nations do."

There's been some action on this. Sens. Martha McSally (R-Ariz.) and Marsha Blackburn (R-Tenn.) have introduced a resolution calling on China to pay "\$1.6 trillion owed to 20,000 American families."

Dr. Anders Corr, the publisher of the Journal of Political Risk and founder of Corr Analytics, which provides strategic analyses of international politics, said it's warranted to employ a tougher approach to the CCP, which itself has taken a more aggressive approach amid the international fallout over the pandemic.

"Now is the right time because Xi Jinping is hoping for a Biden presidency and will therefore be incentivized to react less aggressively to tough measures by the United States," Corr told The Epoch Times, referring to the CCP's leader.

"Economic decoupling from China is critical as it is through trade and investment that China is trying to influence other governments into acquiescing to a future and slowly growing Chinese hegemony." Chinese state media have openly voiced support for a Biden presidency, saying he would be "smoother" for the regime to deal with than Trump.

Under the Trump administration, the United States is already employing an "all-of-government" national security approach to counter the Chinese regime's infiltration of the United States. It's a largescale effort not seen from previous U.S. administrations, which critics say failed to properly identify the threat posed by Beijing.

Corr said China's assets in the United States should be seized in order to pay for the damage caused by the CCP virus. He also said U.S. debt to China "should be canceled on the same principle."

"If China seizes U.S. assets in return, this is a necessary cost we may have to pay in the short term for decoupling," Corr said. "In the long term, we may be able to recoup these costs through litigation."

Other strategies could be an immediate recognition of Taiwan as a fully sovereign country and to put U.S. military bases there to protect it from the invasion that Xi has threatened, Corr said. Countries that don't recognize Taiwan should be cut off from U.S. economic aid and trading privileges.

Diplomatically, the United States should seek to remove China from the United Nations system by barring its diplomats from entering its headquarters in New York City, according to Corr. U.S. allies such as France, Italy, and Switzerland could do the same to China's diplomats attempting to enter U.N. offices in Geneva, Paris, and Rome.

Meanwhile, several U.S. officials this year have given speeches dedicated entirely to exposing the CCP's infiltration of U.S. institutions, and how different U.S. depart-

ments are handling the risks. The speeches have been unprecedented, not only in their scope, but because of the sheer number of high-profile speakers, including national security adviser Robert O'Brien, FBI Director Christopher Wray, Attorney General William Barr, and Assistant Secretary of State for East Asian and Pacific Affairs David R. Stilwell.

Blair Brandt, a political adviser and Republican strategist, told The Epoch Times the U.S. government has a range of options and routes to take when it comes to hitting harder against the CCP.

The United States could close the Chinese Consulate in New York, have foreign policy announcements on China from the White House instead of the State Department, employ sanctions against higher-level CCP officials, and exit the phase-one trade deal as part of a decoupling process, he said.

An "America first" pledge should be rolled out by the administration to encourage major U.S. companies to make commitments to domestic manufacturing, he added. An executive order should also be signed requesting the Treasury devise a detailed plan to hold the Chinese regime accountable.

"One thing is for sure, we can't let Wall Street—especially private equity funds, hedge funds, and certain other financial institutions, or a few large U.S.-based multinational firms with a large presence in China—determine the fate of this [U.S.-China] dynamic going forward," Brandt said.

"Looking ahead, the decisions, even if there are short-term costs, must be evaluated purely on the standard of long-term national security for the United States of America."

# 6 | CHINA INSIDER

# The CCP's New 5-Year Economic Plan Is Destined to Fail

# WANG HE

ater this month, the Chinese Communist Party will hold its Fifth Plenary Session of the Central Committee of the Chinese Communist Party. Tradition-

ally, during this session, the CCP will outline the objectives for its planned economy, in its Five-Year Plans. This year will mark its 14th Five-Year Plan. The following are my predic-

tions about this plan. A Planned Socialist Economy

Generally speaking, the Five-Year Plan is destined to fail.

Communism, by nature, restricts and hinders economic development as a whole, and so does the Five-Year Plan, a means of social and economic control that fosters passivity more than creativity.

The CCP adopted the Five-Year Plan approach from the former Soviet Union. This planned economy is fundamentally a socialist market economy, and more so, a "bird-cage economy," a theory introduced in 1980 by Chen Yun, a veteran communist of the Mao Zedong era. Chen believed that the market in China should operate like a bird in a cage.

Surely, the CCP will never remove the cage. If the cage were gone, the bird would fly freely and, certainly, leave no room for the existence of the CCP.

Let me be more specific. Politilemocratic countries. Leaders are held accountable for their governance. When people are dissat- long- and medium-term, resolvisfied with the way the country is run, the leader will have to step down. But the communist system will never allow anyone to hold the CCP accountable for anything. So-called accountability only exists as an excuse for factional infighting within the regime.

In addition, the Five-Year Plan is just words on paper; it was never equivalent to the actual operation of the Chinese economy.

Still, formulating the plan is a big project that consumes huge resources and manpower. According to Chinese news portal Huangiu.com, the preparation of the 13th Five-Year Plan started in the middle of the implementation of the 12th plan. It took three years and involved four stages and 10 steps to develop. As for the amount of time and personnel involved, the plan was, after all, in line with political correctness and its planning and implementation are "unparalleled."

The 14th Plan Is Bound to Fail My second point is that Xi Jinping's administration is selfdeluded. The 14th Five-Year Plan (2021–2025) has become a protracted war that cannot be won because it's doubtful that the CCP will even make it to 2025.

The regime's mouthpiece Xinhua News Agency reported on two guidelines set forth at the Politburo meeting on July 30 for the 14th Five-Year Plan and the future targets for 2035.

The first guideline emphasizes three prevailing conditions. "The nation's development remains in a period of strategic opportunity," "peace and development remain as the theme of the time," and "the nation has entered a stage of high-quality development with

many advantages and conditions, but the problem of unbalanced and insufficient development remains prominent."

The second guideline, from the perspective of protracted warfare, is to "accelerate economic development based on the domestic cycle, and coordinate with the external cycle."

On Sept. 1, Xi further stressed a "systematic deep-level reform concerning the overall situation of the country," Xinhua reported. The first guideline is both ignorant and deceptive. First, a new

U.S.-China Cold War has just started, and anti-communism has become a trend around the world. How could there be a "strategic opportunity" for the CCP? Second, the inherently offen-

sive, expansive, and subversive nature of communism would never permit "peace and development." This so-called "theme of the time" can quickly change from peace and development to war and revolution if given the opportunity. Obviously, the Trump administration has awakened. Third, since 2009—even though

the CCP official data said 2011— China's economic growth rate has continued to decline and has not bottomed out. What is the "highquality development stage?" The guideline on protracted war is bound to fail.

Under Xi's leadership, the CCP faces challenges, as revealed at the Fifth Plenum Politburo meeting on July 30. "The current economic situation remains compliinstability and uncertainty," and ing such problems is like fighting a protracted war." The remedy is "to accelerate the formation of a new development pattern with domestic circulation as the main body, and domestic and international double cycles to promote each other."

But will this remedy work? The new cold war seems to spell out the answer to this question. On Aug. 10, U.S. Secretary of

State Mike Pompeo said that the United States has shifted from a tive outlawing regional barriers.

policy of appeasement, and that President Donald Trump wants to make sure "this next century is not a century that is governed by authoritarian regimes emanating from China."

A U.S. ban on China's chips has endangered the lifeline of Chinese companies ZTE and Huawei. If the United States initiates financial sanctions, they will destroy the CCP like a nuclear bomb. So the so-called international cycle can only get stuck. What about domestic circulation?

The Domestic Cycle Is a Fantasy Since the CCP stole the authority to govern China over 70 years ago, it has never been able to build a stable economic framework in the country. Generally speaking, the 70 years of a planned economy in China has brought a huge disaster to the world, including moral degradation and environmental destruction.

The social systems that existed in China have changed completely and are plagued with many problems. As early as 1956, former leader Mao Zedong admitted in a Politburo meeting that unresolvable contradictions and problems exist under the regime between the central and local governments, among local governments, and between superiors and subordinates of any given locality. It clearly spelled out the communist ideology that "struggle" is foremost in the development of a socialist country under the CCP. Under communist rule, local

cal responsibility is foremost in cated and challenging with great governments have adopted regional protectionist practices, "since many problems we face are blocked integration of the domestic market, blindly pursued local political achievements, and engaged in largescale construction and demolition projects. Over the years, multiple economic stimulus plans and subsidies run by local governments have led to excess capacity in several industries.

> To resolve such issues, the CCP has already pushed forward three reform policies.

> The first was in April 2001, when the State Council issued a direc

One of the pillars the CCP uses to prop up its claim of legitimacy of rule are economic achievements, especially the 'economic miracle' after the reform and opening up.

Workers are sewing down coats at a factory for Chinese clothing company Bosideng in Nantong of Jiangsu Province on Sept. 24, 2019.



The second was an anti-monopoly law that came into effect on Aug. 1, 2008. In 2014, the State Council announced the de facto removal of regional barriers and industry monopolies.

The third reform, in June 2016, was the introduction of the faircompetition review mechanism published by the State Council.

As of March 2018, the regime reported 59 cases of suspected monopolistic conduct by local governments. In 2019, the CCP issued a notice by four departments, including the State Administration for Market Regulation, that were conducting a review of the policies and measures impeding the unified market and fair competition.

In 2020, another guideline on improving market-based allocation of production factors was publicized. This was said to "further facilitate the free and orderly flow of factors and stimulate market vitality" inside China, China Daily reported. However, faced with the huge interest group comprising local governments, rigid systems and mechanisms, and officials with vested interests, these policies are all destined to lack



# effectiveness.

In addition, there are four more obstacles hindering the domestic market flow.

### **Decoupling of the Global Industrial Chain**

One obstacle is the inevitable decoupling of the global industrial chain from China. From the perspective of global economics, manufacturing migration is a normal phenomenon, and this is beyond the CCP's control. Also, decoupling from the CCP has be- leaders of private enterprises for come the inevitable choice of the the purpose of forming ties with global industrial chain. The reindustrialization of the U.S. and Department. It was the first such EU markets will smoothly resolve meeting since the reform and any pressure created in the process of decoupling from the CCP. In the current economy, "domestic circulation" and "international circulation" are inseparable; this is especially true for China. As the world's largest manufacturer of industrial products and

the largest commodity trading country, China should be deeply involved in the global industrial chain. For example, China is the country with the largest chip import. After 2013, China's chip imports exceeded \$200 billion, and in 2018 they exceeded \$300 billion, and they were still at \$300 billion in 2019. About 60 percent of these chips were for local use, and about 40 percent were for export products.

The ongoing global industrial chain reorganization, overall relocation, and departure from China will be devastating to the Chinese economy, and the "domestic cycle" will be broken.

# **Dependence on External**

Technology From 2001 to 2002, Chinese Science and Technology Daily published 21 articles on the core technologies that impede or inhibit China's industrial development. Eighteen years later, it once again launched another 35 reports on core and key sectors that still rely on overseas sources, including 35 bottleneck techniques and more than 60 core technologies. This shows that China's dependence on foreign science and technology has not categories. fundamentally changed.

On Sept. 11 of this year, Xi presided over a scientific symposium. The sense of anxiety at the symposium was overwhelming, state system.

for the country to "strengthen international scientific and technological cooperation," Xinhua reported.

### **The Private Enterprises** Dilemma

After the Cultural Revolution, out of practical considerations, the CCP allowed private enterprises to operate. But it never let go of its control of them.

At a Sept. 16 national conference, Beijing brought together the CCP's United Front Work opening up. A document was issued directing professionals of private enterprises to "enhance political, ideological, and emotional identification with the Communist Party of China and socialism with Chinese characteristics," and to align with the

CCP's politics. However, over the years, no substantive solutions were provided to ensure the survival of private enterprises, and policies have become more and more leftleaning. But without supporting the vitality and space required for private enterprises to flourish, the "domestic cycle" is merely

empty talk. An August 2019 article by Xinhua clearly pointed to the important role the private enterprises play in China's economy. The article stated that in China today, the private economy has the characteristics of "56789," meaning, the private sector is "contributing more than 50 percent of tax revenue, 60 percent of GDP, 70 percent of technological innovation, 80 percent of urban employment, and 90 percent of new jobs and new firms."

# **Domestic Consumption Lags Seriously Behind**

The Chinese economy is a deformed economy. In the Mao Zedong era, it looked like egalitarianism, but the distinction between officials and ordinary people, and the difference between urban and rural areas divided the Chinese people into three basic

The first category, the ruling class or "new class," held onto power and monopolized every resource with the aid of the Party-

and Xi expressed his eagerness The second category, urban

The Great Hall of the People in Beijing on Nov. 12, 2013. Chinese Communist Party plenary sessions are typically held at the Great Hall of the People.

Communism, by nature, restricts and hinders economic development as a whole, and so does the Five-Year Plan.

A worker controls the production line for silicon chips used for making photoelectric board products, in Baoding, China, on June 24, 2009.

residents, had a high employment rate, with a basic salary and low-level social benefits, such as medical insurance.

The third category, farmers, were trapped in the people's communes and work-production teams.

In this situation, domestic consumption had little meaning.

After the reform and opening up, the power of the "ruling class" was cashed in, and it became a group with vested interests. Chicapitalism) and the economic disparity between the rich and poor became extreme.

At a press conference this May, Chinese Premier Li Keqiang said, "There are 600 million people in China who earn barely 1,000 yuan (RMB) per month."

To verify Li's claim, the China Institute for Income Distribution *Wang He has master's degrees* at Beijing Normal University did a survey of 70,000 Chinese. It concluded that an estimated 547 million, or 39.1 percent, of the Chinese population has a monthly income of less than 1,000 yuan (\$147).

The report also showed that 52.5 million people have a monthly income of 1,000 to 1,090 yuan (\$160). Therefore, the total population of less than 1,090 yuan is 600 million, accounting for 42.85 percent of the national population. In *Views expressed in this article* addition, if the low- and middleincome people are defined by the standard of 1,090 to 2,000 yuan views of The Epoch Times.

(\$295), the total population size of this group will reach 364 million. In other words, there are 964 million Chinese with a monthly income of 2,000 yuan and below.

Similarly, Li Qiang, a professor at Tsinghua University, introduced the situation in his study, "Inverted T-shaped Social Structure and the Structure Tension." Li analyzed the data of China's Fifth National Population Census conducted in 2000 and concluded that the structure of the Chinese society is more like an upside down T-shape, with 64.7 percent of the population at the lowest level and at least 84.1 percent of the employed belonging to the lower class of the Chinese society. The remaining groups are distributed in a pole-shaped structure with no transition in between. Therefore, the majority of the Chinese population is considered poor or in a low class, and the middle and upper classes account for only a very small portion of the population.

Ten years later, Li studied the sample data of the sixth national census and concluded that the overall social structure has not changed, and the middle class still constitutes only a small portion of the whole society.

A report issued by Goldman Sachs in September 2015 stated that China's consumer market is dominated by a relatively narrow middle class. Less than 2 percent of workers earn enough even to pay income tax, and only 11 percent of the population has reached the middle class (approximately 153 million people). The top "high-end consumers" are only 1.4 million people, with a per capita annual income of \$500,000. These people constitute the main body of the Chinese people who shop in Paris, New York, Tokyo, and London.

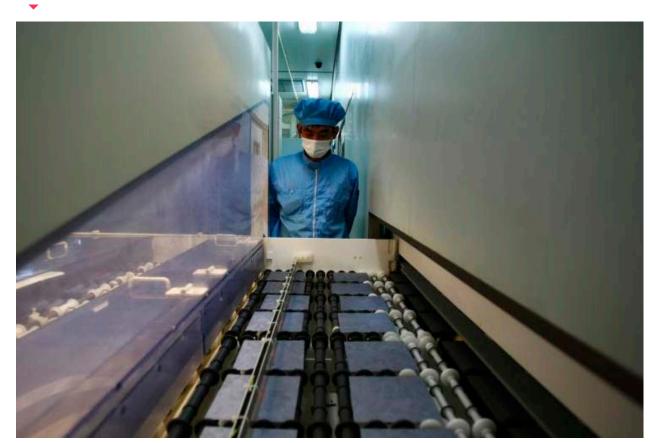
But how can a social and domestic consumption structure such as this support the proposed "domestic cycle?"

One of the pillars the CCP uses to prop up its claim of legitimacy of rule are economic achievements, especially the "economic miracle" after the reform and opening up.

Over the years, China's economy has grown tremendously, na's economy thus evolved into but at an even greater price: the the worst model (communist vast majority of Chinese people just share in the cost but not in the rewards. China's wealth gap is already one of the worst in the world. The 14th Five-Year Plan and the 2035 goal are nothing but pieces of paper. China's economy will soon collapse if the CCP is not dissolved.

> in law and history, with a focus on the international communist movement. Wang was a university lecturer and an executive of a large private company in *China. He was twice imprisoned* in China for his beliefs and now lives in North America. He has published commentaries on Chinese current affairs and politics since 2017.

> are the opinions of the author and do not necessarily reflect the



# **TRUTH** and **TRADITION**

# In Our Own Words



However, to my surprise, all the corpses I saw looked like they belonged to only one racial group– East Asian.

**Tatiana Darzi** Quality Control Manager, China Insider

# One Fateful Exhibition

Dear Epoch VIP,

Thank you for subscribing to The Epoch Times, and welcome to the family!

Over the years, I've had the pleasure of serving in many different roles here at The Epoch Times and I can honestly say that it is one of the most fulfilling experiences of my life.

One of the main reasons I work at The Epoch Times is because it helps expose the crimes against humanity committed by the Chinese Communist Party (CCP).

I admire that this media achieves such a goal without any government or corporate sponsorship—it is independent and tells it like it is.

# In fact, The Epoch Times was one of the first publications that opened my eyes to the extent of human rights abuses in China.

When my then-boyfriend (now husband) and I were college students, we bought discounted student tickets through our college to Bodies: The Exhibition in downtown Manhattan. At the time I didn't really know much about the exhibition and was under the impression that these cadavers were anatomically accurate wax replicas of the human body. While waiting for the exhibition doors to open, the guard standing nearby overheard me and explained, "Most of these are unclaimed bodies from people around the worldsuch as homeless people who die in the streets with no identification on them and no one to claim their body. And others are from people who donated their body to science." Of course, I believed him at the time. However, to my surprise, all the corpses I saw looked like they belonged to only one racial group-East Asian. I didn't see features on any of the bodies that represented other racial groups, which surprised me.

Years later, my husband emailed me an article from The Epoch Times exposing Bodies and other similar exhibitions for displaying murdered Falun Gong practitioners. **This hit me so hard when I read**  it because I remembered seeing at least hundreds of different corpses from all age groups, and in all of the different stages in life—from gestation all the way to old age. I was horrified and disgusted with myself afterward for having contributed and attended such an exhibition. I felt so much guilt.

Right after reading the article I had so many questions like "Why would anyone in the U.S. approve such an atrocious exhibition?" "Why isn't the government aware of this?" "Surely they must know since it's a major exhibition! How could they not know?!" "Why is the Chinese regime doing this to their own people?" "So what if they have a spiritual belief—live and let live! What gives?!" Ever since I promised myself that 1) I'll never go back to an exhibition like that and 2) I would find a way to somehow help bring awareness about the CCP's inhumane practices against innocent people.

A few years went by and I applied for employment at The Epoch Times. I was hired and started my journey working with the Web Team in producing viral content.

I hope that upon reading our content, you'll be able to feel the difference from other newspapers. The same goes with our online content. I hope that our publication helps you make informed decisions based on just that—the facts, and I hope it enriches your life and the lives of those you love.

As someone who's passionate about human rights and truthful information, I hope that our work reflects our Truth and Tradition motto. Most of all, I hope that when you read The Epoch Times, you come out feeling refreshed

and informed.

In truth and tradition,

Tatiana Darzi The Epoch Times



# What Our Readers

I always go to The Epoch Times to gather facts to determine truth by the outstanding due diligence of fine journalists. I encourage you, the people, to use your "FREE WILL" and get the truth from The Epoch Times."

# Say (22)



**Love, love, love!** Not only can I get an impartial view on what the latest story is, but I can learn so much more about stories that should be reported but aren't. The Epoch Times goes the extra mile.

ALLISON GOBBELL



Honest reporting when most of the media has become a political platform to push an agenda. Like the old days when you believed that the reporters did their job of investigating a source for the truth of a story and not hype for ratings. The Epoch Times has kept my faith in real news, not fake news and word of mouth hearsay. If it wasn't for this paper I wouldn't read one. **Thanks to The Epoch Times and all the hard work your staff does!! Awesome!!** 

SANTOS ALVAREZ



My 89-year-old father, a staunch conservative his entire life, became incorrigible to talk to. We could not discuss anything political because he hated Trump so much. How can this be? I finally realized it was how he was getting his information, through the MSM. I shared The Epoch Times with him. At first he didn't understand - how could all the tv stations and the local newspaper be saying the exact same things if they weren't true? (I wonder that myself). Within a couple weeks he started to look at things differently! Thanks **Epoch Times for allowing me to discuss** world events once again with my best friend, my father.

DOUG SCHNICK



In confusing, trying times, it's nice to know I can count on this paper to print the truth.

**BREE MAY** 



The Epoch Times reports the truth as to what is actually happening on the home front in America as well as with world wide news.

Not one radio station in our country reports what is actually happening in our world. All are too interested in the so-called organized protest mobs attempting to disrupt America and our American History. Keep up the great job of reporting the real news.

### **ROBERT LEROY TRAISTER**

If you are a reader of social media and local news, I can only tell you that you're being propagandized! As a Latin American Citizen, I value my independence and our freedom. Even more, I look at many news media social networks and I always go to The Epoch Times to gather facts to determine truth by the outstanding due diligence of fine journalists. I encourage you, the people, to use your "FREE WILL" and get the truth from The Epoch Times.



THE EPOCH TIMES

TRUTH AND TRADITION  $\equiv$ 



I had given up newspapers a long time ago...The L.A. Times, New York Times, Washington Post, et al. Turned my attention to media outlets for awhile but most only reported just a fraction of important news versus agenda-driven drivel. The Epoch Times caught my attention with their advertisements of extensive coverage available of topics NOT covered in the media so I thought I'd give it a try on a trial subscription. And now you would have to cut off my right arm to give it up! It's a weekly newspaper... and believe me it takes a week to read through all the amazing features and sections including worldwide inside information as well as biographies of people making a positive difference in the world. This newspaper will change the way you look at journalism... REAL journalism...and nothing can compare to its authenticity and accuracy. Brilliant!

**KC ENZER**