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CHINA INSIDER

22 YEARS OF REPRESSION

INSIDE THE CCP'S ONGOING PERSECUTION OF FALUN GONG

EVA FU & FRANK FANG

or 22 years, the communist regime in China has deployed a comprehensive campaign of repression against adherents of the spiritual group Falun Gong. Millions of Falun Gong practitioners have suffered detention, torture, harassment, forced labor, and organ

How the persecution started and how the Chinese Communist Party (CCP) has executed this expansive campaign is explained below.

How Did 100 Million People Become Targets?

A Popular Practice

Falun Gong, also known as Falun Dafa, is a meditation practice that features moral teachings based on three core tenets, "truthfulness, compassion, and tolerance," along with a set of meditative exercises.

In 1992, the practice's founder, Li Hongzhi, introduced it to the public in Changchun, a city in northeastern China. It spread quickly by word of mouth to other parts of the country. By 1999, roughly 70 million to taken up the practice, according to official estimates at the time.

Li himself is a four-time Nobel Peace recognized by state bodies for its contributions to society, and some adherents left quietly that evening. received awards for their community service before the regime began an all-out clampdown in July 1999.

A Peaceful Demonstration

On April 25, 1999, around 10,000 Falun Gong practitioners gathered at the appeals office near the CCP's headquarters in Beijing to appeal for their right to practice freely. It became the largest peaceful demonstration that China had seen in a decade, since the Tiananmen Square massacre.

What triggered the appeal was the arrest of dozens of adherents in the nearby megacity of Tianjin who had protested a defamatory article about their faith. The environment was also becoming more restrictive: practice in remarks and in interviews with





Guards shocked Gao Rongrong on the face with electric batons for over seven hours. Gao was confined to a heavily guarded hospital ward for almost five months. She died of injuries sustained from torture



MEDITATION Falun Gong practitioners meditate in New York in August 2011. While persecuted in China, Falun Gong is practiced freely in more than 90 countries around the world.

The publication of Falun Gong books had been banned; and police in some areas had been harassing adherents, searching their homes and beating them up.

The petitioners met with then-Premier 100 million people around the country had Zhu Rongji and delivered three requests: to release the practitioners who'd been arrested, reverse the publication ban, and allow them to practice in public without Prize nominee. The practice was also fear. After learning that the Tianjin practitioners had been released, the petitioners

> Authorities would later seize upon the event to justify the persecution, launched three months later, claiming that practitioners were laying "siege" to the regime.

Fear and Loathing

The discipline's rapid growth, with its practitioners outnumbering the 60 million Party members at the time, meant the practice was deemed a threat to the regime's authoritarian rule. Meanwhile, the values that Falun Gong espouses were at odds with the atheist Marxist ideology underpinning the CCP.

Then-Chinese leader Jiang Zemin, who personally ordered the persecution, repeatedly expressed his vehemence toward the



head with a plastic bag and threaten not to

a declaration renouncing his faith. Guards may

Jiang, in a letter released immediately af-

ter the April 25 appeal, expressed alarm at

the "substantial number of Party members,

cadres, intellectuals, soldiers, workers, and

peasants" among Falun Gong practitioners

and vowed to toughen ideological control.

and atheism that we communists embody

can't defeat what Falun Gong promotes?

That'd be a tremendous joke if true," he

The CCP was intent on wiping out Falun

Gong; Jiang initially aimed to crush the

practice within three months. Top Chinese

leaders also ordered officials to "destroy

them politically, bankrupt them finan-

cially, ruin their reputation," according

to a military colonel who attended the

Police officials declared that if they beat

An Entire State

on Persecution

Orders to Eliminate

Apparatus Focused

"Could it be that Marxism, materialism,

then kick and beat the person while shocking

him with electric batons.

foreign media.

Falun Gong books are destroyed at the start of

ered suicide, according to Minghui. In June 2001, more than a dozen female

adherents died in a labor camp in Harbin, a city in northern Heilongjiang Province, in what authorities claimed was a mass suicide. "Only 15 or 16 out of 3,000 have died. How is this a lot?" the labor camp reportedly told the family of Li Xiuqin, one of the victims. They saw only her ashes.

On June 10, 1999, an extralegal Gestapolike agency was set up and named the "610 Office" after the date of its creation. The 610 Office enjoys wide-ranging powers and directs various sectors of society to carry out the persecution campaign. A 2017 report by the human rights watchdog Freedom House estimates that the annual budget for all 610 Offices across China is around 879 million yuan (\$135 million).

In 2002, a Falun Gong practitioner from Changchun was beaten to death after being arrested for hijacking TV airwaves to broadcast programs debunking state propaganda about the practice. The head of the city's 610 Office overseeing the persecution instructed police to keep the matter confidential. He described the campaign to destroy Falun Gong as "an arduous political task" and told the police "not to fear blood or deaths," a former officer present at the meeting told Minghui.

The 610 Office is also involved in statesanctioned forced organ harvesting, resulting in an unknown number of deaths, according to the World Organization to Investigate the Persecution of Falun Gong.

Whole-of-Society Clampdown

The campaign was thorough and mobilized all levels of society. Propaganda maligning the practice appeared in state newspapers and on television and radio, as well as school textbooks and community

The Department of Culture directed the mass destruction of millions of Falun Gong materials, including book burnings, and the jailing of bookshop owners. Workplaces fired people who refused to give up their faith, while students from primary school to college were expelled. One high schooler was sentenced to five years in prison after refusing to join a school-organized parade that slandered the practice—even though

he wasn't old enough to be sent to jail. A Shanghai primary school punished a eacher who was a Falun Gong practitioner by demoting her to the role of cleaning the school bathrooms, a decision one colleague said harked back to the abuse inflicted during the Cultural Revolution.

With the court system under the control of the CCP, trials in China are a mere formality. Adherents are often detained for months or longer before trial and at times denied legal assistance. Lawyers representing them experience harassment, assault, or threats, and are frequently interrupted in court when advocating for their clients. Wu Shaoping, a human rights lawyer now in the United States, told The Epoch Times he was stopped mid-argument and escorted out of the court by police when making the case that his client had been charged "national security class," during which stuillegally. His client was sentenced to nine dents were taught that Falun Gong "posed years in prison one month later. a threat" to society.

Demonizing the Victims

against Falun Gong, the regime launched in a bid to incite public hatred against facilities, Falun Gong practitioners are ofthe practice and its adherents. In Januten singled out for particularly cruel treatary 2001, five individuals set themselves ment, in a bid to force them to renounce on fire in Tiananmen Square, an incident that China's state-run media blamed on Falun Gong. Following the tragedy, the number of hate crimes against Falun Gong practitioners increased.

The regime also cooked up false stories about alleged practitioners—such as a person who killed her own child before taking her own life—in hope of spinning public opinion in China. An independent investigation later revealed that the person never existed.

Chinese officials have openly taken part in spreading the propaganda both in China and overseas. In 2004, a Falun Gong supporter brought and won a defamation lawsuit against the Chinese deputy consulgeneral in Toronto for attacking him in a letter published in the Toronto Star.

to participants of the meeting.

Censorship and Indoctrination

China's censors have wiped the Chinese internet of any authentic materials on Falun Gong, while allowing misinformation and propaganda about the spiritual practice to fill cyberspace. Words related to Falun Gong have been scrubbed online, and there have been cases in which practitioners were detained for using words related to the practice on China's popular

only in cyberspace—it also denies practitioners' rights to freedom of speech. Practitioners who speak with neighbors or strangers about Falun Gong run the risk

In other cases, practitioners have been forced into or bound in painful positions for prolonged periods. Practitioners are sometimes forcibly fed with unknown drugs—toxic chemicals that damage the central nervous system

or psychotropic chemicals that affect their

Falun Gong adherents practice the exercises in southern China's Guangzhou City in the 1990s. By the mid-1990s, Falun Gong exercise sites like this

time, including holding them in a small

cage filled with chest-deep water, leaving

them exposed to freezing temperatures, or

Organ Harvesting

nental state.

depriving them of sleep.

An untold number of detained practitioners have been killed by the regime for their organs, which are used to supply China's vast organ transplant market.

In 2019, an independent people's tribunal concluded that the regime had been harvesting organs from prisoners of conscience for years "on a significant scale" and that Falun Gong practitioners were the main source of organs. The tribunal found

no evidence that these crimes had ended. Gao Yixi, a Falun Gong practitioner from far northern Heilongjiang Province, died 10 days after his arrest in 2016, Minghui reported. Not long after, doctors dissected Gao's body, despite his family's objections, and removed all of his major organs and brain.

Freedom Denied Breaking the Body to Defeat the Will

Authorities actively track adherents' tention centers, labor camps, prisons, and psychiatric facilities, according to the tracking their location, and monitoring police. surveillance camera footage, which is of ten enhanced with artificial intelligence.

By 2017, every person in China was forced to register with their real name to use phone services and to comment online, making it easier for police to track down adherents. In January of that year, police in Harbin of attention to the regime's abuses. Prac-Heilongjiang Province arrested at least five practitioners with the help of surveillance technology after finding a banner with the words "Falun Dafa Is Good."

One adherent was arrested at a train station after discussing her train itinerary in private social media messages. In 2019, an adherent was arrested at a hospital while taking care of a sick relative after the facial surveillance system alerted the police.

In 2020, police questioned another practitioner in Shanxi over his purchase of some construction materials on the internet.

Financial Persecution

Chinese police officers and security officials have illegally confiscated practitioners' cash and other personal property. Some officials have extorted family members of detained practitioners, saying they would be released if the family paid

Inside prisons and labor camps, practitioners could be denied money and personal belongings sent by their families. Their family members could also be coerced into paying bribes to officials to see their imprisoned relatives.

ALL PHOTOS FROM MINGHUI.ORG UNLESS NOTED OTHERWIS

There have been cases when brainwashing centers have extorted money from the families of detained practitioners to cover the expenses of tortures used on their detainees, such as force-feeding.

Courts also impose hefty fines on adher-

ents. In the first half of 2021, the court sen-

tenced 674 people with fines totaling more than 3.4 million yuan (\$525,000), or about 5,000 yuan (\$770) per person, roughly one month's salary for an average person. Practitioners have also had their salary

or pension withheld by their employers sometimes at the demand of Chinese au-

Local police and CCP officials have subjected practitioners to harassment, intimidation, and verbal and physical threats.

The regime also targets relatives of practitioners, harassing their parents, spouses, or children.

The harassment escalated in 2020 when the regime launched a nationwide "Zero-Out" campaign, with the aim of reducing the number of practitioners in China to zero. The new campaign also involves a monetary reward system that entices citiwhereabouts by tapping their phones, zens to report known practitioners to the

Defiance

Peaceful Resistance

Despite the repressive climate, the group has persisted in grassroots efforts to call titioners around the country—at great personal risk—distribute homemade booklets, posters, and CDs to households and passersby to refute the regime's propaganda. They hang banners in prominent places as a symbol of their

Since 2004, adherents have been urging Chinese people to disassociate themselves from the crimes committed by the CCP by quitting its affiliated organizations. In 2015, adherents began a wave of law-

suits seeking to bring former leader Jiang

People in some areas of China have shown support for practitioners' efforts to counter the persecution. In 2017, around 300 people in Huludao city of Liaoning Province signed a petition calling for the unconditional release of a local Falun Gong practitioner, Minghui reported.



treme conditions for extended periods of Falun Gong practitioners meditate in New York's Central Park on May 10, 2014.



one were common throughout China.

Propaganda and Disinformation

Finding that public opinion hadn't turned

The incident turned out to be a staged event. Suspicious circumstances surrounding the event have since been revealed and documented in the award-winning film

During the 1999 Asia-Pacific Economic Cooperation summit in New Zealand, Jiang handed out booklets defaming Falun Gong

messaging platform WeChat.

The Great Firewall, which prevents Chinese citizens from accessing many foreign sites such as Facebook and Google, also blocks overseas websites relating to Falun

The regime's censorship does not exist

are endemic in these facilities. An untold number of Falun Gong practitioners have died as a result of torture or forced organ **Slave Labor** Practitioners detained in labor camps and

Since 1999, several million Falun Gong

practitioners have been detained in de-

Falun Dafa Information Center. At these

their faith, according to accounts from

Torture and other forms of ill-treatment

prisons have also been subjected to forced labor, producing cheap goods destined for Western markets and enriching CCP officials in the process. The detainees are forced to work long hours, sometimes as many as 19 hours a

day to hit production quotas, according

to Minghui. Guards are known to step up their torture or abuse against those who fail to meet a quota or refuse to comply with work orders. Products that practitioners have been forced to make include wigs, toothpicks, chopsticks, eyelash extensions, embroi-

Since the start of the pandemic, some prisons have forced practitioners to make personal protective equipment for export, including surgical masks and surgical

Practitioners held at detention sites and psychiatric facilities have suffered various forms of physical, psychological, and psychiatric torture. The goal is to force them to sign a declaration renouncing their faith. Many practitioners have sustained severe injuries and died as a result.

Some common torture methods include sexual assault; force-feeding; beating with wooden clubs or steel bars; shocking with electric batons; piercing sensitive body parts such as fingertips with bamboo skewers; and burning with cigarettes, boiling water, or hot iron bars.

Guards also subject practitioners to ex-

4 Ethics-Breaking Biological Experiments Touted by Chinese Scientists as 'World Firsts'

JENNIFER BATEMAN & JENNIFER ZENG

hroughout the world, scientific research and experiments involving ethical issues must first pass the scrutiny of ethics committees. In recent years, the Chinese Communist Party (CCP) has conducted many experiments in the field of biomedical and genetic engineering that break human ethical boundaries.

China began implementing the Ethical Review of Biomedical Research Involving Humans on Dec. 1, 2016. However, 122 Chinese scientists who co-signed an open letter in 2018 to oppose gene-edited babies criticized China's biomedical ethics review as a "sham."

In the United States, as ethical and moral regulations on animal research have become stricter, budgets and funding have tended to decrease in recent years, making China the most attractive place for such experiments. For example, in 2014, the U.S. government imposed a funding pause of gain of function research involving influenza, severe acute respiratory syndrome (SARS) coronaviruses, and Middle East respiratory syndrome (MERS) coronaviruses. In 2019, the U.S. Environmental Protection Agency (EPA) announced that it would stop conducting or funding studies on mammals by 2035.

In 2011, the CCP made it a national development goal to create primate disease models through cloning and other biotechnologies. According to the 2020 China Biomedical Industry Development Report published by Chinese Venture, "the overall biopharmaceutical market in China increased from \$28.7 billion to \$49.6 billion from 2016 to 2019, at a CAGR cent. It is expected to reach \$130.2 billion in 2025."

Below are four experiments conducted by Chinese scientists that Chinese state media touted as "world firsts."

EXPERIMENT 1 A Rat Model of Male Pregnancy

val Medical University published a preprint paper on "a rat model of male pregnancy" on the non-peer-reviewed site

The paper describes a specific method for getting a male rat pregnant at the expense of three female rats.

- 1. First, a castrated male rat was sutured back to back with a female rat to create a female microenvironment for the male rat, forming a heterosexual parabiotic
- 2. The uterus of another female rat was transplanted into the conjoined male rat. 3. Finally, blastocyst-stage embryos developed in the third female rat were transplanted into the grafted uterus of the male parabiont and the native uterus of the female parabiont.
- 4. After 21.5 days, 27 of the 280 male embryos were normally developed and 10 well-developed pups were delivered by cesarean section. At least 46 male rats and 138 female rats were used in the ex-

Chinese web portal Sina, reported the story under the headline "Are men still far away from giving birth?", saying that "Chinese scientists have performed a miracle" and "broken the universal law of nature since the beginning of the time."

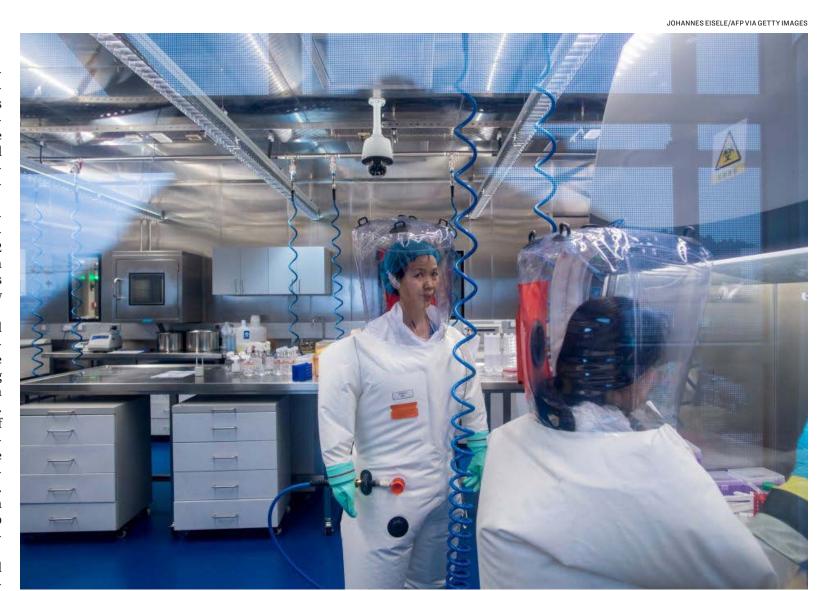
However, the experiment has been questioned and criticized by some experts. Emily McIvor, senior science policy adviser for People for the Ethical Treatment of Animals, described the experiment as

be treated as "disposable objects." "Animals deserve to be respected and left in peace, not bred in laboratories, experimented on, and treated like disposable objects," she said to Mail Online.

"vile." She said that animals should not

"Surgically joining two sensitive rats who endured mutilation and weeks of prolonged suffering—is unethical and in the realm of Frankenscience," she added.

She also said she believes that "these shocking experiments are driven solely by curiosity and do nothing to further our understanding of the human reproductive



Chinese virologist Shi Zhengli (L) in the P4 laboratory in Wuhan, capital of China's Hubei province, on Feb. 23, 2017.

EXPERIMENT 2 Human-Monkey Chimeric Embryos

On April 15, a research team from Kunming University of Science and Technology (Compound annual growth rate) of 20 per-in Yunnan, China, and the Salk Institute for Biological Sciences in the United States published a paper on the Cell website, announcing that they had successfully grown the world's first human-monkey chimeric embryos, i.e. embryos with both humanand monkey-derived cells.

> Scientists injected human stem cells into the monkey embryos in the hope that the discretized tion from the global scientific community, gen (PPP)." organs grown in the monkeys could be transplanted into humans. This has led to widespread ethical controversy.

Dr. Anna Smajdor, lecturer and researcher in biomedical ethics at the University of East Anglia's Norwich Medical School, told the BBC the study posed "significant ethical and legal challenges."

Surgically joining two sensitive rats—who endured mutilation and weeks of prolonged suffering—is unethical and in the realm of Frankenscience.

Emily McIvor, senior science policy adviser, People for the Ethical Treatment of Animals

"The scientists behind this research state that these chimeric embryos offer new opportunities, because 'we are unable to conduct certain types of experiments in humans'. But whether these embryos are human or not is open to question," she said

Prof Julian Savulescu, director of the Oxford Uehiro Centre for Practical Ethics and co-director of the Wellcome Centre for Ethics and Humanities, University of Oxford, told the BBC the research "opens Pandora's box to human-nonhuman chimeras."

However, the project's Chinese leader, academician Ji Weizhi of the Chinese Academy of Sciences, said that human-monkey chimeric embryos just created an environment in which human stem cells are developed, reproductive chimerism does not inherently occur, and that it is "definitely not a human-monkey hybrid," so it does not have ethical issues.

In 2019, the State Key Laboratory of Stem Cell and Reproductive Biology in Beijing created the first "pig-monkey hybrid" by adding monkey cells to pig embryos.

The two hybrids died after only two weeks and the research was criticized by scientists from around the world as morally and ethically shocking.

EXPERIMENT 3 Gene-Edited Babies

In December 2018, Chinese scientist He Jiankui announced at a major academic conference in Hong Kong the birth of twin gene-edited baby girls who were "immune to AIDS." He claimed it was the first case in the world.

He said his team used CRISPR technology to "edit out" the CCR5 gene in embryos so that the babies might have a natural ability to fight AIDS in the future.

The case sparked widespread condemnagenome of an embryo could cause unexpected harm, not only to the individual being modified, but also to future generations who pass on these same changes

Krishanu Saha, a bioengineer at the University of Wisconsin–Madison, a member of a group investigating the safety of the technology, told the BBC, "So let's say we are injecting a genome editor into the brain to target neurons in the hippocampus, " she adds, "how do we make sure that those genome editors do not travel into the reproductive organs and end up hitting a sperm or egg? Then that individual could potentially pass the edit on to their children."

An international committee of scientific institutions investigating the issue released a report on Sept. 3, 2020, saying that once the genome of a human embryo is edited, it should not be used for reproduction until there is solid evidence that genomic changes in the sperm survivor can lead to reliable results and do not cause unintended changes. No genome editing technology has been able to meet this standard.

Even in China, 122 scientists signed an open letter warning of the risks of such experiments and criticizing the authorities' "ethical biomedical review as a sham."

The Chinese authorities opened an investigation shortly after the news was announced, saying that there were problems with the ethical review documents involved in the study.

CCP mouthpiece People's Daily also changed its tone after praising the research as "a historic breakthrough," and published an article titled "Technological Development Cannot Leave Ethics Behind."

On Dec. 30, 2019, a Chinese court ruled in a secret trial that He Jiankui will spend three years in prison and pay a \$430,000 fine for "illegally carrying out the human embryo gene-editing experiments." Two others involved were also sentenced.

EXPERIMENT 4 Gain-of-Function **Experiments on Coronaviruses**

"Bat Woman" Shi Zhengli, a scientist at the Wuhan Institute of Virology in China, sparked an ethical and moral debate by conducting a gain-of-function (GOF) experiment in the course of her research on

the CCP virus, which causes COVID-19. In 2015, Shi, together with her collaborators, published a paper in the journal Nature Medicine on the genetic modification of a SARS-like virus (SARS-CoV) bat coronavirus to allow it to infect humans with greater infectivity.

This GOF study, in which the virus was genetically modified to make it more lethal or transmissible, amounted to the creation of a new strain of the virus that was expected to cause an outbreak in humans, the so-called "potential pandemic patho-

scientists around the world questioned the potential dangers and ethical issues of the

Because the risk of widespread or even global spread of virulent pathogens that could result from GOF/PPP research far outweighs the benefits of the research, such research has raised widespread ethical concerns and has been deemed inconsistent with the Nuremberg Code's requirement for broad ethical principles of "fruitful results for the good of society, unprocurable by other methods," and proportionality of risk to humanitarian benefit.

In 2014, the U.S. government suspended

funding for GOF research involving influenza, Severe Acute Respiratory Syndrome (SARS) coronavirus, and Middle East Respiratory Syndrome (MERS) coronavirus. In August 2020, Michael J. Imperiale, professor in the Department of Microbiology and Immunology at the University of Michigan, and Arturo Casadevall, professor and chair of the Department of Molecular Microbiology and Immunology at Johns Hopkins Bloomberg School of Public Health, co-authored an article saying that "we are not concerned with the notion of gain-of-function experiments writ large ... Rather, we are specifically talking about experiments involving pandemic

They added, "One should not be performing GOF experiments simply to 'see what would happen' without strong evidence that it could happen naturally. In other words, just because an experiment can be done does not mean that it should be done."

In an email to the New York Times on June 15, Shi argued that her experiment was different from GOF because her goal was not to make the virus more dangerous but to understand how it spreads across

Dr. Sean Lin, former lab director of the viral disease branch of the Walter Reed Army Institute of Research, told The Epoch Times Chinese-language edition that the crossspecies experiment itself would create new viruses that are not found in nature, making them not only more virulent or infectious, but also helping the virus mutate and leading to cross-species mutations.

OPINION

China's Social Media War Against the Uyghurs

CHARLOTTE ALLEN



The Chinese regime blocks Chinese citizens from accessing nearly all Western social-media platforms—Facebook, Google, Twitter, YouTube,

to mention such conventional international news sources as the BBC, The New York Times, and The Wall Street Journal. China's "Great Firewall," as it is called, is said to be the most technologically sophisticated system of media censorship in the world.

Yet censor as it may inside China's own borders, the Chinese regime has no qualms about using Western social media, YouTube and Twitter in particular, to wage a propaganda war elsewhere, particularly on the issue of its treatment of the 13 million Turkic-speaking Uyghur Muslims who live in Xinjiang in far-western China. It is a viselike two-pronged war. On the one hand, China has issued a stream of propaganda videos appearing on YouTube and Twitter designed to paint the Uyghurs as extremist terrorists, and the Chinese regime as a benevolent force that has replaced poverty with prosperity for a majority of Xinjiang's residents. On the other hand, China may have pressured a compliant YouTube to remove videos made by human rights advocates documenting torture and forced labor as the actual conditions endured by many members of this ethnic and religious minority.

More than one million Uyghurs nearly a tenth of Xinjiang's total Uyghur population—are said to be confined in a network of prison-like detention camps where hundreds of thousands of them are forced to labor in Xinjiang's huge cotton industry (the region produces 20 percent of the world's raw cotton). Others work in the hundreds of newly built factories inside or not far from the camps, some of which, it is alleged, supply such major consumer-goods producers as Nike, Coca-Cola, and Calvin Klein (all three deny that their supply chains use slave labor). Except for the occasional Potemkin Village tour, journalists have been barred from access to the mass internment sites, which China euphemistically calls "vocational training and education centers," but enough drone footage and photos have been spirited out of China, supplemented by reports from survivors, to give what appears to be an accurate picture of horrific conditions there.

The mass detention camps were a response to bloody ethnic clashes on the streets of Urumqi, Xinjiang's capital, in 2009, as well as attacks on pedestrians and commuters in Beijing in 2013 and in Kunming in southern China in 2014. The Chinese regime blamed the incidents on Islamic terrorists, and in 2016 began building the camps to house Uyghurs and other Turkic Muslims suspected of "untrustworthiness" and separatist-nationalist sentiments. That could mean viewing religious content on the internet, having an overseas relative, or downloading a forbidden app.

The aim of the mushrooming network of camps, and of China's policies elsewhere in Xinjiang, is "de-radicalization."

from their Muslim religious and cultural The timing also identities: making them eat pork, shaving shows that the off men's beards, and subjecting them to hours of political re-education. Thousands Chinese regime, of children have been separated from their while perfectly parents, and imprisoned Uyghur women willing to censor reportedly endure forced abortions and sterilizations. They even allegedly have Western social their hair cut off and to be sold to the global media within its wig industry. In the cities of Xinjiang, the own borders, has no Chinese regime has bulldozed or desecrated dozens of mosques and Islamic holy objection to taking sites that once drew tens of thousands of advantage of the pilgrims. The government has also encourvery same social aged Han Chinese—China's overwhelming ethnic majority—to settle in Xinjiang media when it suits and dilute the population demographiits own purposes. cally, to the point that Han now makes up

around 40 percent of Xinjiang's residents. In 2019, after a drone video surfaced showing hundreds of blindfolded men in Xinjiang being loaded onto a train, their heads shaven and their hands shackled, the Chinese state-owned media placed video documentaries on YouTube painting the Uyghurs as having perpetrated thousands of acts of terrorism from 1990 to 2016, even operating terrorist camps for indoctrinating children. The implication was that the mass internment was welldeserved.

The latest Chinese social-media campaign takes a different tack that downplays—even comes close to denying the existence of—the detention camps and forced labor. On June 23, The New York Times and ProPublica, a nonprofit journalism, posted the results of an analysis of more than 3,000 videos that have popped in recent months on YouTube and Twitter. In the videos, store owners, taxi drivers, retirees, mothers, and grandmothers describe in either Uyghur or Chinese (with English subtitles) the happy, prosperous lives they are currently leading in Xinjiang and denounce American politicians and other public figures who have criticized China's repressive policies. The videos have a scripted quality, with the speakers using identical or nearly identical phrases in hundreds of them. One used-car dealer

That means brutally detaching Uyghurs contacted by the ProPublica reporting team said that local propaganda authorities had produced his particular clip, and he directed the reporter to the propaganda

office (which did not return calls). At around the same time that those thousands of clearly manufactured videos began turning up, YouTube abruptly shut down the channel Atajurt Kazakh Human Rights, which collects and publicizes video testimony from relatives of camp detainees in Xinjiang. The channel's owner, Kazakh activist Serikzhan Bilash, had been posting the videos, about 11,000 of them to date, without complaint from YouTube, since 2018. Then, suddenly, on June 15, YouTube decided that Bilash had "violated community guidelines" against doxxing by publishing identifying information that would assure viewers that the relatives were real people. On June 18, YouTube restored the channel, but four days later it locked some of the earliest videos, saying they potentially violated its "criminal organizations policy," which bans content praising criminal or terrorist organizations. There is no direct evidence that pressure from the Chinese regime spurred YouTube's actions, but their timing—as Congress appears ready to pass a bill that would require American businesses to prove that their products weren't produced with forced labor—appears more than fortuitous.

The timing also shows that the Chinese regime, while perfectly willing to censor Western social media within its own borders, has no objection to taking advantage of the very same social media when it suits

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



A perimeter fence is constructed around what is officially known as a vocational skills education center in Dabancheng in Xinjiang Uyghur Region, China, on Sept. 4, 2018.

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ENVIRONMENT

Week 28, 2021 THE EPOCH TIMES



A Didi autonomous taxi performs a pilot test drive on the streets of Shanghai on July 22, 2020.

OPINION

Didi Debacle Has Forever Changed Chinese Offshore IPOs

CCP scrutiny to slow parade of US IPOs of Chinese companies

The crackdown

on Didi and other

technology giants

Communist Party

shouldn't have been

by the Chinese

surprising.

FAN YU

The United States and China are begintechnology companies selling shares on U.S. stock exchanges may not work.

Just days after Chinese ride-hailing company Didi Global Inc.—the U.S.-listed affiliate of Didi Chuxing—was IPO'ed in New York earlier this month, China's cybersecurity watchdog launched an investigation into the company and removed its app from Chinese mobile app stores. The Cyberspace Administration of China's investigation was to "safeguard national data security and protect national security."

The fallout of this was immediate and severe. Didi's NYSE-listed shares plunged below the IPO price. Two lawsuits filed in New York and Los Angeles by investors accused Didi executives and its lead underwriting banks of failing to disclose ongoing investigations that occurred prior to Didi's listing. Investment professionals from Kyle Bass to Jim Cramer decried the news and questioned whether Chinese stocks are investable.

There's a lot to unpack here. But one thing is for certain: Chinese stocks will never be looked at in the way same going forward.

To start, the crackdown on Didi and other technology giants by the Chinese Communist Party (CCP) shouldn't have been surprising. After the CCP scuttled Ant Group's IPO last year, investors up-in-arms about Didi either haven't been paying attention or haven't done their homework.

We have to go back to the year 2000 for context. That year, Sina.com, which owns Weibo, became the first Chinese technology giant to IPO in the United States.

The CCP prohibits foreign ownership in industries it considers critical to national security, including the technology sector. Sina utilized a complicated legal structure involving a series of variable interest entities (VIEs) to circumvent Chinese regulations around foreign ownership. In essence, U.S. investors would buy shares in a Cayman Islands or British Virgin Islands (BVI)-registered shell company (the VIE), which in turn holds synthetic economic interests in the actual Chinese company through a series of legal agree-

Put differently, it's as if I owned a company and you wanted to buy it. But instead

of buying me out and actually owning the company, you and I enter into a paper contract where I promise to pass all future prof- and collects vast data on where Chinese ts of the company onto you in perpetuity. It's not quite that simple, but it's a passable

Since Sina's landmark IPO, this practice has been the norm in offshore IPOs of Chinese technology giants ever since, including those of Alibaba, JD.com, Baidu, and, most recently, Didi.

So U.S. shareholders don't actually own the company and have no real say or voting rights in how it actually does business in China. Case in point: Major Alibaba shareholders Yahoo and SoftBank had no say when Alibaba spun off the very valuable Alipay in 2011. The two shareholders were notably upset by company founder Jack Ma's alleged asset-stripping, but had little

That isn't a problem if the investors know what they're signing up for when buying into Chinese IPOs. But the fact remains that this VIE structure is technically illegal in China: It's a blatant circumvention of Chinese laws. The CCP has overlooked this for many years for a variety of reasons, but it was foolish for investors to believe that Beijing was never going to take action.

However, the same reasons that put U.S. investors at a legal disadvantage also handcuff Beijing regulators. China doesn't have jurisdiction over Cayman or BVI, and the founders and executives of the Chinese technology giants could create other offshore entities personally owned by them to receive dividends and payouts away from Beijing's watchful eyes, potentially dodging capital controls and taxes.

Rumors are already swirling that Beijing is scrutinizing the VIE structure. Bloomberg reported that the China Securities Regulatory Commission is requiring companies contemplating the VIE offshore listing structure to obtain regulatory approval

Looking at Didi's case specifically, the CCP appears to be concerned with data

The CCP craves monitoring and control of its populace. And in the information age, data is king. It's why Beijing introduced a digital yuan. Cash can't be tracked, and even mobile payment data via Alipay isn't directly controlled by the Beijing government—it's technically

owned by the company.

Didi is China's biggest ride-hailing app, people are going and when. The Holding Foreign Companies Accountable Act requires U.S.-listed Chinese companies to submit to U.S. regulatory audits, which could result in such data falling into American hands.

Never mind that few talks have taken place between U.S. and Chinese financial regulators to cooperate on audit work paper sharing. But this is one of Beijing's official reasons for clamping down on tech

There's some speculation that Didi specifically was less than forthcoming with Chinese regulators ahead of its U.S. IPO. The South China Morning Post reported that China's data security regulator asked the company to delay the IPO, but that request was ignored.

We won't get into the machinations that may or may not have happened in Didi's boardroom. Regardless of the reasons behind such investigations, it's clear that raising foreign capital will become much harder for Chinese technology companies

It has already caused some consternation among Chinese tech giants considering a U.S. listing. On July 7, LinkDoc—a Chinese medical data provider backed by Alibaba pulled its listing after building an IPO order book from potential investors.

For U.S. retail investors, China's more hawkish view of offshore IPOs is likely a blessing in disguise. But for venture capital and private equity firms—such as early Didi backers Uber, SoftBank, and South Korea's Mirae Asset Management—it has suddenly become harder to exit their investments. And without a guaranteed IPO payoff at the end of the road, will VC's and PE's flock to China in the first place?

U.S. regulators were already considering delisting some Chinese companies from American exchanges. Now, it appears that Beijing is doing their job for them.

Fan Yu is an expert in finance and economics and has contributed analyses on China's economy since 2015.

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

With China Producing Half the World's New Energy Vehicles, Retired Batteries May Bring 'Explosive Pollution'

KATE JIANG & JENNIFER ZENG

As China's new energy vehicle production grows rapidly, with half of global production now coming from China, the huge amount of retired batteries could bring "disastrous" environmental problems and "explosive pollution," says state-owned media Xinhua.

According to Xinhua, the cumulative retired batteries in China will had reached 200,000 tons (about 25 GWh) in 2020 and will grow to 780,000 tons (about 116 GWh) by 2025.

However, more than half of the retired batteries are not recycled via proper channels, but are "snapped up" by unqualified small factories that don't invest much in environmental protection, the report says.

Generally speaking, the service life of new energy vehicle batteries is about 5-8 years. If the retired batteries are not properly disposed of, they will bring disastrous pollution to the environment, despite the fact that these new energy vehicles were designed to be "clean" and environmentally friendly.

Professor Wu Feng at Beijing Institute of Technology told Chinese media, "A 20gram cell phone battery can pollute three standard swimming pools of water, and if abandoned on the land, it can pollute 1 square kilometer of land for about 50 years."

Compared to cell phone batteries, the pollution caused by the batteries of large new energy vehicles is more serious.

These batteries contain heavy metals such as cobalt, manganese, and nickel, which do not degrade on their own. Manganese, for example, pollutes the air, water, and soil, and more than 500 micrograms per cubic meter in the air can cause manganese poisoning.

In 2010, there was a drinking water emergency in Guangdong Province, China, when the manganese in the drinking water exceeded standard safe levels. Another major source of pollution in

lithium ion batteries is the electrolyte. The lithium hexafluorophosphate in the electrolyte is easily hydrolyzed in the air to produce phosphorus pentafluoride, hydrogen fluoride, and other harmful substances, which is a major threat to soil and water resources.

Phosphorus pentafluoride is a strong irritant to human skin, eyes, and mucous membranes, and is also a very reactive compound that will hydrolyze violently in humid air to produce toxic and corrosive white fumes of hydrogen fluoride.

Illegal and Improper Disposal of Used and Waste Batteries

In mainland China, it is not uncommon for battery electrolytes to be dumped

directly without treatment.

In 2015, the People's Court of Tianhe District in Guangzhou City, Guangdong Province, handed down a verdict on a case of illegal disposal of used and waste batteries. According to the verdict, the defen-

dant dismantled the used batteries and dumped the electrolyte directly on the ground. The pH value, zinc, copper, chromium, lead, and other water pollutants in the on-site samples exceeded the discharge standards stipulated in the "Guangdong Local Standard Water Pollution Discharge Limits," with the concentration of zinc exceeding the standard by a factor of 4.73, copper by 5.29, lead by 5.42, and cadmium by 27.1.

In 2016, the first battery pollution case in Suzhou City, Jiangsu Province, went to court and the man involved was sued for directly dumping electrolyte. In November 2016, he was sentenced to six months

In 2018, police in Shenyang City, Liaoning province, seized an illegal lead refinery in an industrial park in Tieling City, Liaoning, and seized 330 tons of waste batteries.

The police found that the illegal lead refinery "used force to dismantle the batteries improperly" and illegally discharged 50 tons of sulfuric acid directly onto nearby land, causing serious and irreversible pollution.

The above cases are just three examples. There have been more reports about the discarded power batteries causing much pollution to the water, land, and air in China.

Li Yongwang, general manager of Synfuels China, said in an interview with the Chinese media Yicai that the batteries of new energy vehicles are likely to cause far more pollution than the exhaust pollution of fuel vehicles.

He says that while exhaust pollution can be controlled, recycling new energy batteries is difficult, the cost is high, and after the total volume of electric vehicles reach 10 percent of the total number of vehicles, "catastrophic" problems will occur.

Institute of Process Engineering of the Chinese Academy of Sciences, told state-owned media Xinhua that as the discarded batteries still contain high voltages, ranging from 300 to 1000 volts. If they are improperly handled during the recycling, dismantling, and processing stages, it could result in fires, explosions, heavy metal pollution, and organic emissions, among other things.

Less than Half of Retired Batteries **Recycled via Proper Channels** China's Ministry of Industry and Infor-

Measures for the Management of New Energy Vehicle Power Battery Recycling" in 2018, placing the main responsibility for power battery recycling on vehicle manufacturers and including 27 enterprises in the list of those meeting the "In-

dustry Specification of Comprehensive

Utilization of New Energy Vehicle Waste

mation Technology released the "Interim

Power Battery," or the "white list." However, state-owned media People's Daily pointed out that many retired batteries were taken by unqualified small manufacturers at "high prices."

Feng Xingya, general manager of GAC group, told People's Daily that "all major factories are trying to recycle the batteries, but not many are really able to get back any." According to Chinese media Caixin,

Yang Xulai, professor at Hefei College and former vice director of Guoxuan High-Tech Institute, said that the waste and used batteries mainly come via three channels: automobile sales and service shops, scrapped cars, and residual products of battery enterprises.

He said, only the residual products of battery enterprises have entered the proper recycling channels, while nobody knows where the batteries from other channels go.

Bao Wei, general manager of a whitelisted company, Zhejiang Huayou Recycling Technology, said that currently, less than half of the retired batteries are being recycled via proper channels.

Rapid Growth

While the problem of battery recycling has not yet been solved, the number of retired batteries is increasing rapidly with the rapid development of new energy vehicles in China.

The number of new energy vehicles in China has increased from 75,000 units in 2014 to 1,367,000 units in 2020. And in May 2021, China's new energy vehicles continue to set new monthly production and sales records.

According to the China Association of Automobile Manufacturers, by the end of May 2021, the number of new energy vehicles in China is about 5.8 million, accounting for about half of the total number of new energy vehicles in the

This is accompanied by the rapid development of the battery industry and the massive increase in retired batteries.

In 2020, the cumulative installed capacity of batteries in China reached 63.6 GWh, up 2.3 percent year-on-year. According to Everbright Securities, from 2020 to 2060, the cumulative demand for lithium batteries will reach

25TWh. As 1GWh battery corresponds to 600 tons of lithium carbonate, the demand for lithium carbonate will reach 15 million tons.

Aggressive Industry Policies

The massive increase in retired batteries cannot be separated from the explosive growth of new energy vehicles, which in turn cannot be separated from the aggressive industry policies of the Chinese Communist Party (CCP).

In 2009, the CCP's Development and Reform Commission, the Ministry of Science and Technology, the Ministry of Finance, and the Ministry of Industry and Information Technology launched the "Ten Cities, One Thousand Vehicles" project, which aimed to launch 1,000 new energy vehicles in 10 cities each year in three years through financial subsidies. These cities would then become "model cities" for other cities to follow suit.

Since then, the CCP has introduced a series of policies to support the development of the new energy vehicle industry.

In 2014, the State Council approved tax exemptions on purchases of new energy vehicles, and in April 2015, the Ministry of Finance issued the "Notice on Financial Support Policies for the Promotion and Application of New Energy Vehicles from 2016 to 2020," which provided subsidies to consumers who purchase new energy vehicles.

In September 2017, the Ministry of Industry and Information Technology, the Ministry of Finance, and five other departments jointly issued the "Regulations for the Parallel Management of Average Fuel Consumption of Passenger Vehicle Enterprises and New Energy Vehicle Points," also known as the "Dual Points" regulation. The Regulations stated that if a car manufacturer did not produce new energy vehicles or did not produce enough, it would be punished by being suspended from producing high fuel consumption cars.

Before the introduction of this regulation, car manufacturers would only be suspended from producing, or getting permission to produce, high fuel consumption cars if they fail to reach the standard of the average fuel con-

"These policies resulted in a fastgrowing industry," Hong Kong financial analyst Jiang Tianming told the Epoch Times. "However, if the retired batteries cannot be recycled effectively and environmentally friendly, the statement that new energy cars are 'clean' and 'environmentally friendly' is undoubtedly a false proposition."



There have been more reports about the discarded power batteries causing much pollution to the water, land, and air in China.

Workers at a factory for Xinwangda Electric Vehicle Battery Co. Ltd., which makes lithium batteries for electric cars and other uses, in Nanjing in China's eastern Jiangsu Province.

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