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CHINA INSIDER

Chinese regime leader Xi Jinping delivers a speech on the 100th anniversary of the founding of the Chinese Communist Party at Tiananmen Square in Beijing on July 1, 2021.



CCP'S CRACKDOWN ON EVERYTHING

BEIJING LAUNCHES SWEEPING BID
TO REMOLD SOCIETY

See Page 6

OPINION

Chinese Propaganda at Home and Abroad: Chinese Media Attacks the US

Part 3 of 3:
Beijing's domestic propaganda machine praises the CCP, controls the people, mocks America

ANTONIO GRACEFFO



At the 100th anniversary of the Chinese Communist Party (CCP) in 2021, the propaganda was stepped up, praising both the Party and Xi Jinping. In a China that has become prosperous and where competition in the new economy is fierce, it would be easy for everyday people to turn away from the Party which once vilified the wealthy class. But through continued propaganda efforts and a periodic rewriting of the message, which now suggests that becoming wealthy is an act of patriotism, the CCP has not only managed to stay relevant, but to remain supreme. This year's slogan was "always follow the Party."

In a previous generation, school children in China read a column called "Socialism Is Good. Capitalism Is Bad." This promoted the idea that the CCP took care of its people while the West allowed its citizens to suffer, alone in hunger, until they died. True believers wound up pitying Americans who were six times wealthier, on average, compared to the Chinese. Today, it is a harder sell to convince Chinese people that all Americans are poor, but state media does a good job of distorting the wealth inequality and the homeless problem in the United States.

Xi has stated that the task of United Front Work Department and other propaganda outlets is to demonstrate the superiority of the Chinese system, through prosperity. Chinese language articles regularly appear in state media about how unfair the U.S. economic system is and how "inequality kills."

In economics, the measure of wealth inequality inside of a country is called Gini coefficient. In 2016, China's Gini coefficient was 38.6, while the United States had a Gini of 41.5. That means that wealth inequality in the United States was only slightly higher than in China. But the lowest 29 percent of wage earners in the United States earn a bit more than \$25,000 per year, while China's middle class earn about \$10,000 per year. At the same time, China has nearly as many billionaires as the United States. Even more concerning, 600 million Chinese are still living on \$140/month. The problem of wealth inequality is at least as bad, if not worse, in China.

CCP propaganda apparatus at home exploited every misstep Western countries took to contain the COVID-19 outbreak, including a large number of deaths in the United States. Every mistake in a democratic country becomes one more piece that Beijing exploits to further its interests. These sentiments were espoused in the Chinese language in state media, then echoed in English in the Global Times for the rest of the world, outside of China to read.

Chinese media exploited the Jan. 6 Capitol breach to show divisions within the United States. Reports, inside of China, went so far as to call the United States a failed state. Beijing capitalizes on negative stories about the



A group of 16-year-old youths try to distribute Chinese Communist Party propaganda in Flushing, New York on Aug. 10, 2013.

United States as proof that democracy either does not exist in the United States, or that democracy is collapsing, and consequently, Chinese citizens should be happy that they live under the CCP regime.

State-controlled television includes U.S. media reporting as part of its domestic propaganda campaign. The Chinese media regularly tells Chinese citizens which U.S. media reports support the official narratives of the CCP. A Chinese language story in the news portal Sina had a title translated as "The U.S. is undergoing a major collapse." The story was supported by a reference to a Washington Post story, whose Chinese title translated to "A Great Crash in the United States."

Beijing also uses these American news stories to establish China as an expert that can help other nations, or as a victim of Western chauvinism, or a hero/savior of the world. China is portrayed as an expert in stories about the heroic role the CCP took in controlling the coronavirus, praising its first responders and nurses, or trumpeting its aid to Italy in the early part of the pandemic.

Not only are most countries not grateful to China, but many wish to hold the CCP accountable for mishandling and lying about COVID-19, as well as for the disappearance of several Chinese whistleblowers.

At other times, state media can portray China as a hapless victim. A story in Huangqiu claimed that "FBI agents admitted that they framed the Chinese professor." The article was referring to Anming Hu, an assistant professor of engineering at the University of Tennessee, Knoxville (UTK), who was arrested last year for allegedly lying about his ties to a Chinese university while receiving funding from NASA. In the end, a federal judge declared a mistrial after the jury failed to reach a verdict.

But in countless other cases, the CCP is proven to have used academics as spies. Dr. Charles Lieber, the chair of Harvard University's Chemistry and Chemical Biology Department, was arrested by the FBI for failing to disclose his ties to the CCP. Lieber received payments of \$50,000 per month, as well as \$1.5 million, from Beijing for his role as a "strategic scientist" at Wuhan University of Technology (WUT) and for his participation in China's "Thousand Talents Plan." Other academics that have been arrested for spying for the CCP or failing to disclose their connection to Beijing include the following: Yanqing Ye, a lieutenant in the People's Liberation Army, who was studying at Boston University's (BU) Department of Physics, Chemistry and Biomedical Engineering; and Zaosong Zheng, who was conducting cancer research at Beth Israel Deaconess Medical Center in Boston. Zheng was arrested while trying to smuggle vials of organic material he had stolen from the lab, back to China.

Whether state media represents the CCP as a hero or a victim on a given day depends on which image would best suit the Chinese regime's immediate needs.

When the regime has a falling out with a foreign nation, the propaganda is designed to turn public opinion against that country. In 2019, China sanctioned Norway for awarding the Nobel Prize to pro-democracy activist Liu Xiaobo. Similarly, CCP propaganda fanned Chinese citizens' anger at Australia for calling for an independent investigation of the origins of COVID-19.

Last year, China's Foreign Ministry spokesperson Hua Chunying wrote on Twitter that if the United States was so concerned about transparency and discovering the true origin of COVID-19, then the United States should open its biodefense lab, at Fort Detrick in Maryland, to international inspectors. This tweet was immediately picked up by state media, becoming the basis for reports published in English, Spanish, Arabic, and other languages. The state-run China Global Television Network and Global Times ran versions of the story, following Xi's edict, that state media should promote "positive propaganda" for the "correct guidance of public opinion."

The CCP has complete control of all news media and total censorship on social media, while it is able to keep unwanted information out with the Great Firewall. The people in mainland China can only view what the CCP wants them to see.

The average Chinese citizen has no idea that in Xinjiang, millions of Uyghur Muslims are being persecuted, tortured, detained, or subjected to forced labor and organ harvesting. Neither do they know of the countless Tibetans who have been murdered or the millions robbed of their religion and language. They are unaware of the cultural genocide being committed in Tibet, East Turkestan (Xinjiang), and Southern Mongolia (Inner Mongolia). They were, however, aware of the death of George Floyd and the ensuing riots which engulfed the United States.

While the CCP is waging genocide against its own Muslim population, the Global Times, a Party mouthpiece, is running stories about America's mistreatment of Muslim-Americans. Global Times went so far as to call the United States "a colonial, expansionist genocidal settler state." The same Chinese readers would be unaware that East Turkestan and Tibet were independent until forcibly annexed through a CCP military invasion.

Many experts see propaganda as Beijing's most powerful control mechanism. The CCP's propaganda departments employ millions of people, have tremendous budgets, and sophisticated technology at their disposal. The regime's propaganda machine operates on the belief that propaganda is neither lying nor deceitful, but rather, a necessary and virtuous component of building and maintaining the state.

Editor's note: Part 1 examines how the Chinese regime uses American mainstream media to wage its propaganda battle abroad. Part 2 discusses how Beijing's global propaganda campaign is aided by U.S. citizens and companies, dependent on Chinese money.

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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 Times.

CCP

China Is Using Wokeism to Erode US Democracy, Author Says

FRANK FANG & JAN JEKIELEK

The communist regime in China is using "wokeism" as a geopolitical tool to undermine U.S. democracy, according to Vivek Ramaswamy, author of "Woke, Inc.: Inside Corporate America's Social Justice Scam." "They [China] are using that to divide us, to use that as a kink in our armor to divide us from within, by getting corporations to criticize injustice here, without saying a peep about injustice over there and deflecting accountability for their human rights abuses," Ramaswamy said in a recent interview with EpochTV's "American Thought Leaders."

This is a time of effectively living in a modern Red Guard revolution in America, except instead of the Chinese Red Guard pushing the philosophy of Marxism, the new Red Guard is pushing it through all of our major institutions.

Vivek Ramaswamy, author of "Woke, Inc.: Inside Corporate America's Social Justice Scam"

He said U.S. companies that criticize social issues in the United States, but remain silent on China's human rights abuses, such as those in Xinjiang—including the NBA and Disney—are empowering communist China.

In 2020, Disney drew heavy criticism when it was revealed that it filmed a live-action remake of "Mulan" in China's far-western region of Xinjiang, where Beijing has locked imprisoned than 1 million Uyghurs and other Muslim minorities in

internment camps. Several governments, including the United States, have characterized China's oppression in Xinjiang as "genocide."

The NBA was in hot water in 2019, after Houston Rockets then-general manager Daryl Morey voiced support for Hong Kong pro-democracy protesters in a Twitter post. The Chinese regime, which cast the protesters as "rioters," suspended airing NBA games in retaliation, while Chinese companies cut ties with the league.

In an apologetic statement, the NBA said Morey's Twitter post was "regrettable" and "deeply offended many of our friends and fans in China." However, the league didn't bow to Chinese pressure to discipline or fire Morey.

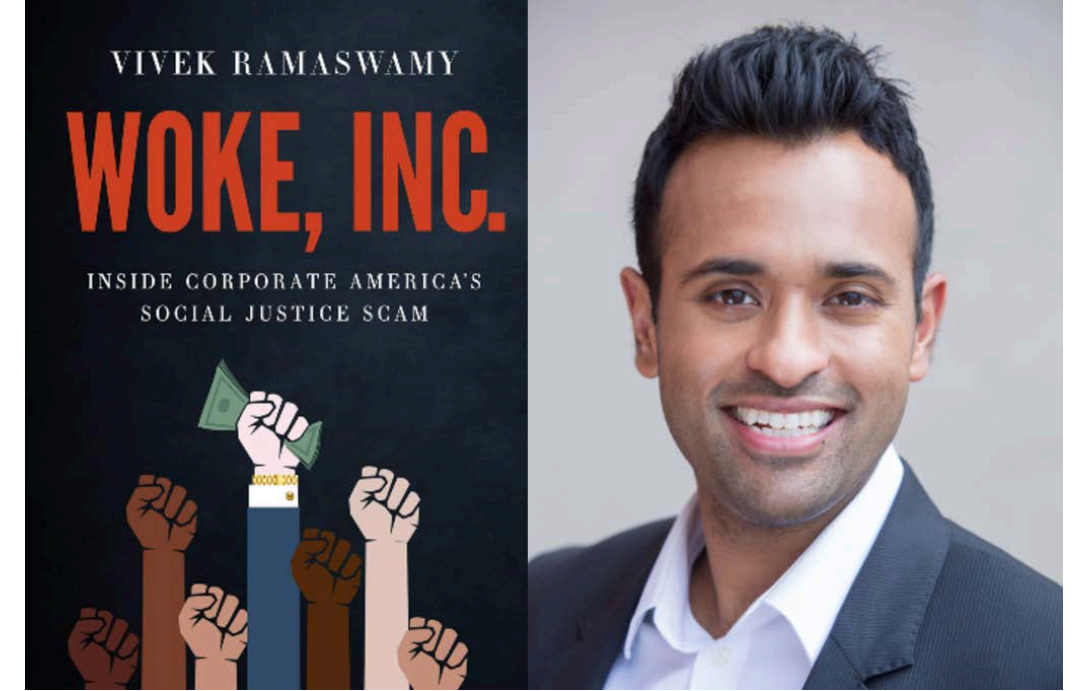
"What that has the effect of doing is creating a false moral equivalence between the United States and China," Ramaswamy said. "And that actually erodes our greatest geopolitical asset of all, that is not our nuclear arsenal, it is our moral standing on the global stage."

The Chinese regime has been "rolling out the red carpet" for companies that have criticized injustice in the United States, according to Ramaswamy. For example, he pointed to U.S. online lodging platform Airbnb, which has voiced support for the Black Lives Matter movement.

Ramaswamy argued that Airbnb paid "a dirty bribe" to Beijing when it shared its guest data with Chinese authorities in exchange for being able to do business in China.

In March, more than 190 global campaign groups wrote an open letter to Airbnb CEO Brian Chesky, asking the firm to withdraw its support for the 2022 Winter Olympics in Beijing because of the communist regime's horrific human rights records.

"Airbnb should not be encouraging a wider tourist industry to be supported and allowed to flourish at the expense of Uyghur and Tibetan rights," the groups wrote.



The cover of "Woke, Inc.: Inside Corporate America's Social Justice Scam," by Vivek Ramaswamy.

Airbnb, which inked a partnership with the International Olympic Committee in 2019, is one of the organization's 15 leading sponsors.

"The way in which they [China] have turned our own companies into Trojan horses to undermine us from within is the flip side of the modern Battle of Troy," Ramaswamy said. "They've sent the Trojan horse in."

The modern-day wokeism, which Ramaswamy has characterized as a "culture of self-criticism," has borne resemblance to old school Chinese communist politics, as well as to former Chinese leader Mao Zedong's Red Guards, he said.

"This is a time of effectively living in a modern Red Guard revolution in America, except instead of the Chinese Red Guard pushing the philosophy of Marxism, the new Red Guard is pushing it through all of our major institutions. From the pri-

vate sector to the public, they are pushing this new philosophy of wokeism," he said. "Someone inside needed to sound the alarm bell."

Mao instigated the Red Guards, who were Chinese high school and university students, to persecute those identified as "class enemies" of the communist regime, amid the Cultural Revolution that lasted 10 years, until Mao's death in 1976.

Ramaswamy said "American greatness" would be coming to an end if Americans weren't able to reverse the trend.

"[We need to] harness and rediscover our own culture of excellence, our own culture of the unapologetic pursuit of excellence through our system of free enterprise, and through our democracy in ways that require seeing past the superficial demands of the woke movement," he said.

The Epoch Times has reached out to Airbnb, Disney, and the NBA for comment.

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People use computers at an internet bar in Beijing in this undated photo. The Chinese regime is mandating censorship software for every computer sold in China.

LIU JIN/AP/GETTY IMAGES

OPINION

China Went to War a Long Time Ago, but the US Didn't (Want to) Notice

GRANT NEWSHAM



President Joseph Biden spoke with Chinese leader Xi Jinping on the phone last week. Biden's stated objective: To establish "guardrails" for the U.S.-China relationship in order to ensure the competition between the two nations doesn't veer into outright conflict or a shooting war.

Sounds good. But it assumes Beijing sees itself as simply being in "competition" with Washington—rather than already prosecuting a multi-front, multi-discipline war against the United States. In fact, Biden's claim that the United States is just competing with China is a de facto win for Xi on one of the battlefields—psychological warfare.

Go down the list of other battlefields and it sure looks like war. All that's missing is the shooting.

The Deadly Political Warfare Battlefield

Beijing has a longstanding global political warfare campaign that subverts governments and elites worldwide. This pays off in nations that are politically aligned with Beijing against the United States—or at least staying neutral—and acts to isolate and punish countries inclined to resist China. Outcomes include political and economic subversion and eventual Chinese military access.

China is prosecuting this war on all geographical fronts. It is active in Latin America, the Caribbean, Africa, Southeast Asia, the South Pacific, and even has its sights on the Arctic—declaring itself a "Near Arctic Nation" even though the concept doesn't exist in international law. Antarctica, and its strategic positioning and resources, is similarly in the crosshairs.

The idea is to put the Americans (and its dwindling number of allies) in a position where they cannot move—or at least not at an acceptable cost. If so, the game is over before the Americans figure out the competition is in fact a war. In other words, "winning without fighting."

There is a range of battlefields in the larger political warfare assault. These include the following:

Bio-war: We're two years into it. At a minimum, Beijing opportunistically seeded the virus that caused the COVID-19 pandemic

while pleading innocence and blocking investigations that could have saved lives and competing economies. Next time it will have worked out the kinks.

Civil war: Beijing stokes internal conflict inside the United States in part via mass customized manipulation through social media. Not that it has to try very hard. What's better than an enemy that is fighting with itself?

Drug war: Most fentanyl originates in China—and over 60,000 Americans died last year from fentanyl overdose. That's more than the number of American soldiers killed in the entire Vietnam War.

Economic war: China bought up key American companies by the hundreds over the last few decades and obtained critical U.S. technologies by hook and by crook. It also got U.S. businesses (egged on by Wall Street) to move enough manufacturing to China over the last 30 years, leaving large swaths of the United States gutted and the inhabitants stunned, despairing and too often drug addicted—on China-sourced fentanyl.

And in a gradual, preemptive act of surrender, U.S. companies set up supply chains for key materials and products—such as pharmaceuticals—in China.

Beijing is also buttressing its economic defenses—which is standard operating procedures for a country at war—in part by making itself "sanctions proof" (the modern economic equivalent of siege-proof).

Trade war: We're two decades into this front of the economic war. Washington gave China the go-ahead to attack in 2001 when it let the People's Republic of China (PRC) into the World Trade Organization (WTO)—despite not meeting qualifications. It didn't take a strategic genius to know what would happen. Even before that, Beijing was aggressively violating GATT regulations as a matter of national policy.

Financial war: The PRC is trying to displace the U.S. dollar as the world's reserve currency. The dollar is America's last solid means of applying pressure against Beijing. Yet the Biden administration and previous administrations have done their best to debase the currency. If the Chinese regime makes enough progress on this front, the United States will not even be able to fund its own defense.



GREG BAKER/AFP/GETTY IMAGES

Kinetic War

While forging ahead with weakening the defenses of its opponents through political warfare, Beijing is also preparing and positioning for "traditional" kinetic—or shooting—war.

To the Chinese regime, political warfare and kinetic warfare are part of the same continuum, and it will transition from one to the other as needed to achieve its goals. Just ask Tibet, Vietnam, India, or others it has attacked over the years.

The U.S. military's top dogs are once again dying to engage with the People's Liberation Army (PLA), even as Chinese officers are dying to engage with the Americans—though in a different way. Some examples include the following:

Military size, capability and reach: The Chinese regime has undertaken the biggest, fastest defense build up since World War Two and probably in history. It is dramatically expanding its size, capabilities, and reach. Already the PLA is a match for U.S. forces in certain circumstances.

The Chinese Navy's fleet is bigger than the U.S. Navy, and China is producing hypersonic and aircraft carrier killer missiles. It's rapidly improving undersea warfare capabilities as well.

In terms of power projection, the regime is seizing maritime territory, including building artificial islands in the South China Sea and turning them into military bases to dominate the zone and expand the PLA's operational reach.

Beijing is also setting up port and airfield access worldwide. It started with commercial inroads but aims for an eventual military presence. Djibouti was just the beginning. The Belt and Road Initiative (BRI, also known as "One Belt, One Road") is essentially the largest potentially dual use infrastructure endeavor the world has ever seen.

Outer space warfare: China is gearing up to be a "galactic hegemon"—to include strategic lunar positioning and anti-satellite weapons to destroy U.S. satellites and blind U.S. forces.

Cyber warfare: The PRC has already gone to work, looting U.S. government and private industry networks of strategic data (including biometrics) and sector-dominating trade secrets. Yet it has escaped almost entirely unscathed, even though the Americans know who did it.

Nuclear war: The PLA is building a nuclear weapons arsenal that will surpass America's by 2025—and Russia's too.

Is This Normal?

This is all breathtaking in its scope and one must admire the Chinese regime's consistent clarity on its objective.

But isn't China just doing what all "great powers" do?

Only if the "great power" is rapacious and looking to dominate and control its neighborhood and the rest of the globe.

And how a government treats its own citizens—repressively in China's case—gives one a pretty good idea how it will treat everyone else.

And keep in mind that Beijing has done all this—positioning itself to win a shooting war, or a war without shooting—despite facing no enemies. Nobody and no nation anywhere has ever called for attacking China.

Indeed, the United States and the free world bent over backwards to welcome China into civilized society. WTO is a case in point, along with the U.S. military's decades of eagerness to "engage" with the PLA. Even President Ronald Reagan provided advanced military technologies to the PRC.

Successive presidents—until Donald Trump—all placated Beijing, while overlooking Chinese aggressiveness and misbehavior, and ignoring human rights abuses and the total absence of "rights" of any sort, including the rule of law, in China.

All this was done with the idea that China would liberalize and become a so-called responsible stakeholder.

But while the Americans offered the open hand (and wallet) of friendship, Beijing quietly—but openly—went to war.

Some Americans did notice what China was up to but they were ignored, ridiculed, fired, or ostracized.

Others tried to raise the alarm as well—proximity to China helps one see things better.

Some Indians have been warning the Americans for years—pointing out that India has been at war with China since 1962. The Japanese military has also tried to warn U.S. counterparts, though they were usually politely ignored or even rudely dismissed in some cases.

But ultimately it was because America's ruling elite class was too arrogant to see what was going on and even now can't quite believe it—or simply wants Chinese cash.

To believe that everything the Chinese Communist Party has done is just coincidence, and not malevolent, requires a belief that the Chinese can't think coherently or plan for the future. Rather, that they just act on impulse and have zero short-term memory.

In spite of all the battlefields described above, some still say that with just a little more talking or engagement, China will come around. One can't blame the Chinese for playing to American gullibility and corruptibility. It's political warfare 101.

The Trump administration understood that the "war" was underway and tried to change course. They didn't have long enough.

One hopes Team Biden figures out that China is at war with the United States—not merely "competing"—and that whatever "guardrails" China agrees to are more likely ones that Beijing thinks will constrain Washington while it forges ahead unimpeded.

Competing is what rival rental car and soft drink companies do. It can even be what democracies do.

But the regime running China is neither a democracy nor a rental car company. It is out for blood.

Chinese regime leader Xi Jinping begins a review of troops from a car during a military parade at Tiananmen Square in Beijing on Oct. 1, 2019.

China is fighting this war on all geographical fronts. It's active in Latin America, the Caribbean, Africa, Southeast Asia, the South Pacific, and even has its sights on the Arctic—with China declaring itself to be a 'near-Arctic nation' even though the concept doesn't exist in international law.

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NOEL CELIS/AFP VIA GETTY IMAGES

The Evergrande headquarters in Shenzhen, Guangdong Province, China, on Sept. 14, 2021.

ANALYSIS

Evergrande Default Could Rock China's Entire Economy

ANTONIO GRACEFFO



China's public debt already stands at 270 percent of GDP, and non-performing loans have hit \$466.9 billion. In addition to existing economic challenges, real estate giant Ever-

grande Group has signaled that it may default on payments owed to creditors.

China's second-largest developer has been facing a liquidity crisis, as its onshore bond trading has been suspended. Without access to funding, Evergrande will find it impossible to pay suppliers, finish projects, or raise income, making default more likely—an eventuality that could send ripples through the entire Chinese economy.

Evergrande made \$110 billion in sales last year and has \$355 billion in assets. In June, it failed to pay some commercial paper and the government froze a \$20 million bank account. The company now owes total liabilities of \$305 billion, making it the most indebted real estate developer in the world. It's also the largest issuer of dollar junk bonds in Asia. Evergrande owes money to 128 banks and more than 121 non-banking institutions. Consequently, the company's stock price has dropped by 90 percent over the past 14 months while its bonds were trading at 60 to 70 percent below par.

Evergrande accounts for 4 percent of total Chinese real estate high-yield debt. The company's debt is of such significant size that it may pose a systemic risk to China's banking system. Late or defaulted payments by Evergrande could cause a chain reaction of defaults across institutions. An Evergrande sell-off could drive down prices, crashing overleveraged developers. Authorities worry that this threatens to destabilize the entire real estate sector, which makes up about 30 percent of the Chinese economy.

Additionally, Evergrande has implications for the labor market. The company employs 200,000 people regularly and 3.8 million per year on a project basis. After 18 months of sporadic COVID-19 lockdowns, China needs more, not fewer, jobs.

Evergrande is expected to be unable to meet interest and principal payments due this week.

The People's Bank of China and the China Banking and Insurance Regulatory Commission warned Evergrande's executives to reduce its debt risks. Beijing instructed authorities in Guangdong Province to coordinate with potential buyers of Evergrande's assets. Meanwhile, regulators have signed off on a proposal to let Evergrande renegotiate payment deadlines, which would grant a temporary reprieve.

Evergrande isn't the only problem in China's debt market. By midyear,

Chinese onshore and offshore defaults already totaled more than \$25 billion, which is nearly the same amount as for the entire previous year. Real estate firms accounted for about 30 percent of these defaults. Some of the larger culprits were China Fortune Land Development and Sichuan Langfang Development.

Furthermore, the transportation, tourism, and retailing sectors have been hit particularly hard by the pandemic lockdowns, increasing defaults in those sectors. Some state-linked companies have also suffered defaults, such as Yongcheng Coal & Electricity Holding Group and Tsinghua Unigroup. Additionally, China Huarong Asset Management, a majority state-owned company, failed to release its 2020 results on schedule. Between the main company and its subsidiaries, Huarong had \$39 billion of debt outstanding, eventually posting a \$15.9 billion loss for 2020.

Over the past several years, China's corporate debt to GDP ratio has been steadily increasing. In 2017, it hit a record 160 percent, up from 101 percent 10 years earlier. Chinese leader Xi Jinping has made it a priority to rein in the debt, particularly in China's \$10 trillion shadow banking sector. Local government financing vehicles (LGFV) have defaulted on many trust loans in the shadow banking system, but not on a public bond. So far this year, \$15 million LGFV have defaulted. This so-called hidden debt of local governments has become so pervasive that Beijing has identified it as a national security issue.

Investor confidence has been shaken, as both private and state-linked companies, once considered safe investments, have been in default. The danger is that investors, fearing contagion, might panic and begin selling off both good and bad debt, driving down the market.

A complete collapse of Evergrande could cause widespread economic turmoil and even civil unrest. The future of Evergrande and the Chinese economy depends on whether the central authorities will allow Evergrande to go into default, leaving its creditors high and dry, or if the Chinese Communist Party will intervene in order to maintain stability.

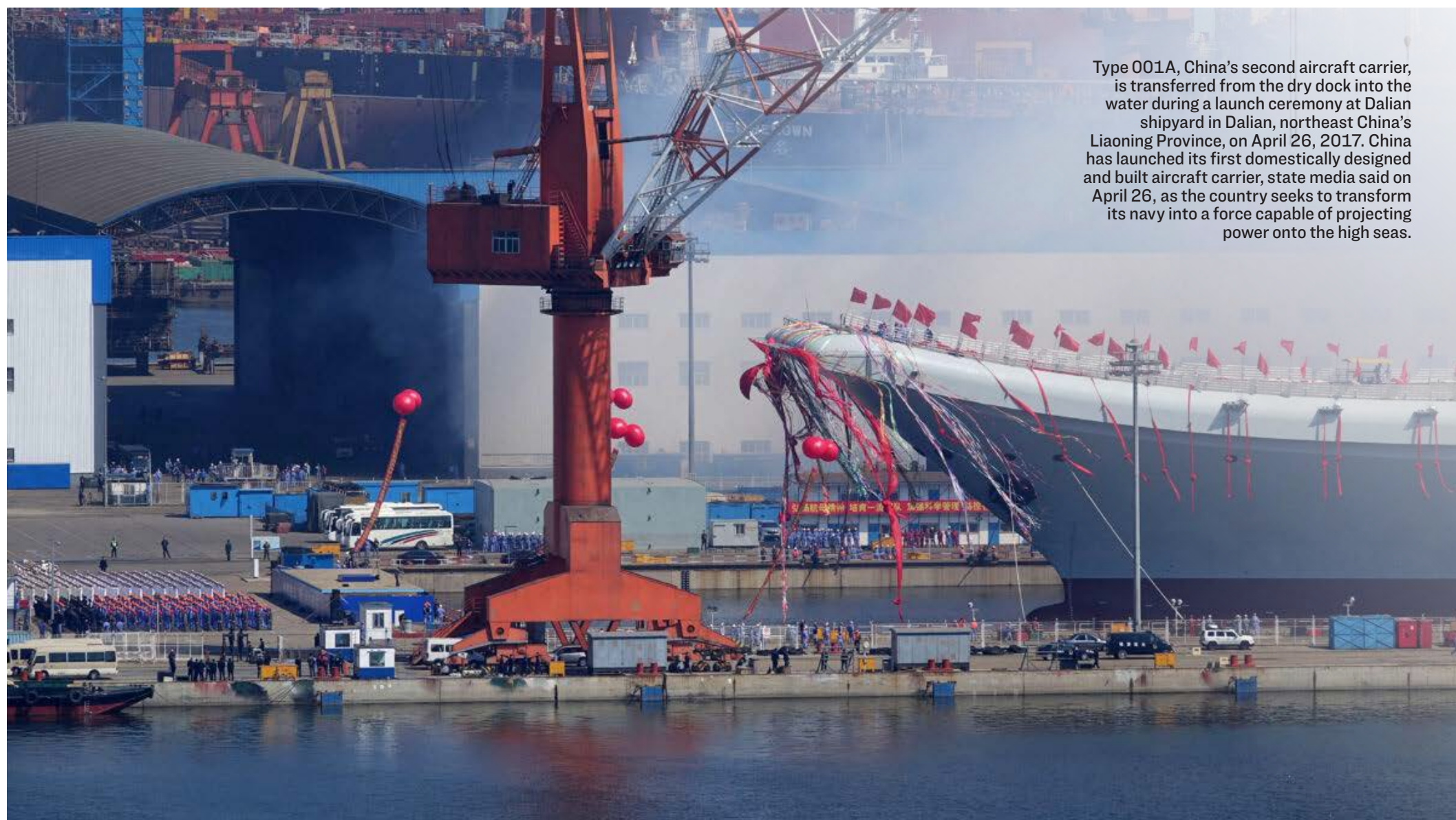
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REUTERS/DAVID KIRTON

People gather to demand repayment of loans and financial products at Evergrande's headquarters in Shenzhen, Guangdong Province, China, on Sept. 13, 2021.



Type 001A, China's second aircraft carrier, is transferred from the dry dock into the water during a launch ceremony at Dalian shipyard in Dalian, northeast China's Liaoning Province, on April 26, 2017. China has launched its first domestically designed and built aircraft carrier, state media said on April 26, as the country seeks to transform its navy into a force capable of projecting power onto the high seas.

STR/AFP VIA GETTY IMAGES

CCP

Beijing Unleashes Sweeping Bid to Remold Society

From tech to entertainment to private tutoring, few sectors have been left untouched in the regime's campaign to tighten control

EVA FU

China's tech behemoths are handing months of profits to the regime in Beijing to demonstrate loyalty to the Communist Party. Popular actors have been erased from internet history with their devoted online fan groups disbanded. Young gamers now are allowed no more than three hours of playtime per week.

Across Chinese classrooms, 147,000 newly minted inspectors have been deployed to oversee the national dissemination of the ideology of China's top leader, Xi Jinping.

Be it e-commerce, entertainment, education, or gaming, few areas of Chinese society have been left unscathed amid Beijing's torrent of regulatory activity in recent months. As authorities clamped down on the offending actors, stock markets tumbled with hundreds of billions wiped out, while companies and individuals have scrambled to assess the new rules, lest they tread on the regime's toes.

The cascading crackdowns have been swift and puzzling, with some likening the Party's attempts at social engineering to that which occurred during the Cultural Revolution, a decade-long period from 1966 when the regime's first helmsman, Mao Zedong, sought to reassert his control within the Party by launching a mass campaign to destroy traditions, beliefs, and social mores.

A "profound revolution" is underway in China, declares nationalist essayist Li Guangman, a former editor for an obscure state newspaper. In a recent commentary quickly promoted on prominent Chinese state media websites, he hailed the regime's campaign as a "return to the original intent of the Chinese Communist Party (CCP) ... and the essence of socialism," and offered up two potential targets: housing and medicare. As with past measures, the Chinese regime has framed the series of actions as necessary for the public good. But the pace of the activity has been dizzying, with a thoroughness unseen in China's recent memory.

It looks like the "opening days" of a cultural revolution, said June Teufel Dreyer, a political science professor at the University of Miami.

To Robert Atkinson, economist and founder of Washington-based think tank Information Technology and Innovation Foundation, some of the measures mark the latest efforts by Beijing to curb freedom of expression. He cited the ban on "effeminate actors" and gaming restrictions as examples.

"You get the sense that what Xi is saying is, 'No, we don't want a society that's individualistic. Your job as a Chinese citizen is to support and follow the state,'" Atkinson told *The Epoch Times*.

"The goal of Chinese society is not to make people happy, it's to make the state powerful," he said.

Total Control

The "straw that broke the camel's back" goes back to last October, according to Dreyer, when internet giant Alibaba's founder Jack Ma made a blunt speech criticizing China's regulatory system. For his outspokenness, the entrepreneur went missing for three months. Overnight, regulators pulled the plug on what was meant to be the world's largest initial public offering by Ant Group, Alibaba's sister fintech firm.

The regime is "trying to prevent wealthy, vested interests like Jack Ma from ... winding into the political decision-making process," Dreyer said.

The punishment of Ma appears to be the lightning rod that set off a sweeping overhaul engulfing virtually all facets of society. Since then, regulators have pulled apps for alleged data transfer violations, shunned "misbehaving" celebrities, disciplined thousands of "self media" accounts for "badmouthing the financial market," and barred paid private tutoring on core school subjects.



People's Liberation Army soldiers march next to the entrance to the Forbidden City in Beijing on May 21, 2020. The Chinese Communist Party has launched a nationwide campaign to consolidate its power.

"It's about sending a message that says to the capitalist class that ... you as a businessperson are under the thumb of the state," Atkinson said.

Paralleling the moves is Beijing's renewed emphasis on "common prosperity," a slogan the Party has touted since its early days as the end goal of socialism.

Xi's recent pledges include redistributing wealth to close the yawning income gap—likely to drum up popular support as he mounts his bid for an unprecedented third five-year term late next year.

The targeted sectors have been racing to align with the Party's decrees. Dozens of actors have signed statements supporting Beijing's campaign. The embattled Alibaba on Sept. 3 vowed to spend 100 billion yuan (\$15.5 billion) by 2025 in support of the common prosperity drive.

'Rejuvenation' Chase

Behind the avalanche of changes is Xi's vision for a grand national "rejuvenation," a term he invoked more than two dozen times as he spoke from the balcony atop Beijing's Tiananmen Square on July 1 to mark the CCP's 100th birthday.

But the rejuvenation campaign has hit some domestic roadblocks.

China's workforce has been shrinking for years, in part due to the decades-long birth policy allowing each household to have one child only. Even as Beijing moved to a two-child limit in 2016, the costs of raising children in urban China have deterred would-be parents. China, now encouraging a third child, has called off tests for first- and second-graders and banned for-profit tutoring firms, blaming them for adding a financial toll on families. Hotlines have been set up to catch violators.

Such measures haven't necessarily been embraced by Chinese parents, who are known for expending large amounts of time and money on their child's education to ready them for the hyper-competitive university entrance exams.

"This is the system's flaw, and students and parents shouldn't be asked to bear the consequences," Amy Ma (a pseudonym), a primary school teacher in central China's Hubei Province who has taught for 30 years, told *The Epoch Times*, adding that the education policies would do little to ease parents' anxiety about their child's future.

For most Chinese families, the education system is "the last chance to change their children's fate" when "the Party has monopolized all resources in society," she said. To boost their academic performance,

Chinese kids would now have to turn to in-home tutors, Richard Zhang (a pseudonym), a division chief for a city-level education bureau, told *The Epoch Times*. With the tutor pool slashed as a result of the new regulations, the cost of such services could become prohibitive, he said. Thus, ultimately, it may only be rich families who can give their children a competitive edge.

A lack of enthusiasm from Chinese millennials is also hindering the regime's prosperity drive. A new counterculture movement called "tangping," or lying flat and doing nothing, is catching on with young people, who are becoming increasingly dissatisfied with the exacting demands of professional and social life.

Labeled as "disgraceful" by Chinese state media—while praised as a silent form of resistance by some others—the "lying flat" approach to life adopted by many young Chinese is the exact opposite of what Xi needs to back Beijing's ambition, Dreyer said.

"He wants to see a highly competitive society in which everyone works hard and therefore the Chinese country nation is able to eclipse the United States," she said. "He's not going to get it if people are going to lie flat."

Attempts to stimulate growth will be further frustrated by the CCP's practice of embedding Party branches in companies, which puts another strain on economic freedom.

Economic Woes

A pressing cash problem is also forcing Beijing to turn on the rich, according to Anto-



An Alipay logo at the Shanghai offices of Ant Group on Aug. 28, 2020. In November, regulators shelved Ant's blockbuster initial public offering after its billionaire founder, Jack Ma, angered CCP leaders in a speech criticizing authorities.

nio Graceffo, an analyst of China's economy and *Epoch Times* contributor who has spent more than two decades in Asia.

The highly contagious Delta variant of COVID-19—which spread to half of China in August—has continued to challenge Beijing's costly strategy of shutting down cities and quarantining every positive case, which has disrupted travel and dented tourism, which contributed to roughly a tenth of China's economy in 2019.

Sales growth and factory output in August both hit a one-year low as authorities toughened social restrictions to curb surging virus outbreaks. China's overall debt meanwhile jumped to about 270 percent of its GDP in 2020, a jump of about 30 percent over one year.

Monthly data from August showed that one in every seven young urban workers—those aged 16 to 24—have failed to find employment. The move against the private tutoring industry has put some \$140 billion at stake and triggered waves of layoffs.

Such signs suggest "the brink of an economic crisis," Graceffo told *The Epoch Times*. "The money has to come from somewhere."

"I think that Xi Jinping is reaching for anything to make money."

Attempts to stimulate growth will be further frustrated by the CCP's practice of embedding Party branches in companies, which puts another strain on economic freedom.

"They're not going to be making decisions based on profitability—they are making decisions based on government leaders and giving them to the Party," he said.

Trade-Offs

Alongside such domestic challenges, the regime is facing strong headwinds from the West.

In the past year, Beijing has aggressively pushed back as Western criticism rises over the regime's human rights record, militarism, the lack of transparency on COVID-19 origins, and its consistent efforts to cast the blame on the outside world.

Clad in a gray Maoist suit during the Party's centennial, Xi warned that foreign forces would figuratively get their "heads bashed" if they dared to bully China.

The regime's recent policies give off a sense of growing wariness toward Western influence.

Gone are English-language tests from Shanghai's primary schools; in a new course on Xi Jinping Thought—mandated from grade school through college nationwide.

Beijing is setting up a third stock market that some analysts read as a move to financially decouple with the West. A new data law, applying to Chinese and foreign companies alike, expressly prohibits the transfer of domestic data into foreign hands and threatens to retaliate against any country using "discriminatory" measures with respect to data.

Social media channels have been purged for "reposting overseas reporting or commentary that carry distorted interpretation of China's financial trends."

"You don't want people thinking about anything except the Party and how to serve the state," Graceffo said.

According to Dreyer, the regime has decided to make a "trade-off": Cutting English studies and private tutoring could throw millions out of work, but it also means students have more time to study Party ideology.

"Less English instruction, more indoctrination, in the long run is what China needs," she said.

But given China's share of global trade—nearly 15 percent in 2020, and third only to the European Union and the United States—keeping out Western influence entirely may be impossible, Dreyer said.

"You can't divorce the technology completely from the society that produced it," she said.

"He's simply trying to resist," Dreyer said, referring to Xi. "The future is not preordained, it never is."



Falun Gong practitioners take part in a parade marking the 22nd year of the persecution of Falun Gong in China, in Brooklyn, N.Y., on July 18, 2021.

ORGAN HARVESTING

US Medical Bodies Silent on China's Organ Harvesting Over Fear of Regime Retaliation, Doctor Says

EVA FU

Fear of economic retaliation from Beijing has in part led the world to turn a blind eye as the Chinese communist regime kills innocents and forcibly harvests their organs for profit, a physician told a global human rights summit.

The World Summit on Combating and Preventing Forced Organ Harvesting, consisting of six webinars over two weeks, began on Sept. 17 with more than 2,000 virtual audience members attending the live-streamed event on its first day.

State-sanctioned forced organ harvesting has taken place in China for years "on a significant scale," and the principal victims of the abuse are adherents of the persecuted faith group Falun Gong, according to the findings of an independent London-based tribunal in 2019.

Not long after the tribunal released its final report, Dr. Weldon Gilcrease, a gastrointestinal cancer specialist at the University of Utah, approached the leaders of the school's health care system, hoping to have a discussion on how they could respond to such abuse as an institution.

One of the leaders "essentially said to me that there was no doubt in his mind that the Chinese Communist Party was capable of such atrocities and that it was indeed happening, but that if we said anything, China would simply send all of its students to Texas," Gilcrease said during a Sept. 17 virtual panel discussion. Representatives for the University of Utah Health didn't respond to a request for comment by press time.

Gilcrease, vice executive director at the Washington-based medical advocacy group Doctors Against Forced Organ Harvesting, later told *The Epoch Times* that he was "a little surprised that there was such fear of saying anything" due to financial ties.

"You definitely get support on an individual level, but when you try to raise that to the level of the institution, that's where it gets deafeningly silent," he said.

What Gilcrease found over the years is that often the medical professionals he met were reluctant to take a stance on organ harvesting—not because they were in doubt that it was happening, but rather because they were trying to distance themselves to avoid the perception of "getting political."

"That's the weapon that they [the CCP] use to try to maintain silence," Gilcrease said. "If you say anything, you are 'getting political.' Stay out of it."

Gilcrease believes the opposite is actually true.

Staying free from politics "doesn't mean avoiding taking uncomfortable positions, and in fact, it means we should say something against the Chinese Communist Party if it is going to ... co-opt our field, our experts, our physi-

cians, and our surgeons," he said during the webinar.

Collaborating with "a medical system that's under the thumb of an evil regime is dangerous," he said, noting that a number of individuals who helped build China's transplant centers received medical training in the United States and other Western countries.

On diplomatic and economic fronts, similar U.S. collaboration with China has come to "detrimental ends," he said. A flurry of Chinese scientists and physicians have had to leave their posts in recent years for not properly disclosing their financial ties with the regime—including three from Houston's MD Anderson Cancer Center and another six from Tampa's Moffitt Cancer Center in 2019.

Concerns over such engagement go beyond the integrity of U.S. biomedical research, according to Gilcrease.

"It's about being tied to a system that has proven over and over again, using the medical system, to carry out crimes," he said.

Chinese doctors appear to have continued forced organ harvesting practices throughout the pandemic and have used findings from such transplants to build credentials in international medical journals.

The *Annals of Surgery* published a study in July 2020 involving two elderly patients with end-stage COVID-19 symptoms. Both were given lung transplant surgeries around three days after enrolling in the country's transplant system.

The second patient, aged 70, received a double-lung transplantation on March 8, three days after a comprehensive evaluation prompted doctors to register the patient in the transplant allocation system.

Ray Scalettar, emeritus professor at the George Washington University Medical Center, said the article "raised serious ethical concerns as to how the lungs for the recipients were obtained" in so short a time, noting that in the United States, which has a "much larger" donor pool than China, "the minimal wait for this type of donor" is 15 days.

Scalettar ended up writing a critique of the article to the authors, but the response "has been nonexistent or evasive."

The greater medical community has continued to suffer from a "drastic lack of awareness" on forced organ harvesting—only around 5 to 10 percent have heard of it, according to Gilcrease. But the regime's ongoing coverup of the pandemic has likely brought a mindset shift, he said.

"The medical community at least has more of an understanding of who we're dealing with," he said.

Eva Fu is a New York-based writer for The Epoch Times focusing on U.S.-China, religious freedom, and human rights.



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