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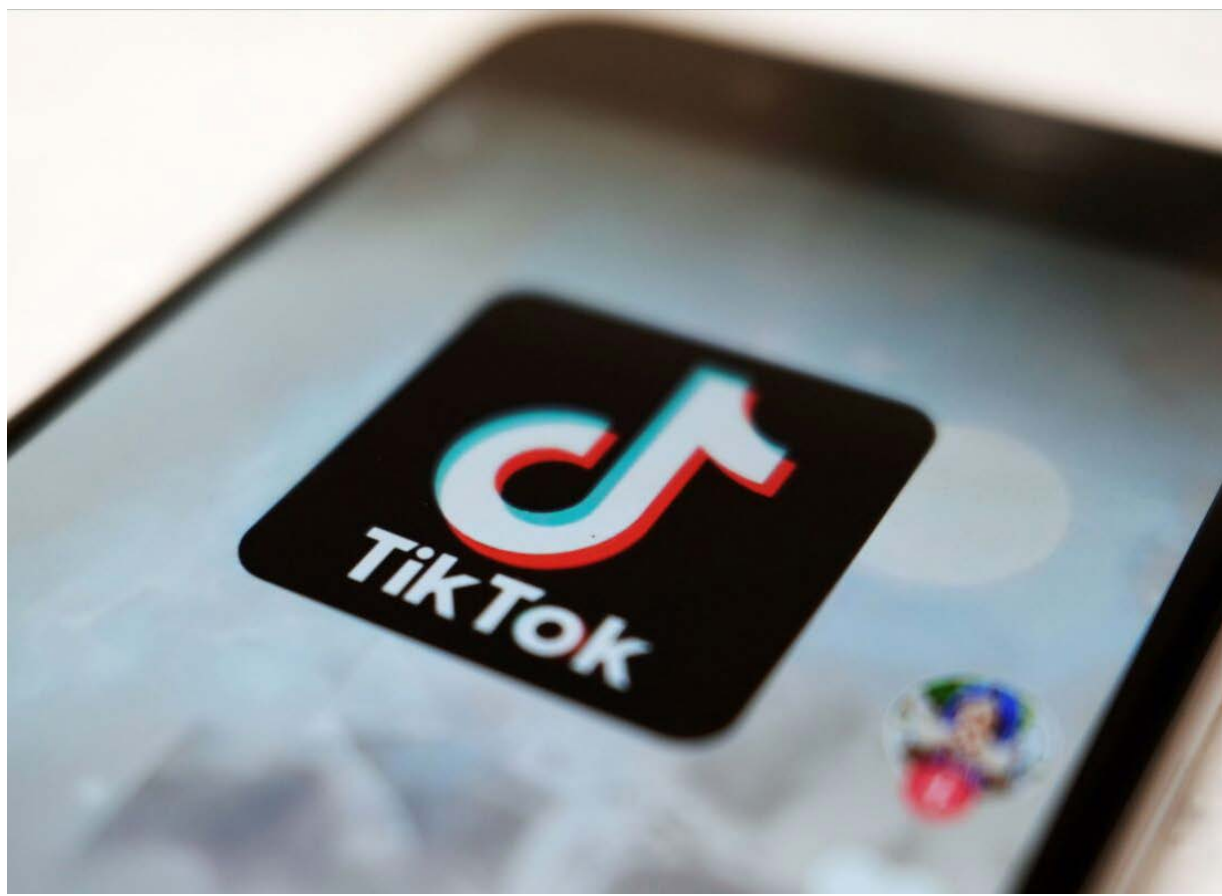
WASTE

**HOW A BULKY BUREAUCRACY
HAMSTRINGS US' EFFORTS TO
COUNTER CHINA**

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CYBERSECURITY

TikTok Users Are Feeding Data to CCP Intelligence Agencies, Cyber Experts Warn



KICHIRO SATO/JAP PHOTO

LORENZO PUERTAS

If you use the video-sharing platform TikTok, you may be feeding information to Chinese Communist Party (CCP) intelligence services, warns Casey Fleming, a cyber security expert and CEO of strategic advisory firm BlackOps Partners.

In a recent interview with Epoch TV's "Wide Angle" program, Fleming explained the dangers posed by foreign-controlled cell-phone applications such as TikTok, which is owned by Beijing-based internet giant ByteDance.

"We must assume," he said, "that every one of these applications coming from China, Russia, and other declared adversaries of the United States—we have to assume that these applications are weaponized against us."

TikTok, the hugely popular short-format video app that allows users to create, share, and view 15-second videos often featuring singing, dancing, or comedy, was started in China as "Douyin" in September 2016; within a year, it had 100 million Chinese users.

The app was relaunched as TikTok internationally in September 2017. Attracting dozens of A-list celebrity users, and partnerships with the NBA, NFL, and Comedy Central, TikTok quickly became one of the most popular apps in the world.

By 2020, TikTok reported nearly a billion active users worldwide—less than four years after its launch.

But TikTok may have a dark side. Since TikTok is a Chinese company, all the private information that the app is collecting may be fed directly to the Chinese regime, experts have warned, citing a range of Chinese laws that compel companies to cooperate with regime authorities when asked.

"All of your data on that phone," Fleming said, "everything you do, and everything that you have stored on your phone is being sent out of the country, possibly to be used against you."

"The Communist Party of China is collecting vast amounts of data. It may not be used against you today. But this information might be used against you, your company, or your country in the future."

US Regulation

Awareness of this threat isn't new. In August 2020, President Donald Trump signed an executive order to ban all TikTok activity in the United States within 45 days if it wasn't sold by ByteDance. Trump signed a similar order against the Chinese-owned WeChat messaging app.

Since then, Trump's orders have been stalled by several lawsuits and court orders. In addition, the Biden administration canceled the orders in June 2021, instead directing the Commerce Department to evaluate the platform to determine whether it poses a national security risk.

Now the U.S. government appears to be taking new steps to address the security risks posed by TikTok and other foreign apps, including a proposal to expand federal oversight of foreign-controlled apps. Under the proposed new rules, the Commerce secretary would be empowered to restrict Americans' access to foreign apps that are considered security threats.

But it may be too little, too late, according to some experts, including Mark Grabowski, an associate professor specializing in cyber law at Adelphi University and author of the new book "Cyber Law and Ethics."

"It is stunning that it's taken so long for the Biden administration to conclude TikTok is a national security threat," he told the Epoch Times. "President Trump tried to address this problem, but unfortunately, Biden was determined to immediately reverse everything Trump did—whether it made sense or not."

Grabowski says TikTok and other Chinese-controlled apps present an immediate dan-

ger to national security.

"TikTok will go down as the most successful data harvesting of Americans ever done by a foreign adversary," he said. "TikTok is Chinese government malware masquerading as a social media app."

Mounting Concern

Several U.S. lawmakers have voiced the same concern.

"TikTok is owned & operated by a Chinese company & controlled by the Communist Chinese government," Sen. Rick Scott (R-Fla.) wrote in a September 2021 tweet. "Americans can't trust & shouldn't use products or services controlled by Communist China."

Sen. Josh Hawley (R-Mo.) was even more blunt.

"TikTok is a surveillance apparatus for Beijing," he told The Atlantic in 2020. "It is a Trojan horse on people's phones."

The danger comes from the enormous amounts of personal data that TikTok is gathering from each user, Grabowski said.

"It can access your camera, microphone, saved photos and videos, contacts, GPS location, and probably also your web browsing history," he said. "The app collects way more data than it needs to. For example, TikTok does GPS tracking—even though TikTok videos never display any location information."

This data isn't just collected on your phone—it's passed on to TikTok's owners in China, Grabowski said.

"All the data collected by the app is encrypted in a way that makes it impossible to know exactly what is being sent back to China."

In August 2020, The Wall Street Journal reported that TikTok tracked Android user data in violation of Google's policies. In June 2021, TikTok expanded its privacy policy to get users to agree to share biometric data including fingerprints and voiceprints, and a month later, a CNBC investigation revealed that ByteDance employees have direct access to U.S. TikTok user data.

"We know that TikTok's Chinese parent company has access to every American user's data," said Grabowski. "They can search that data by specific IDs, locations, and various other queries."

TikTok has said repeatedly that it doesn't share U.S. user data with the Chinese regime, and that its data is held on servers in the United States with backup servers in Singapore, not China.

But Grabowski isn't buying it. "This data can and will be shared with the CCP," he said.

"If the Chinese government tells a Chinese company to hand over its data, they're going to do it. China's National Intelligence Law requires Chinese organizations and citizens to cooperate with the state intelligence work."

Controlling Data

But why would the CCP want U.S. cell-

phone data? BlackOps CEO Fleming says it's all about control.

"China is a totalitarian state, completely controlled by the CCP," he said. "If you are a Chinese citizen, your government runs your whole life. Even when you travel overseas, you have to check in and let them know when you are going, where you are going, and what you'll be doing. And they'll let you know when they want you to check in again, and what they want you to do."

"Every Chinese traveler is considered an asset by the CCP."

With Chinese apps installed on over a billion phones around the world, the CCP may have effectively turned foreign TikTok users into unwitting Chinese intelligence assets.

"Data is the key to this control," said Fleming.

Grabowski agreed, saying, "The Chinese government could use TikTok to spread propaganda to Americans, or to blackmail users who regret what they posted."

The data can also help the Chinese regime find dissenters, political activists, and other enemies of the CCP, he added.

"The Chinese government already uses this information to censor videos they don't like," said Grabowski. "For example, TikTok regularly censors videos that mention the Tiananmen Square massacre, Tibetan independence, or the Falun Gong movement."

"People are extremely naive if they think TikTok is playing nice," he said. "They have a long history of documented privacy intrusions."

For instance, TikTok paid a \$5.7 million fine to the Federal Trade Commission in February 2019 for illegally collecting data on children. It also settled a class-action lawsuit by paying \$92 million in February 2021; the lawsuit alleged that the platform harvested and shared personal information without users' consent.

TikTok didn't return a request by The Epoch Times for comment by press time.

For Fleming, the stakes are high. "We have to understand, as a free nation, what we are facing. We are facing a world war all over again. An alliance of China, Russia, Iran, and North Korea against the free world. Americans need to become more aware," he said, "and open their eyes to what is happening."

"We have to do everything we can to protect our data and our intellectual property. Do not give away your data. Always opt out. And get Chinese apps off your phones and computers."

Lorenzo Puertas is a freelance reporter covering China-related topics for The Epoch Times. He is a long-time student of Chinese history and culture, with a degree in traditional Chinese medicine, and a degree in philosophy from the University of California—Berkeley.

GREG BAKER/AFP VIA GETTY IMAGES



The TikTok logo on a smartphone in Tokyo on Sept. 28, 2020.

SURVEILLANCE

China's Digital Currency Is a Surveillance Tool Threatening US: Former US Representative

FRANK FANG & JAN JEKIELEK

Beijing's new digital currency is a tool that could prop up authoritarian regimes around the world, including China, and the Chinese paperless money could also undermine U.S. leadership in finance, warned a global finance professional.

"This is a surveillance tool and it's disguised as a payment mechanism. It's going to allow the People's Bank of China (PBOC), their central bank to look into, peer into everyone's purchasing history," said Erik Bethel, who once served as the U.S. representative to the World Bank.

Bethel sounded the warning during a recent interview on EpochTV's "American Thought Leaders" program.

The Chinese regime is making the currency—known as digital yuan, digital renminbi, and e-CYN—available to foreigners for the first time during the 2022 Winter Games, as athletes and visitors can use the money either through a physical card or via a mobile app that can be downloaded at China's domestic app stores.

Since the digital yuan is backed by the PBOC, it is a central bank digital currency (CBDC) or simply the digital form of China's fiat currency. Before rolling out the digital money at the Winter Games, Beijing began carrying out pilots tests in several cities in 2020 after the PBOC began developing the system in 2014.

Now, American athletes and visitors to the Games are the only ones exposed to the app but Bethel warned that this is only Beijing's first step, given the communist regime's desire to export its technology around the world.

"Inevitably, let's fast forward several months, every American multinational working in China is going to have to use a version of the Chinese digital technology, the digital currency technology," Bethel said.

And Beijing won't stop there either, he continued.



OTABIUS WILLIAMS/THE EPOCH TIMES

Erik Bethel, former U.S. representative to the World Bank, in Coral Gables, Fla., on Jan. 28, 2022.

If China's allowed to propagate their digital technology for their digital currencies around the world, it could be very problematic from a national security perspective.

Erik Bethel, former U.S. representative, World Bank

"Let's fast forward even further, a U.S. multinational, let's say, an oil company working in an African nation will have to use eventually the digital currency of that nation, which might be powered by China," he said. "How can that be good for us?"

Eventually down the line, Bethel said that Beijing would start demanding other countries to use the digital yuan instead of the U.S. dollar to settle foreign exchange transactions, such as commodities like oil, copper, or soybeans.

What's more, he said the Chinese regime may offer countries mired in Chinese debts, such as Zambia, some debt relief in exchange for helping these nations set up their own digital currency using Chinese technology.

Zambia is one of many developing countries that are in financial trouble because they cannot pay back Chinese loans for infrastructure projects under China's "Belt and Road" initiative.

"So my concern from a national security perspective is that now China has access to the payments of millions of individuals around the world, not just in China, but it

extends that power to other places," he said.

Even more troubling is how other authoritarian regimes would behave once they possess such a surveillance tool.

"Think of Venezuela in this hemisphere, or Cuba, or North Korea, or Iran," he said. "Do you not think that the Nicolas Maduro regime in Venezuela would relish the opportunity to have a digital currency ... [that] can peer into what the opposition is doing? Of course, they would."

Ultimately, Bethel said the digital yuan is going to "hurt the cause of freedom," "prop up authoritarian regimes," and "could potentially undermine the U.S. dollar as the world's reserve currency."

Inside China, where Chinese citizens are already subjected to oppressive surveillance, the digital yuan would allow the Chinese Communist Party (CCP) to keep even tighter control, according to Bethel.

"There are a lot of ways that the Chinese government could use this [digital yuan] as an instrument of surveillance, tying it to their social credit score, and ultimately keeping an authoritarian regime alive, in effect, forever," he explained.

The Chinese regime enforces a social credit system, which assigns each citizen a score of "social trustworthiness." People can have points taken away from their social credit score by committing behaviors deemed undesirable by the CCP such as jaywalking. Those with low social credit scores are deemed "untrustworthy" and thus deprived access to services and opportunities. They could be barred from traveling by plane or attending schools, among other things. Critics have slammed the system as a violation of human rights.

"So if China's allowed to propagate their digital technology for their digital currencies around the world, it could be very problematic from a national security perspective. And it's the thing that nobody's thinking about right now. I mean, there are a few people that are thinking about it, but not very many," he said.

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People walk past the headquarters of ByteDance, the parent company of video sharing app TikTok, in Beijing on Sept. 16, 2020.

DEFENSE

US Losing Ground to China Due to Pentagon's Wasteful Bureaucracy: Former Chief Software Officer

ANDREW THORNEBROOKE

Bureaucracy and waste are hamstringing U.S. military development and adversely affecting the nation's military readiness, according to the former chief software officer of the Air Force. That means the United States is less prepared for a potential conflict with China.

"Any bureaucracy which slows down outcomes for the sake of bureaucracy is going to ensure we get behind China," Nicolas Chaillan, who resigned in September, said in a recent interview.

"China doesn't let complacency or bureaucracy get in the way of [its military]," he told The Epoch Times.

He made the comments amid increasing tensions between the United States and the Chinese Communist Party (CCP) concerning the de facto independence of Taiwan, mass intellectual property theft, and human rights abuses in Xinjiang and elsewhere.

As that competition becomes more adversarial, the CCP has focused on technological development in sectors that its leadership considers vital, such as artificial intelligence (AI) and machine learning (AI/ML).

According to Chaillan, it's these sectors, and IT more broadly, that U.S. military bureaucracy is negatively affecting the most.

A 'Toxic' Budgeting System

There are long-running concerns that the Pentagon is encumbered with red tape, redundant oversight measures, and safety protocols that slow military development to a snail's pace. Indeed, the bureaucracy has become something close to synonymous with the Department of Defense (DoD), according to its leadership.

Gen. John Hyten, vice chair of the Joint Chiefs of Staff at the time, said in October 2021 that the Department's bureaucracy was "brutal," and that a risk-averse culture among military leadership was stifling technological development and allowing the CCP to seize the advantage in critical sectors such as hypersonic weapons development.

"The pace [China is] moving and the trajectory that they're on will surpass



The Pentagon building in Washington, in this file photo.



ALEX BRANDON/AP PHOTO

Secretary of Defense Lloyd Austin pauses while speaking during a media briefing at the Pentagon in Washington, on Nov. 17, 2021.



U.S. AIR FORCE PHOTO/DUNCAN WOOD

Lt. Gen. John E. Hyten, Air Force Space Command vice commander, speaks about how cyber operations are a clear catalyst for change in the art and science of modern warfare during the Space Foundation's Cyber 1.3 luncheon at The Broadmoor Hotel in Colorado Springs, Colo., on April 8, 2013.



Nicolas Chaillan, former Air Force chief software officer, in Washington on Oct. 13, 2021.

Russia and the United States if we don't do something to change it," Hyten said. "It will happen."

"We can go fast if we want to. But the bureaucracy we've put in place is just brutal."

When asked if he agreed with that assessment, Chaillan's response was matter-of-fact.

"Yes, without a doubt," he said. "Everything from the budget process with Congress ... to the acquisition process that is cumbersome and prevents agile acquisition due to reporting requirements and [the fact that] budgets are allocated so far ahead that we are stuck in time."

He added that the sheer amount of compartmentalization within the DoD makes it difficult to build consensus among leadership and to get anything done.

Chaillan also said that such difficulties were particularly burdensome in terms of developing cutting-edge technologies, as it was difficult within the DoD to upgrade to yesterday's technologies, much less tomorrow's.

He noted that the budgeting process as a whole ultimately is the responsibility of Congress to fix. The process's knock-on effects throughout the DoD were dangerous nonetheless, he said. Key among them, he said, was the need to allot finances for specific projects many years in advance.

Currently, Pentagon leaders develop a five-year program that will serve as an outline for the scope and funding of their endeavors. This program is then used to inform the branch's budget request of Congress. Congress then allocates funds for future use, as it dissects the Pentagon's alleged needs.

The problem, of course, is that military responses to emerging threats and IT development can't be pre-allocated, meaning that many programs come into existence and end up being unnecessary, while other needed technologies go unfunded.

"[The budget process] isn't the Pentagon's fault, but it has toxic ripple effects

across the building as the Pentagon is now working the 2024 to 2029 budget," Chaillan said.

"How could this even work out? No one knows what IT will look like in 2025, let alone 2029."

As such, he said, current acquisition processes hinder the integration of expert industry experience into the military, effectively preventing the military from expanding its talent pool. This is because the Pentagon cannot effectively train and continuously fund IT workers whose expertise needs to be continuously changing with the technology, as the budget process forces them into long-term, semi-static programs agreed to at times years in advance.

Such statements echo similar remarks made by Michael Sekora last month. Sekora, who spearheaded Project Socrates, a Reagan-era Defense Intelligence Agency program designed to increase U.S. competitive advantage, lambasted what he referred to as a "finance-planning" model of defense.

In such a system, Sekora said, the government merely allocates funds year by year, in the hope that the funds will somehow be transformed into the technologies that are needed when they are needed.

The CCP, meanwhile, was pursuing a technology-based strategy whereby specific technologies were created and deployed in a whole-of-society effort to address real problems in real time.

"China understands that exploiting technology more effectively than the competition is the foundation of all competitive advantage," Sekora said.

"Anything else is a guaranteed exercise in futility."

Talent Retention 'Worse Than I've Ever Seen'

To that end, Chaillan noted that a vital aspect of working in technology-oriented fields is the need to be forever learning, improving, and iterating. Unfortunately, he said, making continuous learning a

part of the job is not something that the military bureaucracy allows much of.

"We don't invest enough in our talent," Chaillan said. "We must understand that with the pace of IT, the only answer is continuous learning."

Chaillan said that when he was chief software officer for the Air Force, he would give his team an hour every day to dedicate to learning new concepts. That model isn't in vogue with the Pentagon, however, which typically approaches IT-related fields from a managerial perspective.

"Usually, learning is seen as a yearly thing or worse," Chaillan said. "Additionally, the DoD believes in this concept of 'knowing everything' where no one is supposed really to become an expert at something, they just learn to manage and they supposedly can manage anything from a [fighter] wing to a maintenance crew to an IT team."

This managerial approach was negatively affecting IT in the military, which requires a more active and entrepreneurial approach, Chaillan said. Moreover, it encourages the placement of military officers to leadership roles based purely on rank rather than in-field qualifications.

"We are setting up critical infrastructure to fail," Chaillan wrote in a separate open letter in September that explored his reasons for resigning from the Pentagon. "We would not put a pilot in the cockpit without extensive flight training; why would we expect someone with no IT experience to be close to successful?"

That problem was compounded, Chaillan said, by a lack of opportunities for IT professionals in the military to actually apply themselves at the jobs they were trained to do.

"Obviously, that doesn't work with IT," Chaillan said.

That means that many IT professionals in the military are prevented by bureaucratic processes from further developing professionally, eventually becoming "stale" at their skill set. It's a problem that Chaillan himself cited as a reason for his own departure from the Pentagon.

Perhaps because of this, many of the companies at the forefront of new technological development simply won't work with the DoD, Chaillan said.

"Unfortunately, many companies still refuse to work with DoD, which isn't helping us get access to best-of-breed talent," Chaillan said. "We also have a very tough time retaining talent right now, particularly in IT. It's worse than I've ever seen."

Chaillan lamented the fact that chief information officers in the DoD weren't being fully utilized, and were effectively being treated as lottery tickets whose projects may or may not be picked for funding rather than as drivers of innovation.

"DoD Chief Information Officers are just seen as policy shops instead of actual doers," Chaillan said. "That would never happen on the commercial side. That must be changed."

Indeed, in his open letter, Chaillan wrote that the very same happened to him, much to the detriment of U.S. defense needs and equally to the advantage of the CCP. He was underutilized, he said, and spent the majority of his professional time trying to convince others to consider more efficient solutions to well-known problems.

"The DoD should stop pretending they want industry folks to come and help if they are not going to let them do the work," he wrote. "When we wasted time in bureaucracy, our adversaries moved further ahead."

'Four Cents of Real Value on a Dollar'

That mismanagement and the adverse effects it has on military readiness are only the tip of the iceberg, HOWEVER. By Chaillan's estimation, the Pentagon is only utilizing 4 percent of its funds on actual solutions.

"Overall, I believe we get four cents of value out of one dollar of taxpayer money spent," Chaillan said.

"First, probably 60 cents are wasted due to cumbersome acquisition processes and requirements which were made to prevent fraud or conflicts of interest or bad behavior, but really ended up creating a massive bureaucracy which created more waste

The pace [China is] moving and the trajectory that they're on will surpass Russia and the United States if we don't do something to change it.

Gen. John Hyten, then-vice chair, Joint Chiefs of Staff

Overall, I believe we get four cents of value out of one dollar of taxpayer money spent.

Nicolas Chaillan, former chief software officer, US Air Force

than it is preventing.

"Second, because we are stuck in time and get requirements that are five to 10 years too old, we effectively buy many things that are obsolete or aren't a good fit to the current mission and should have been voided but we don't because we spent years trying to get the contract done."

"That's probably another 30 cents. Another six cents is wasted by making mistakes, which are fair and common."

"That's four cents of real value on a dollar. With \$750 billion funding, that means \$30 billion is actually real tangible value." Chaillan was careful to point out that the figure is only his opinion but said that most of his professional acquaintances would agree that the DoD loses at least 60 percent of its funds to such wastage.

Regardless, bureaucratic waste remains widespread, and outdated or otherwise unneeded technologies remain a persistent problem. The fact is that parts of the military, for its trillions of dollars received over the years, simply don't have adequately functioning technology.

That problem was highlighted in an open letter to the DoD penned in January by Michael Kanaan, director of operations for the Air Force-MIT Artificial Intelligence Accelerator, a joint AI research endeavor, in which he flogged military leadership about the fact that its IT professionals were working with computers that were decades old.

"Want innovation? You lost literally HUNDREDS OF THOUSANDS of employee hours last year because computers don't work," Kanaan, who was Air Force's first chairman for AI, wrote. "Fix our computers."

"It's not a money problem, it's a priority problem."

Andrew Thornebrooke is a reporter for The Epoch Times covering China-related issues with a focus on defense, military affairs, and national security. He holds a master's in military history from Norwich University.

OPINION

How Rural China Forms an Accomplice Network to Control Trafficked Females

HE QINGLIAN

Many analyses blame the Chinese human trafficking industry for the misery of a Xuzhou mother of eight. The stereotype of rural Chinese as simple and hardworking people ignores the fact that the abducted females sold for marriage are faced with the oppression of the buyers, and even more so the oppression of the villagers, who are a small community of accomplices who keep the woman in bondage. Villagers don't believe what they're doing is a crime.

Females Sold for Marriage Can't Escape

There are two Chinese films giving a rough idea of how rural communities have evolved and become a serious taboo of the Communist regime. "Blind Mountain," was a cinema release in 2007, and state media, CCTV's propaganda program on law, "A College Girl Abducted for Marriage" aired in 2018.

The CCTV program imitated lines and plots from the Blind Mountain film, and added two fictional characters, relatives of the buyer: a cousin Hai, and another cousin working as a police officer. The sympathetic Hai tried to help the girl escape, but failed; and the police officer did the righteous thing and punished the buyer.

"Blind Mountain" was based on a real person named Zheng Xiuli.

I saw the movie and researched the actual hardships Zheng experienced. After reading many similar cases, I have a certain understanding of how local communities form an accomplice network when a female is bought for marriage.

The enabling is done by local villagers who prevent the wives from running away. The CCTV program deliberately omitted this very important fact, but portrayed the abducted women as isolated cases or a crime committed by a few poor farmers. The program gave an image of a communist rural life filled with fine farmhouses, clean and tidy farmyards, and many nice cars.

"Blind Mountain" has all the elements of an abducted woman's tragedy, whose situation was better than that of the Xuzhou mother of eight who was mainly raped and abused by the husband, and became a sex slave of many men in the village.

Zheng Xiuli, a young woman from Northeast China, had a life far more devastating than the film showed. Zheng Xiuli, a college graduate, went south to work in Zhuhai in 1994. The trafficker, posing as a job broker, abducted her to Huaping Village, nearly 200 miles away, and sold her for 3,000 yuan (\$431.88) to a 49-year-old villager named Guo.

Zheng tried to escape the night she arrived at Guo's house, but the entire village was mobilized to catch her, and so she was beaten badly by Guo's family. That night, with the help of Guo's brother and sister-in-law, Guo raped Zheng Xiuli.

Zheng tried to escape many times, until she realized that everyone around



Marip Lu sits in her family's shelter in a refugee camp in northern Kachin State, Burma, on March 21, 2018. Marip Lu, 24, claims she was kidnapped by traffickers and suffered six years of captivity, rape, and abuse deep in China.



A man reads the Chinese Communist Party's Land Reform Law to peasants in 1950. The aim was to incite class hatred against landlords and use the supposedly disenfranchised to carry out a violent revolution. The campaign resulted in the mass killing of landlords, causing hundreds of thousands of deaths.

Rural China, harboring the majority of single men, has a huge demand for wife buying. This is the social background of China's serious abduction and trafficking of women.

her was an accomplice in her captivity. In the following two years, Zheng Xiuli gave birth to two children.

Finally, the desperate and badly abused Zheng splashed sulfuric acid on both of Guo's brother's children, and injured five other students.

Zheng Xiuli was not waiting to be rescued, but to be arrested by the police. In the end, she was sentenced to death for the crime of intentional injury, which was deferred.

Some said that screenwriter Li Yang hoped to draw attention to the tragedy of abducted women with the movie.

Why Villagers Become Accomplices

The incidents of Zheng Xiuli and the Xuzhou mother of eight reflect issues that are far beyond the scope of buying and selling women. One wonders why they could not escape.

I recall the reports I read when I was in China that gave details of an abduction. The local police raided a village in the middle of the night. Otherwise, they would be surrounded by villagers and the mission would fail. The police were there to carry out a rescue, not to cause a mass event.

So let's look at why villagers would unite in fending off a police action.

In remote rural China, it is not easy for men to get married. Generally speaking, women are reluctant to marry men in poor areas, and many farmers will exchange their own daughters for daughters-in-law. Those who have no daughters have to pay thousands of yuan, and even tens of thousands, for a marriage. This amount will drain the family's entire resources. Thus, the

brides the farmers buy are considered property that ought to be secured by the entire family—the buyers.

Today's Chinese villages have become a community of shared interest, whether they are single-surname villages or mixed-surname villages. Poor villages are filled with bachelors, who resort to traffickers to get a wife. To protect the property they paid for, villagers follow an unwritten rule to form a system of containment. For instance, they will notify the buyer if they learn of the abducted woman's intention to escape; when police arrive, they hide the abducted woman; and when necessary, they intervene in police rescue efforts.

Don't expect the party secretary of the village to stand up for justice. As a villager himself, the local party secretary is bound to guard his villagers' interests.

There's also a 2006 film, "The Story of an Abducted Woman," based on Gao Yanmin, a woman abducted and sold to a man in Xia'an Village, Hebei Province. The villagers were hostile to reporters who tried to interview Gao Yanmin after her story was made public. They blamed Gao for exposing the villagers' buying wives and ruining their reputation. The village party secretary asked a reporter who went for an interview: "There are still more than 60 bachelors in the village, how can you help them?"

In the absence of intervention, the sex ratio at birth generally ranges between 103 and 107 male births per 100 female births, according to UNICEF (United Nations International Children's Emergency Fund). The preference for sons in rural China is very serious, which has created an extraordinary gender imbalance. In 2004, China recorded 121 boys born for every 100 girls; in 2019, it still remained at a ratio of 112 boys for every 100 girls. Chinese men are estimated to outnumber women by about 30 million for 30 years, according to a Party mouthpiece.

Rural China, harboring the majority of single men, has a huge demand for wife buying. This is the social background of China's serious abduction and trafficking of women. Coupled with the regime's general disregard for human rights, women's rights are easily violated, and the buying of abducted women will only continue in rural China. Trafficking in females is exacerbated because the authorities ignore the issue.

Materialized Rural Development Under the Regime's Ruling

More than 20 years ago, I concluded that Chinese society has morally collapsed in my book "China's Trap." Rural China became the epicenter of the phenomenon of moral collapse, filled with small communities of human trafficking criminals. This moral collapse is the result of the CCP's land reforms after it came to power. Through a series of movements in land reform, the CCP completely destroyed the clan system dominating village autonomy, an ancient system prior to 1949; killed all local intellectuals and noblemen that governed the system; and instated communes run by bandits and gangsters.

Rural reform under the CCP has focused on material infrastructure, and has nothing to do with civilization or humanity. In the 2005 meeting of its rubber-stamp legislature, the regime proposed to build a socialist countryside that fosters production, development, management, construction, mechanization, and agricultural standardization. In 2021 when Xi Jinping emphasized building a new socialist countryside "that is more beautiful and has better living conditions," it was still focusing on material aspects.

After the exposure of the Xuzhou mother of eight, the local government responded to the outraged public with a notice saying that this so-called "family" has received aid and medical insurance since May 2014, subsidies in the reconstruction of housing from the government in 2021, and many charitable donations from society. However, there's no mention of the woman constrained by a dog chain on her neck, who was gang-raped by three men in the buyer's family.

This is the new socialist countryside the regime has built. Women's rights have been abused in a morally collapsed Chinese society.

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

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A real estate sign advertising a home "Under Contract" in Vienna, Va., on Oct. 20, 2014.

OPINION

Chinese Pullback From US Real Estate May Be Permanent

GREG ISAACSON

A handful of years ago, you could be forgiven for thinking that the Chinese were taking over the U.S. real estate market.

Reports abounded of Chinese buyers pouring tens of billions of dollars per year into American property, seeking a safe haven for their wealth by snapping up everything from luxury condos in downtown Los Angeles to colonial homes along the affluent North Shore of Long Island, New York.

The COVID-19 crisis brought much of that activity to a standstill, but Chinese investment actually peaked around 2017 and started to slump long before the virus entered the scene. Thanks to increased regulatory scrutiny and a web of cross-border restrictions, Chinese purchases of American homes may not recover anytime soon. That's probably good news for the U.S. housing market.

The Biden administration's drive to combat money laundering in real estate underscores how the environment is changing for Chinese homebuyers. The Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Treasury, on Feb. 3 renewed its call for public comment on a proposed rule that would ramp up oversight of all-cash home purchases.

Under current regulations, title insurance companies must identify the individuals behind shell companies that make all-cash purchases of residential real estate in 12 major metropolitan areas if the transaction exceeds \$300,000. FinCEN seeks to expand these reporting requirements as part of a broader crackdown on money laundering and other illicit activity.

"Our real estate markets are at risk of becoming a safe haven for criminals, kleptocrats and others seeking to park corrupt profits," Deputy Secretary of the Treasury Wally Adeyemo said last December, when the proposed rule change was first announced.

Although the Treasury isn't singling out Chinese homebuyers, it's widely believed that many high-ranking officials of the Chinese Communist Party (CCP) launder illicit funds by purchasing expensive real estate in the United States. For example, former Chinese official Jianjun Qiao and his ex-wife Shilin Zhao have both pleaded guilty to federal charges related to a scheme in

which Qiao allegedly stole millions of dollars as the director of a grain storehouse in Henan Province. The funds were used, among other things, to buy two properties in Monterey Park, California, and a half-million-dollar house in the Seattle suburb of Newcastle, Washington.

There's no reason to think that most Chinese cash buyers are involved in money laundering, but enhanced federal scrutiny would likely snag more transactions. According to a report by think tank Global Financial Integrity, of the 23,659 real estate sales reported under FinCEN rules as of August 2019, 37 percent involved a person who was the subject of a Suspicious Activity Report, a tool that real estate professionals can use to flag potential money laundering or fraud.

Thanks to increased regulatory scrutiny and a web of cross-border restrictions, Chinese purchases of American homes may not recover anytime soon.

Chinese homebuyers (and those from Hong Kong and Taiwan) also tend to pay in cash far more often than American homebuyers and to buy pricier homes than other foreign homebuyers, so stricter rules on large cash transactions would create yet more friction for a group already shackled by domestic capital controls.

The main bottleneck is on the other side of the Pacific. The CCP, through new currency controls imposed in 2017 and 2019, has made it dramatically harder for citizens to move their money overseas to buy real estate. Perhaps not coincidentally, Chinese investment in U.S. housing peaked at \$31.7 billion during the 12 months ending March 2017, according to data from the National Association of Realtors (NAR).

By 2019, annual investment by this group—which NAR defines to include buyers from Hong Kong and Taiwan—had tumbled to \$13.4 billion. The COVID shutdowns slashed that number to \$4.5 billion in the year ending March 2021—a plunge of 61 percent from the previous year. Chinese-speaking buyers remained the leading foreign homebuyers mea-

sured by dollar amount, a title they've held since 2013.

Some hoped that the U.S. government's lifting of COVID-era travel restrictions on dozens of countries, including China, last November would bring eager Chinese homebuyers back to the U.S. market. But the crusade against a respiratory virus continues to strangle global travel.

The United States tightened COVID testing requirements just a month after it dropped the travel ban, while China virtually stopped issuing new passports last August. Onerous testing and quarantine rules await any traveler that returns to China. How long these types of restrictions will continue to weigh on international travel is anyone's guess.

It's easy to exaggerate the impact of foreign homebuyers, who at last count made up only 2.8 percent of America's nearly \$2 trillion in annual home sales. Still, the long retreat of Chinese house hunters removes a potential source of pressure on the overheated U.S. market, where home prices have surged more than 30 percent since 2019 and inventory is at a record low.

For the time being, America's would-be homeowners have bigger worries than competing with cashed-up Chinese buyers, but conditions could worsen if Chinese capital surges back.

A 2020 paper by Caitlin Gorbach and Benjamin Keys of the Wharton School of Business found that U.S. home prices grew 8 to 15 percentage points more in zip codes with high numbers of foreign-born Chinese after 2011, a trend that fell sharply since 2018 amid tightening capital controls and the U.S.-China trade war.

"From an affordability standpoint, these neighborhoods are less accessible to existing U.S. residents as prices rise due to foreign investment," the authors noted.

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Greg Isaacson spent 7 years in China and Thailand researching and reporting on business and real estate in Asia, with a focus on commercial real estate in Chinese-speaking markets as well as outbound investment from China. He has also worked as a real estate research analyst in Chicago and a real estate reporter in New York.



A woman reunites with her newborn baby who was sold by the doctor who delivered him at a hospital in Fuping County, central China's Shanxi Province on Aug. 5, 2013. Other such cases have been reported across China in recent years.

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