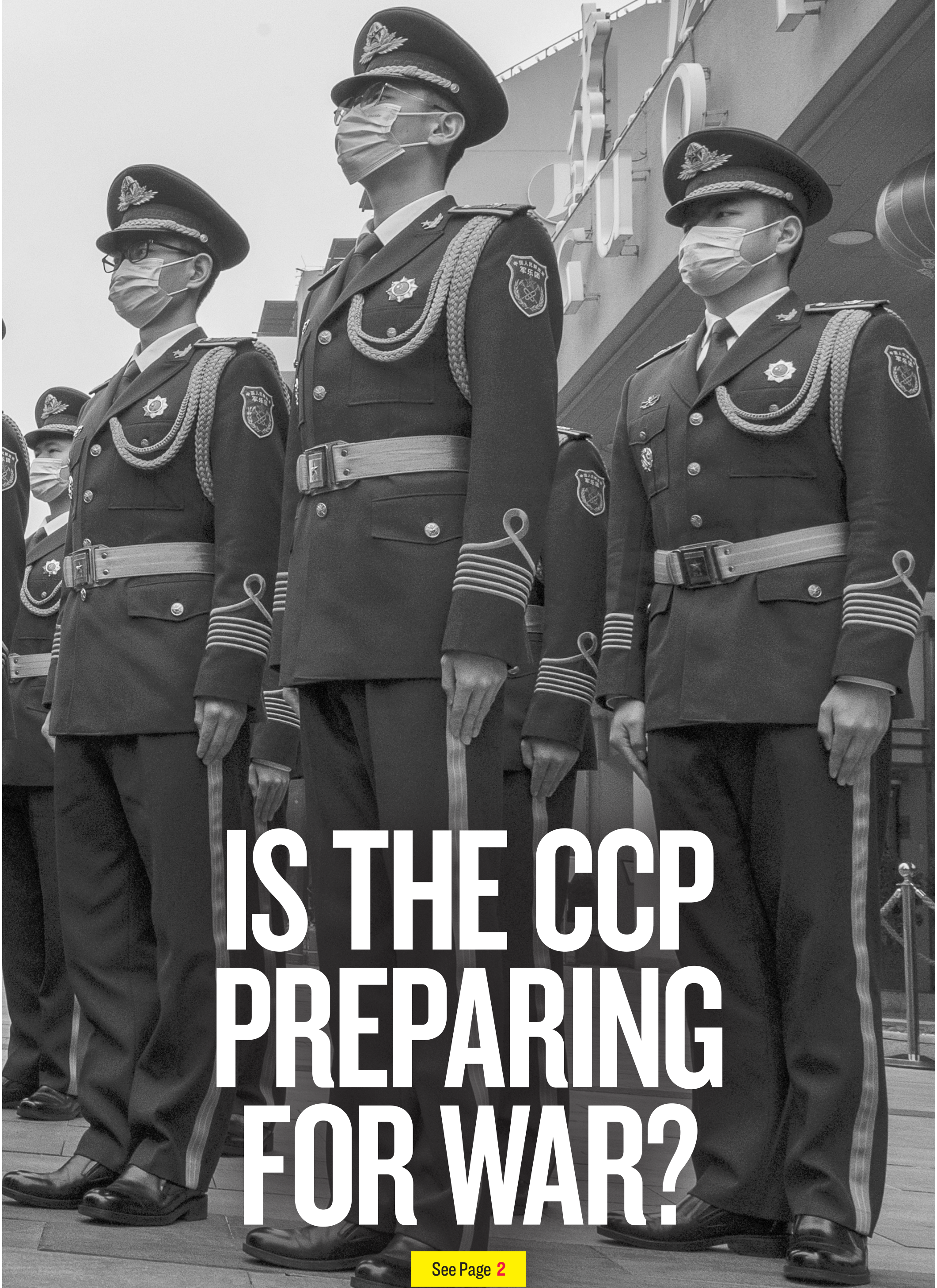


WEEK 35, 2022

THE EPOCH TIMES

CHINA INSIDER

KENNY FRANZETTI IMAGES



IS THE CCP PREPARING FOR WAR?

See Page 2

CCP THREAT

Gordon Chang: Chinese Communist Party Is Preparing for War

ANDREW THORNEBROOKE

The Chinese Communist Party (CCP) is preparing for a war, according to China analyst and author Gordon Chang.

Several recent developments in China's policies—particularly an amendment to China's National Defense Law—could signal that the regime is preparing for a full mobilization of its military, according to Chang.

"China's newly amended National Defense Law takes certain powers over military matters from the civilian State Council and gives them to the Communist Party's Central Military Commission, which controls the People's Liberation Army," Chang wrote in an email to The Epoch Times.

"That move centralizes military decision-making. Moreover, the amendment, which relates to war mobilization, signals that the regime is preparing the Chinese people for conflict."

In addition to centralizing the authority for military mobilization, Chang noted that the CCP is making efforts to effectively sanction-proof its political elite by forbidding certain officials from owning foreign real estate or shares in offshore companies.

"If Chinese officials and their family members do not own foreign assets, foreign countries cannot strip them of their holdings," Chang wrote.

"Shedding these assets, therefore, makes those individuals immune to one of today's most commonly imposed sanctions."

Through the centralization of authority over military mobilization and the shoring up of economic defenses against potential international sanctions, Chang believes that the CCP is preparing for the possibility of armed hostilities. The question remains, however, as to just where such a war could break out.

Waging People's War

Following a month of unprecedented military exercises and economic retaliations, Taiwan is in the limelight.

There are numerous other flashpoints along China's periphery—any one of which could quickly escalate to outright conflicts—such as the mountainous Ladakh border region that China shares with India, disputes throughout the South China Sea with the Philippines and Vietnam, and disputes in the East China Sea with Japan.

Indeed, Chang believes that China's neighbors could be a potential target should the CCP believe the opportunity is on its side.

"In the past few weeks, China's regime has put Taiwan in the spotlight, but the Chinese party-state is threatening most of its neighbors to its south and east," Chang wrote. "All neighbors there, large and small, are under threat."

"We do not know where Beijing will strike next. China's Communist Party does not act on grievances; it acts when and where it smells opportunity."

Beyond hostilities in pursuit of regional hegemony, Chang said there is another threat permeating the world—the CCP's ambition to leverage an international people's war.

People's war is a doctrine established by communist leader Mao Zedong and later



Chinese soldiers operate with their Type 96A tank during the Tank Biathlon competition at the International Army Games 2022 in Alabino, outside Moscow, Russia, on Aug. 16, 2022. Moscow has announced joint military exercises with China, India, Mongolia, Belarus, and Tajikistan.

He [Biden] will not even call China an 'adversary,' and he certainly does not use the correct term, which is 'enemy.'

Gordon Chang, China analyst



Political commentator and China analyst Gordon Chang speaks at the CPAC convention in National Harbor, Md., on Feb. 29, 2020.

evolved by Deng Xiaoping to promote long-term revolutionary communist struggle. According to Chang, the current CCP leadership is blending the doctrine of people's war with a global Chinese identity to weaponizing the Chinese diaspora against the West for decades, Chang doesn't believe the United States is prepared for conflict with China. He said the Biden administration fails to comprehend the CCP as an adversary.

"China's regime makes the 'blood' argument, that all Chinese are of the same blood and that all are therefore bound to support the Communist Party," Chang wrote.

"The Party has recently been making the case that it must unite the world—tianxia or 'All Under Heaven'—and that means uniting all Chinese, no matter where they live and no matter their citizenship."

Biden Unprepared for CCP Aggression

Though the CCP has been working on weaponizing the Chinese diaspora against the West for decades, Chang doesn't believe the United States is prepared for conflict with China. He said the Biden administration fails to comprehend the CCP as an adversary.

"President Biden gives the impression that he is oblivious to China's mobilization of Chinese society," Chang wrote. "He will not even call China an 'adversary,' and he certainly does not use the correct term, which is 'enemy.'"

To that end, Chang said he feared the administration is content to watch and wait as the CCP prepares for armed hostilities that could overwhelm the United States and its ability to defend itself.

"Biden must tell the American people what China is doing, tell the American people that they too must prepare for war, and tell the armed forces to get ready for battle," Chang wrote.

"Too often in the past, American presidents let enemies attack us first. The Chinese will not, with their first attack, give us the opportunity to rally ourselves."

While previous animosities in the Sino-U.S. relationship were effectively overcome through dialogue, Chang said that CCP leader Xi Jinping now maintains a military that is superior in every way to that of China 20 years ago, and that the regime is now, after years of preparation, prepared to go to war.

"Xi is making all-of-society preparations to engage in sustained conflict," Chang wrote. "China is now more ready for battle than it has been in centuries."

"That's what makes this moment truly different."

OPINION

China's Economy Is Destined to Collapse

TUOMAS MALINEN



I have been detailing the problems in the world economy in several of my previous posts. Now, it's time to explain where it all began and why the situation in the global economy is so precarious. It all starts with China.

As I mentioned before, in late 2016, I was baffled. The world had just recovered from a "mini recession" to which there seemed to be no obvious reason. Suddenly, in 2015, the world economy just started to cave in without any clear indication from the eurozone and the United States that a recession would be coming. Then, in late 2016, the world economy "miraculously" recovered at breakneck speed. I wondered, what an earth was going on?

I started digging and stumbled onto the answer when I was analyzing the so-called leading indicators of the Organization for Economic Co-operation and Development (OECD).

I realized that China—not, for example, the United States—had driven the global economy since the global financial crisis of 2008 and 2009. This was visible from the leading indicators. I (we) estimated that, after 2008, wherever China's economy was heading, whether in an upturn or downturn, the economies of both the eurozone and the United States would follow, respectively, with a lag of around two to three months and a lag of around three to four months.

I dug deeper and found that China's economic cycle was totally driven by the leveraging/delevering cycle. This meant that whenever there was a push from Chinese leaders in Beijing to increase lending in the economy (leveraging), economic growth accelerated, and that when Beijing tried to diminish the growth of debt (delevering), economic growth decelerated. Thus, the global economic cycle had become dependent on the opaque decisions of China's leaders!

What happened in 2015 and 2016, then?

In 2015, Chinese leaders tried to stabilize the Chinese economy by tightening the availability of credit (delevering), especially to the manufacturing sector. This led to a slump in the Chinese housing market, which had already weakened in 2014. Because real estate had been the backbone of the Chinese economy for the past two decades, the overall economy soured quickly. The Chinese stock market started to fall, and the global economy followed suit.

The rapid deterioration of the Chinese economy scared Beijing, and it enacted another round of massive debt stimulus. However, this time around, it didn't come from traditional sources. The reason why so few noticed in 2016 that Beijing was running yet another enormous stimulus program was because it was orchestrated through the so-called shadow-banking sector.

Shadow banking is a term used to describe part of the financial sector that operates outside of, or is only loosely linked to, the traditional system of deposit-tak-

ing institutions. It provides credit intermediation through different institutions, instruments, and markets. Effectively, it's a deposit-like banking system for firms and institutional investors, but because it doesn't accept deposits in their traditional form from consumers and corporations, it mostly falls outside the banking supervision, regulatory framework, and lending statistics.

The collapse of the shadow-banking sector was the reason behind the financial crisis from 2007 to 2009 and the global recession that followed. However, while the estimated size of the shadow-banking sector was around 140 percent of gross domestic product (GDP) in the United States in 2006, it was more than 330 percent of GDP in China in 2016!

Alas, China "saved" the world economy from succumbing to a recession in 2016 by issuing an unprecedented credit spree running through the shadow-banking sector.

It would be truly interesting to know what the current size of the shadow-banking sector is in China, but I have been unable to find the current estimates of it from the reports of the People's Bank of China (PBC). This may be due to the fact that PBC doesn't publish its estimates anymore or that it publishes them only in Mandarin, or that I have simply missed them regardless of my extensive search.

Either way, it doesn't alter the overall conclusion we made some five years ago: China is an economic giant with "debt clay feet." Its economy has been kept standing only by relentless and utterly unsustainable debt stimulus since 2007.

Alas, China's economy is heading into a nearly inevitable collapse.

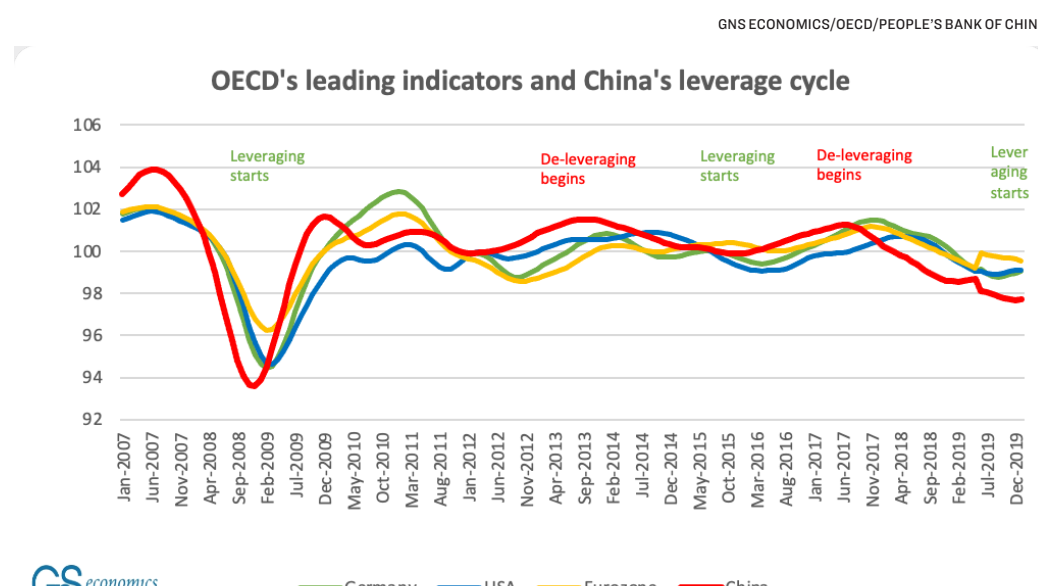
It's obvious that the economic collapse of China would bring serious social unrest and even lead to an outright uprising. I consider this as the primary reason for the tightening grip of the China Communist Party on Chinese citizens. It wants to make sure that when the economy implodes, it has the means to quell the massive discontent it will give rise to.

For the world economy, this isn't good news, as we have effectively made ourselves into an economic hostage of two totalitarian regimes: Russia and China. It should be noted that this has been our own doing. Our politicians haven't listened to the voices warning us of the increasing economic dependence on China and Russia.

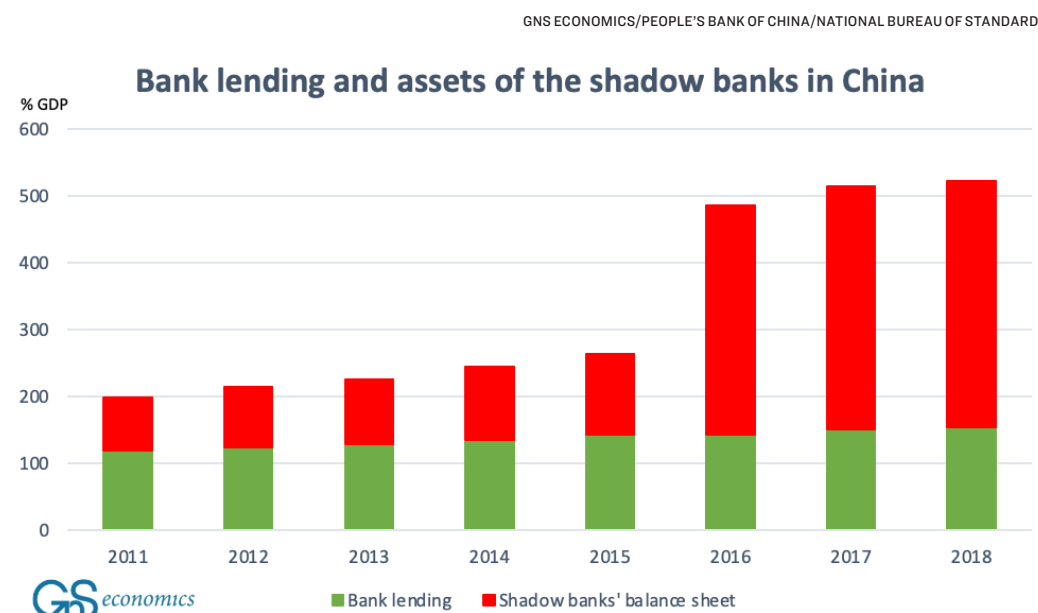
Now, we are learning that less than the hard way. Let's just hope this time the warning gets through to those who should listen.

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

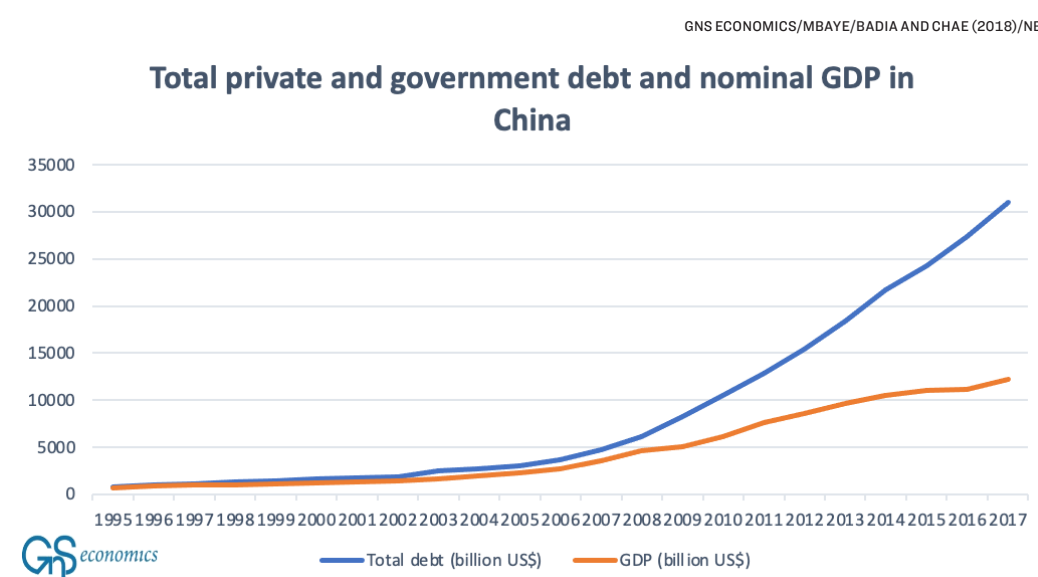
Tuomas Malinen is CEO and chief economist at GnS Economics, a Helsinki-based macroeconomic consultancy, and an associate professor of economics. He studied economic growth and economic crises for 10 years. In his newsletter (MTMalinen.Substack.com), Malinen deals with forecasting and how to prepare for the recession and approaching crisis.



A figure presenting time series of the leading indicators of the OECD for China, the eurozone, Germany, and the United States, and China's leveraging cycle, from January 2007 to December 2019.



A figure presenting the lending of commercial banks and the size of the balance sheet of unregulated financial institutions ("shadow banks") in China.



A figure representing the dollar amount of private and government debt and the nominal gross domestic product in dollars in China, from 1995 to 2017.

US-CHINA COMPETITION

US 'Heavily Dependent' on China for Rare Earth Elements: Rep. Stauber

ANDREW THORNEBROOKE

The U.S. dependency on China for rare earth elements is a security risk and is being exacerbated by the Biden administration's forced transition to so-called green technologies, according to lawmakers and experts.

The Biden administration's top-down push toward renewable energy requires an enormous growth in the mining of rare earth elements. Currently, the United States relies on the mining and processing powers of China, which has far worse environmental regulations, to achieve many of its needs.

"We're heavily dependent on foreign adversarial nations," Rep. Pete Stauber (R-Minn.) said during an Aug. 22 interview with NTD, an affiliate media outlet of The Epoch Times. "If today, the communist country of China stopped selling us their critical and rare earth minerals, we would be in deep trouble from our national defense to our manufacturing across the globe."

Rare earth elements are a number of el-

ements with unique characteristics that have made them vital to new technologies. Critical minerals are those rare earth elements that have no substitute, are limited in supply, or are economically vital.

Stauber's comments come just weeks after U.S. Treasury Secretary Janet Yellen said the United States would try to end its "undue dependence" on rare earths, which it requires to manufacture various technologies, from solar panels to electric vehicle batteries to smartphones.

"It's unfortunate that this administration has put their dependency for both critical minerals and rare earth minerals in the hands of the communist country of China," Stauber said. "It's simply unacceptable when we have the critical minerals and a few of the rare earths right here in the United States. This administration just won't let us mine."

According to Stauber, the Biden administration lacks the political will to simply mine the needed elements domestically. For example, nickel, copper, and cobalt are all present at extant mining operations in Minnesota. However, instead of allowing

U.S. companies to mine these, the administration is pursuing a policy of "friendshoring," wherein it merely transfers supply chains for offshored goods from China to more friendly nations, such as South Korea.

"We have the best environmental standards, best labor standards, and the opportunity to secure our supply chain dependency and put the destiny of our great nation in the palm of our own hands," Stauber said.

"It doesn't have to be this way. We must have an administration that understands the importance of securing our critical minerals and our rare earth minerals. We have to return this country, the United States of America, to mining and mineral dominance. And we can do that, if we have the political will."

China Weaponizing Rare Earths

Ann Bridges, a Silicon Valley author and policy adviser at the Heartland Institute, said the fear of China weaponizing its growing power of rare and critical elements isn't without precedent.

"In 2010, Japan and China actually had a conflict over rare earths," Bridges told NTD. "China responded by cutting off Japan's access to the rare earths, which really had an impact on Japan's manufacturing capabilities."

"So it is not outside of the scope of the imagination to believe that in a time of warfare, indeed, China would leverage this kind of power."

China is the largest global player in many critical minerals, for which demand is currently skyrocketing because of technological development. To that

end, Bridges said the administration's top-down push for electric vehicles and other global climate initiatives could ultimately threaten U.S. security if it's not more carefully conducted.

According to Rep. Pete Stauber, the Biden administration lacks the political will to simply mine the needed elements domestically. For example, nickel, copper, and cobalt are all present at extant mining operations in Minnesota. However, instead of allowing U.S. companies to mine these, the administration is pursuing a policy of "friendshoring," wherein it merely transfers supply chains for offshored goods from China to more friendly nations, such as South Korea.

"The current administration is all about climate, right, saving the environment?" Bridges said. "A big part of that is the push into electric vehicles, but that needs a lot of rare earth minerals and elements. And then suddenly, it's like, well, where are we getting that? China?"

"We need to be very careful about how we accept kind of a single worldview, whether it's coming from communist China, whether it's coming from the World Economic Forum."

THE EPOCH TIMES

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MARXIST AGENDA

Equity Is Not Possible Without Total Government Control: Survivor of Chinese Communist Revolution

Americans must unite to defeat the Marxist takeover of the country, she said

MASOOMA HAQ & JAN JEKIELEK

Lily Tang Williams is a survivor of communist China's Cultural Revolution and is now a congressional candidate for New Hampshire's 2nd District. Williams calls America a promised land and said she chose to emigrate to the United States for freedom, but she's seeing a disturbing trend toward totalitarian Marxist ideology. Williams warns that she sees the push for "equity" or social justice as a guise for socialist wealth redistribution.

"Now I notice socialist policies, and today, everybody is talking about 'equity, equity.' How can you have equity—which is equal outcome, which I heard in China before—without the government using force to redistribute wealth?" Williams said during an Aug. 18 interview for EpochTV's "American Thought Leaders" program.

In 1988, Williams immigrated to the United States determined to succeed because she did not want to return to communist China. Since that time, she has lived the American dream with a happy marriage, three children, and a good business, she said. Williams never had plans to get into politics.

But because she sees the disturbing trend toward communism, she said she felt compelled to join the government to stop the destruction of Americans' Constitutional rights.

Wrong Type of Education

Williams questions why every institution—from universities and public schools to the federal government, private corporations, and the U.S. military—is teaching equity.

She also sees Black Lives Matter and Antifa using violent Marxist tactics in the name of social justice. She sees schools pushing identity politics and division instead of teaching core subjects and accurate American and world history.

"And our kids don't know," she said. "Maybe that's why they want socialist policy. They want ... free college and free health care and free child care and everything free, because they're entitled to it."

She said shutting down schools and churches and toppling statues of American leaders all resembles communist ideology, and the same things happened during China's Cultural Revolution. In addition, the

All religions were demonized. We could not call ourselves Buddhist or Christian—nothing. You've got to be the believer of Mao and communism.

Lily Tang Williams, congressional candidate



Lily Tang Williams, a survivor of communist China's Cultural Revolution and now a congressional candidate for New Hampshire's 2nd district, in Washington on July 20, 2022.

We should not judge people by their skin color, and by race. But that's what they want to do all day. What is the difference? Chinese were divided by classes, by political opinions, and by economic status. Here it's by skin color and by race.

Lily Tang Williams, congressional candidate



curriculum being used in schools to divide students by race and make one group an oppressor and the other oppressed is also Marxist, she said.

"I really feel like I'm reliving another Cultural Revolution," she said, also mentioning the critical race theory being taught in schools to divide people and demonize white people over something they can't control.

A Taste of Totalitarianism

Williams has seen many other aspects of totalitarianism during the last two years of lockdowns and mandates.

"I see this rise of authoritarianism. We have politicians who want to be our tyrants. They want to shut you down. They want to force your business [to] close in the name of [the] pandemic, and then mandate—mandate the vaccine, mask. And if you don't comply, you can lose your job," she said.

Williams warns that communism is coming to America if the country continues down this road of dividing people and pitting them against each other.

"I see the writing on the wall. I see this trend," she said. "We are using identity politics to divide citizens and get our citizens to fight each other instead of [being] united with each other to solve our country's problems."

"Why are Western democratic countries taking Communist Party's tactics and the shutdown methods from their playbooks?" said Williams.

Williams said that cancel culture is similar to being targeted during the Cultural Revolution.

"They can find something you wrote,

something you said many years ago, and then demonize you as 'oppressor,' 'black class.' You lose your job."

Marxism 2.0

The equity trainings where white people are supposed to denounce their "white privilege" are similar to the struggle sessions in communist China, Williams pointed out.

"We should not judge people by their skin color, and by race. But that's what they want to do all day," she said. "What is the difference? Chinese were divided by classes, by political opinions, and by economic status. Here it's by skin color and by race."

She objects to people being given preferential treatment because of their skin color, instead of merit. Williams cited the fact that Ivy League universities are filling quotas for black students at the expense of Asian students, who work hard and earn their place at these schools.

The State Before Family and Tradition

William also disapproves of the transgender ideology that children are being indoctrinated with in schools, and in many cases without parental knowledge or consent. The state is overriding the rights of the parents, as in the case of some states that are introducing legislation to bypass parental consent for gender changes at the age of 13.

She said she is reminded of China's Cultural Revolution, where everyone was constantly indoctrinated with communist ideology in all public forums. From media to schools, they all espoused Mao's ideology of the oppressor and oppressed having to struggle against each other.

Her family was labeled the "red" class, or one of the oppressed groups, while land owners and intellectuals were labeled the "black" classes.

"Under oppressor, there are five black classes. Under oppressed, there are five red classes. I was red. I did not have to go to struggle sessions, but other people were [labeled] black classes. They have to go to struggle sessions [and] be publicly shamed to denounce their families, their ancestors," Williams said.

Mao targeted Chinese traditional culture by destroying the "four olds," which included: Old Ideas, Old Culture, Old Customs, and Old Habits.

"And all religions were demonized. We could not call ourselves Buddhist or Christian—nothing. You've got to be the believer of Mao and communism."

Humans Naturally Seek Liberty

After Mao's death, the new communist leadership allowed the Chinese people to keep some of what they harvested for themselves, in a sense allowing a bit of landownership, so people began to produce more food compared to the Cultural Revolution period, said Williams.

Because of this economic improvement, the Chinese Communist Party (CCP) took

credit for lifting over 600 million Chinese out of poverty, but Williams completely disagrees and credits free market principles, individual hard work, and desire for prosperity for the improved economic conditions.

"I don't buy into their propaganda at all. I think that human beings [have a] natural desire for freedom, for prosperity. They know how to do it, if you just leave people alone."

Indoctrination

Because of the complete state control over the information people got, from the media to schools, people in China really believed the "black class" should be destroyed, or at least subjugated.

"I believed then, we need to eliminate black classes. They were the enemies of the people and the enemies of the state," Williams said.

She said another tactic Marxists use is to exploit peoples' jealousy of the rich. Mao promised land to peasants but he never gave them land. They only worked on state-owned land to make the Communist Party rich, said Williams.

Mao's death made her question the truth because the indoctrination made him out to be god-like, Williams said.

"The reason I wanted to study law is that I thought, 'OK, I want to search for the truth now.' Mao was a human being, that's why he died, I realized that." Instead of men ruling China, Williams thought maybe her country should be governed by the rule of law.

After beginning her law studies, she learned a harsh lesson about how the law was used by the CCP. "Quickly, I became lost again, because they told me the law is a tool for the party to use to govern the masses."

CCP THREAT

TikTok Is a 'Weaponized Military Application': Expert

ANDREW THORNEBROOKE & TIFFANY MEIER

Chinese-owned video app TikTok could be covertly sending users' passwords, credit card numbers, and other sensitive data to the Chinese Communist Party (CCP), according to one expert.

"When you're actually doing keystrokes, typing each letter, each number, those are being recorded back in China, and under supervision of the Chinese Communist Party," Casey Fleming, CEO of advisory firm BlackOps Partners, said during an Aug. 25 interview with "China in Focus" on NTD, a sister media outlet of The Epoch Times.

"What you're texting, who you're texting, passwords, email accounts, everything on your phone, anything that you're typing in emails or texting, that keylogging is recording each word, each password, and so on."

The comments came just a week after it was revealed that TikTok's browser contained code for conducting keylogging, meaning that the app can record all of a user's keystrokes on the device he or she is using, including in email and on websites.

Fleming described TikTok as an "espionage application" and said it's being used to systematically harvest the personal information of Americans, particularly the young.

"People need to understand that TikTok is a weaponized military application in the hands of our middle schoolers, our kids, our high school kids, and our young adults," Fleming said.

He added that the app is likely being used as part of the CCP's strategy of "hybrid war," in which the regime seeks to achieve military objectives through nonmilitary means.

To that end, he said, the app is being used to steal intellectual property, spread pro-CCP propaganda, and obtain information on Americans to be later used for blackmail.

As such, he said, Americans need to better understand the danger the app poses, and how it's being used to promote China's communist policies.

"You absolutely must believe and consider that anything coming out of China is controlled by the Chinese Communist Party," Fleming said. "That's what we as Americans, and people in the West, really get confused.



You absolutely must believe and consider that anything coming out of China is controlled by the Chinese Communist Party.

Casey Fleming, CEO, BlackOps Partners



Red Guard members wave copies of Chairman Mao's "Little Red Book" during a parade in Beijing in June 1966.



Adapted from a Cultural Revolution-era poster emblazoned with the words "Smash the Old World, Establish the New World."

Individual Rights
During this time, Williams met an American exchange student studying in China who told her about America's Declaration of Independence.

"My light bulbs came [on], the first time I heard of the concept of individual rights," said Williams.

The American student also spoke about the "creator" giving these individual rights to people, which was appealing to Williams because she had only heard of the collective rights of different groups, like workers' rights, given by the CCP.

Williams said she was moved and wanted to know more about freedom and America and decided to do whatever it took to go study in the United States.

Lying to CCP in Order to be Free

Williams said she had to come up with a strategy to get to America.

She was now on a mission to leave China but feigned love for the CCP. Her university supervisor had to grant her permission to quit her teaching job to study in an American graduate program in Texas, so only after she had proved her loyalty to the CCP, her request to go to the United States was approved.

She had to sign a paper promising she would come back to China after her education, which is the only way she got permission to apply for a study visa, she said.

After much effort and several attempts, she got her visa to the United States, and everyone in China was excited for her. Williams said although people in China were taught to hate the United States, it is like all jealousy—they hated what they didn't have.



A TikTok app on a smartphone in this illustration taken on July 13, 2021.

"We think that China is just like the United States, with the same type of management, government, values, and so on. It's not. Everything in China, whether it's a company, whether it's an app, is completely controlled by the Chinese Communist Party."

Fleming said that the United States wouldn't be able to continue to tolerate the proliferation of the app and also maintain a free society, and that the theft of data from millions of Americans, including children, was a form of hostile foreign influence over the nation.

"We really need laws and policies to say foreign influence should never be allowed in the United States, and we need to shut it down immediately," Fleming said.

"Understand TikTok is not your friend. If you love your children, if you love your family, get the TikTok app off your phone, your tablet, your computer."

"Our freedom as a country is in the balance." TikTok didn't respond to a request for comment by press time.

Oppression

OPPRESSION MATRIX				
TYPE OF OPPRESSION	PRIVILEGED SOCIAL GROUP	BORDER SOCIAL GROUPS	OPPRESSED SOCIAL GROUPS	SOCIAL IDENTITY CATEGORY
RACISM	White People	Biracial People	Asian, Black, Latina/o, Native People	Race
SEXISM	Male assigned at birth	Intersex People	Female assigned at birth	Sex
TRANSGENDER OPPRESSION	Gender conforming cis-men and women	Gender ambiguous cis-men and women	Transgender, Genderqueer, Intersex People	Gender
HETEROSEXISM	Heterosexuals	Bisexuals	Lesbians, Gay men	Sexual Orientation
CLASSISM	Rich, Upper Class People	Middle Class People	Working Class, Poor People	Class
ABLEISM	Able-bodied People	People with Temporary Disabilities	Disabled People	Ability/Disability
RELIGIOUS OPPRESSION	Protestants	Roman Catholic (historically)	Jews, Muslims, Hindus, Sikhs	Religion
AGEISM/ADULTISM	Adults	Young Adults	Elders, Young People	Age

An "Oppression Matrix" was used in a district-wide training at Springfield Public Schools in Springfield, Mo., in fall 2020.



Chinese Communist Party leader Xi Jinping and other leaders applaud during the closing session of the rubber-stamp legislature's conference at the Great Hall of the People in Beijing on March 11, 2022.

OPINION

The CCP Is Destroying China's Future

A decade of abuse has left Chinese society, people, and the environment desolate

JAMES GORRIE

Social and environmental costs have long taken a back seat to the Chinese leadership's drive for national economic and technological development. But now the leader of China is seeking a third term. Has he earned it?

It depends on the metric. A quick recap for context is helpful.

Remember the Beijing Model?

It was only 10 years ago that the world was all abuzz about the "China miracle." The "Beijing model" of national development was certain to replace the liberal free trade model of the West. For quite a while, it seemed that it would. To the world's great detriment, that may still be the case.

Recall that as China's economy grew by double digits for most of three decades, it saw amazing growth in both manufacturing and sophisticated technology sectors. Much of China's technological, biomedical, and robotics capabilities now rival those of Europe, Japan, and the United States.

China faces a number of deep-seated and widespread environmental and human crises that are rapidly destabilizing the country.

The Belt and Road Strategy

China's ambitious Belt and Road Initiative exported the Beijing model's promises to much of the world. But after the deals with Beijing were done with weaker developing nations, those nations found themselves in bottomless debt traps that effectively transferred their national wealth to their Beijing overlords.

That's fine and dandy, as far as Beijing is concerned. Chinese-owned ports, railways, factories, and farms are now on every continent—many in quite strategic locations. China's power and influence are now felt around the world.

Penetrating the West

Moreover, the Chinese Communist Party (CCP) spent decades diligently penetrating the West's political, cultural, media, academic, and financial establishments. Its efforts have paid off. Chinese influence is in our highest and most prestigious universities, news agencies,

entertainment media, and centers of technological innovation.

As a result, China's industrial sectors continue to reap those benefits today, leading the world in artificial intelligence, robotics, bioengineering, and a plethora of other high-tech verticals.

Finally, China's military power is now, in key respects, a top-tier fighting force. Its blue water navy now rivals the U.S. Navy, with the ability to project power throughout the Asia Pacific and beyond. Plus, Beijing's hypersonic missile technology supposedly leads the world, for which the United States has no effective defenses.

In light of such multiple successes, one might say about all of this, "What's not to like?"

Destroying the Economy

There's plenty, actually. Technological and even geopolitical successes are important, but they're transitory and far less important than the actual state of Chinese society and of the land and resources in the country itself.

China faces a number of deep-seated and widespread environmental and human crises that are rapidly destabilizing the country.

As the absolute authority over every aspect of Chinese life, the Party leadership bears full responsibility for the country's policy failures, and examples are plentiful.

The "zero-COVID" policy has perhaps irreversibly stifled manufacturers' activity. By locking down major financial and manufacturing hubs such as Shanghai and Shenzhen, tens of millions were suddenly out of work for months on end. This not only impacted China's productivity, but disrupted supply chains, prompting foreign companies to move their operations out of China.

The extended lockdowns have also increased the Party's control over the people. This may seem to be a victory for the CCP, but, ultimately, it's damaging the human spirit in China, which is already showing signs of serious long-term demographic and economic impacts.

Destroying the People

The Party's short-sighted one-child policy, which was finally changed in 2016, has created huge social crises that are only now beginning to manifest themselves, with China now facing a dramatic baby shortage. Births are at record lows, as young Chinese aren't in a hurry to get married or have children. Even though Beijing has recently instituted a three-child policy, the rapidly falling fertility rate and declining working-age popula-

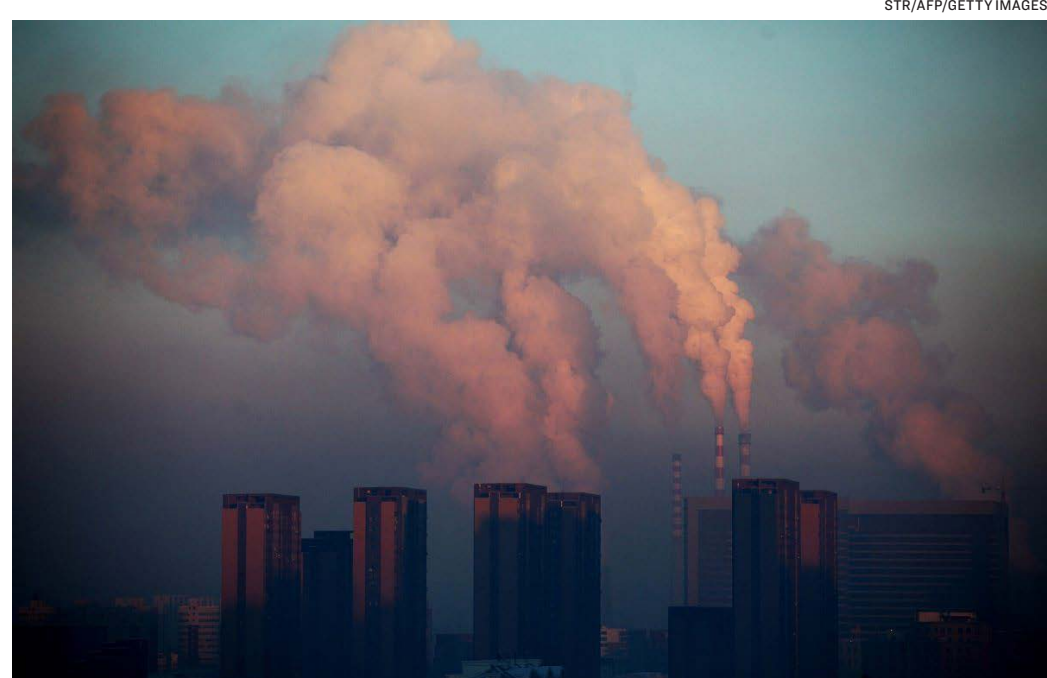
tion trends remain unchanged.

At the other end of the age spectrum, for the generation nearing age 60, there isn't enough money to fund their government pensions. The system faces a short-fall of up to \$1.4 trillion as soon as within the next five years. As a result, the Party is delaying the retirement age gradually over the next three years. But that's creating another problem with younger workers, who see the delayed retirement as cutting out opportunities for them.

In short, China is dealing with a demo-



The Grand Aurora vehicle carrier sits moored at Hambantota Port, operated by China Merchants Group, in Hambantota, Sri Lanka, on March 28, 2018. Under the overwhelming burden of the Chinese debt, the Sri Lankan government had to lease the port to Beijing for 99 years.



A thermal power plant discharges heavy smog into the air in Changchun in northeast China's Jilin Province in January 2013.

graphic crisis of falling birthrates, an aging population, and shortfalls of trillions of dollars in pension funds. It has too few workers to sustain an economy that's on the downside of its productive capacity under the current regime.

As the economic picture grows gloomier with continuously bad news, such as the collapse of the real estate sector, so does people's outlook on the future.

Cynicism is felt and expressed differently by younger and older generations. The former express their cynicism in media and culture, while the latter work harder, live frugally, and save more to get through a future that looks less optimistic.

Destroying the Lands and Waters

On an even more fundamental level, China's environmental toxicity constitutes a separate but related crisis on its own, with far-reaching implications. Under the CCP leadership, up to 90 percent of the country's groundwater is tainted by industrial, agricultural, and human waste. Consequently, 70 percent of China's rivers are toxic to human beings. The economic cost of this water crisis alone is an estimated \$1.15 trillion every year.

What's more, China's farmland has been ravaged by industrial pollution. Yields have fallen dramatically and will only worsen with the country's increasing reliance on coal and fossil fuels. This will only drive Beijing's reliance on foreign food sources as it despoils its homeland upon which 1.4 billion people live.

Like its draconian CCP virus lockdown policy, the CCP has been quick to use the pollution crisis as a reason to further control and harass the people. One more sad, destructive chapter under the CCP's iron fist.

Of course, this has been just a surface-level discussion of the lesser-known costs of the CCP's ravaging of China and its people. However, it seems difficult to overestimate the societal impacts that are already beginning to emerge.

From a historical perspective, a nation is made up of three basic parts: people, culture, and the land on which they live. Somewhere way down the line is its economic activity. In the drive for global supremacy, the current leadership is systematically destroying all three, resulting in a desperate people, a cynical culture, and lands and waters poisoned and desolate.

Presumably, the leadership will be reelected to continue on that path.

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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Workers install solar panels at the construction site of 40MW photovoltaic on-grid power project in Huai an, China, on June 11, 2018.

How China's Solar Domination Challenges the World

America and its allies must leverage trusted networks to counter Chinese 'greenwashing' of human rights abuses

KEITH KRACH & KELLEY E. CURRIE

To appreciate how China's technological authoritarianism threatens the world, consider solar energy. What's seen as a clean, modern and relatively high-tech alternative to fossil fuels has become another example of the Chinese Communist Party's (CCP) strong-arm approach to bullying other countries and dominating an industry. Worse yet, many American investors are helpfully blind to Beijing's monopolistic tactics and use of slave labor, prizing their "green" portfolios over U.S. energy security and human rights.

Here's the good news: economies of scale have enabled cost reductions that many experts predict will lead to solar energy comprising 60 percent of the world's energy needs by 2050. This will help reduce greenhouse gas emissions and go a long way to address climate change.

But here's the bad news: the inconvenient truth is that the manufacturing of solar cells is an energy—and labor-intensive process. Large Chinese companies—several of which are listed on U.S. stock exchanges—dominate the entire solar supply chain controlling between 80 percent to 90 percent of nearly every stage.

Since 2017, these firms have been heavily incentivized by the CCP to locate their facilities in the Xinjiang region of China, which is not only home to the world's two biggest coal-fired power plants but also ground zero of the CCP's genocide of the Uyghurs. A major element of that genocide is the widespread use of forced labor, in which nearly every major Chinese solar firm has been implicated.

Even as Chinese manufacturers have off-shored panel assembly and other later stages of the supply chain across Southeast Asia to avoid U.S. sanctions, China's domination of the production of polysilicon—the base of the global photovoltaic (PV) solar supply chain—and the centralization of polysilicon production in Xinjiang means that the problem of forced labor remains endemic in PV

The same trust-based model that helped thwart China's wireless hegemony can loosen its grip on global solar production.

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panel production. There is growing evidence that China's aluminum production is also heavily implicated in forced labor as well—an extremely consequential development given the role of aluminum in manufacturing a wide range of products, including solar panels.

Over the past decade, China's share of the global production of polysilicon increased from 26 percent to 82 percent, while the U.S. share plummeted from 35 percent to 5 percent. This did not happen by accident. The Chinese regime has dumped state subsidies into solar production and engaged in regulatory arbitrage, undercutting rivals with lax worker and environmental protections.

Many American investors have been unwittingly complicit in financing China's drive to market domination as BlackRock and other institutional investors championed the inclusion of Chinese solar firms in lucrative "ESG"—environmental, social, and corporate governance—portfolios, prioritizing easy-to-measure environmental considerations at the expense of human rights concerns.

Confronting a Bully

As we have witnessed recently at the gas pump, energy security is national security. Unless drastic action is taken, we will find ourselves at China's mercy for our energy needs, just as Germany found itself at Russia's.

Beijing has a history of trying to bully its way to the top of industries by deploying the "Power Principle" of duplicity, intimidation, retaliation, domestic oppression, coercive economic practices, and grave human rights abuses. Fortunately, as recent history of 5G wireless competition demonstrates, the CCP has a fatal weakness: no one trusts it.

To counter authoritarian predators, like the CCP, our team at the State Department developed the "Trust Doctrine" rooted in democratic values, such as respect for the rule of law, human rights, labor practices, and the health of our planet. The deployment of the "Trust Doctrine" turned the tables on the CCP by promoting exclusive collaboration with entities that can be trusted to play the rules.

In less than a year, the trust-based Clean Network Alliance of Democracies succeeded in bringing together 60 Clean Countries representing two-thirds of the world's GDP, 200 Clean Telcos, and dozens of industry-leading Clean Companies committed to only using trusted 5G vendors. Former Defense Secretary Leon

Panetta observed that this trust-based alliance created an enduring, replicable model for all areas of techno-economic competition.

A Model for Diplomatic and Economic Cooperation

The same trust-based model that helped thwart China's wireless hegemony can loosen its grip on global solar production. Just as like-minded countries and companies rallied to exclude malign actors from advanced wireless networks, so can the "Trust Doctrine" behind the Clean Network be applied to our ESG (environmental, social, and governance) standards.

For example, we should exclude Chinese-domiciled firms from ESG-designated funds, urge the Securities and Exchange Commission to define a company's domicile in China as a "material risk," and rationalize our existing sanctions regimes to ensure that companies that are implicated in human rights abuses or national security threats lose unfettered access to U.S. capital markets.

The world's democracies, led by the United States, have the moral legitimacy and economic power to stop a bully in its tracks. And now, we have a model to do it. Alliances built around shared values—fundamental to what is now known as "Tech Diplomacy"—are vital to both our economic self-interest and to the moral leadership we must summon toward a freer and fairer world.

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