

WEEK 2, 2023

THE EPOCH TIMES

# CHINA INSIDER



A passenger, wearing a personal protective equipment, walks at the arrival area at the Capital International Airport in Beijing on Jan. 8, 2023. China lifted quarantine requirements for inbound travellers on Jan. 8, ending almost three years of self-imposed isolation even as the country battles a surge in COVID cases.

## INFECTING THE WORLD

CCP'S BORDER REOPENING AN ATTEMPT  
TO TRIGGER GLOBAL RESURGENCE OF  
PANDEMIC, GORDON CHANG WARNS

See Page 3



Falun Gong practitioners take part in a parade marking the 30th anniversary of the spiritual discipline's introduction to the public, in New York on May 13, 2022.

## ORGAN HARVESTING

# Death of Chinese Official Amid COVID-19 Wave Casts Spotlight on Forced Organ Harvesting

EVA FU

The death of a former Chinese deputy cultural minister amid the country's COVID explosion would have attracted little public attention if not for a short-lived obituary.

With his "sharp mind and a booming voice," the "spy" Gao Zhanxiang didn't "at all resemble a patient" before the COVID surge, wrote Zhu Yongxin, deputy secretary general of the 12th Chinese People's Political Consultative Conference, the Party's top political advisory body. "I never imagined that he would leave us so soon."

But in his condolences, Zhu might have revealed a little more than he desired. The 87-year-old, as he noted, had "replaced many organs in his body" as he "tenaciously fought with illness," to the point that the former official once joked that "many components are not his own anymore."

The article caused a stir on Chinese social media Weibo despite its swift deletion. Keen-eyed observers produced copies before censors got to work, circulating them in disbelief over Gao's alleged extensive organ transplant history and the casual way in which Zhu had mentioned it.

It's widely known that senior Chinese Communist Party officials enjoy a raft of privileges from top-tier medical treatment to special schools for their children. But the apparent ease with which Gao was able to access multiple matching organs, each of which could cost a lifetime's earnings for a regular Chinese citizen, raises troubling questions in a country already scrutinized for the regime's organ transplant abuses.

"Minister Gao, when living, you changed so many organs, where did they all come from? And how many more high officials are there who can effortlessly change their failed organs?" one person commented online.

"Those 'parts' that he got so easily, who would have lost them and how?" asked another.

### State-Led Abuse

A latecomer to the field, China has seen a boom in the organ transplant industry over the past two decades despite a low number of voluntary donors. The regime has claimed that since 2015, it has relied exclusively on a voluntary organ donation system after it said that it stopped using organs from death-row prisoners. But the numbers don't add up.



Falun Gong practitioners stage a demonstration of organ harvesting in Vienna on Oct. 1, 2018.

A 2019 study published in the scientific journal BMC Medical Ethics concluded that the figures from official Chinese donation datasets conform "almost precisely to a mathematical formula," a pattern not observed in any of the 50 other countries analyzed—suggesting that the figures are fake.

An investigation by the London-based tribunal that year also found the regime capable of killing prisoners of conscience—primarily adherents of the persecuted faith Falun Gong—and selling their organs for prodigious profits on an industrial scale, with no evidence showing that the practice has stopped.

The former deputy cultural minister wasn't the only official who'd had organs replaced. Jin Renqing, China's finance minister from 2003 to 2007, underwent a heart transplant surgery due to heart disease at the age of 68. The heart came from a 28-year-old patient, a friend revealed in a 2021 obituary after Jin's death at 77 due to an apartment fire. Jin, he said, had continued to receive ministerial benefits after leaving the ministry in 2007, including a complimentary car and driver.

"Given that China's transplant system is based on state-organized forced organ harvesting, it is not surprising if party officials have access to transplants on-demand or

multiple transplants on-demand," Dr. Torsten Trey, founder and executive director of medical ethics group Doctors Against Forced Organ Harvesting, told The Epoch Times in an email.

Trey said that he's equally unsurprised to hear that Party officials "receive multiple transplants of essential, solid organs like heart, liver, kidneys, or under COVID even lungs."

Amid mounting international concerns about the abuse, a growing number of nations, including Canada, the UK, Belgium, Israel, Italy, and Spain, have passed measures curbing organ transplant tourism.

China's organ transplant industry has continued to grow even amid the pandemic. In 2021, the country performed 50 percent more lung transplant surgeries than the previous year, even when the world at large was seeing at least a 10 percent drop, Chen Jingyu, who oversees quality control on China's lung transplantations, told state media in December 2022.

### '150-Year Lifespan'

The longevity of senior Party members has long been a subject of curiosity in China. The topic has made media headlines in the past, although the articles tended to place an emphasis on their lifestyle habits.

However, a one-minute ad dating back to 2019 that went viral on Chinese social media WeChat suggests a more sinister story.

Reportedly released by China's largest comprehensive military hospital, the Chinese People's Liberation Army General Hospital, the clip boasted a first-rate health system to dramatically extend the lifespans of top Chinese leaders.

"A 150-year lifespan project to combat death," declared the ad, which was taken down within a day by censors who claimed the video was fake.

The project, the ad asserted, combines Chinese wellness concepts and Western medical technologies. Citing 2008 data, the ad said that the project has seen "significant results"—Chinese leaders on average lived to the age of 88, "far surpassing" their Western counterparts from the same period.

"Restoring organ functions" is one of the six key focuses of the program.

The Epoch Times couldn't independently verify the ad's authenticity, but the program has been repeatedly cited in Chinese state media reports. The hospital, known as the go-to medical facility for Party leaders, is home to a major liver transplant center and takes care of liver transplant surgeries of high-level officials.

**What is ethically most concerning is that the one Party rule creates its own rule of exploitation (forced organ harvesting) and then tries to benefit from it.**

Dr. Torsten Trey, founder and executive director, Doctors Against Forced Organ Harvesting

But greater longevity has its limits—even with multiple transplants, according to Trey. As the virus rages in China, "it is probably fair to say that it does not give better protection against the pandemic," he said.

"What is ethically most concerning is that with the one Party rule creates its own rule of exploitation (forced organ harvesting) and then tries to benefit from it. It is a barbaric practice to kill living prisoners of conscience to get their organs so as to increase one's own longevity," the advocate added.

"It renders medicine absurd and is a brazen contempt of God's creation."

## COVID IN CHINA

# CCP Wants to Infect the World as It Rejects International Travel Curbs, Conceals COVID Data: Gordon Chang

DOROTHY LI & JAN JEKIELEK

As a deadly new virus first emerged in the central Chinese city of Wuhan in late 2019, the regime downplayed its severity and concealed the true scale of the outbreak.

It wasn't until late January 2020 that Chinese officials disclosed that the mysterious virus was capable of transmitting between humans. The delay in public warning allowed the disease to develop into a global pandemic. By the time Wuhan was locked down, cases had already been reported in the United States, Thailand, and several other countries.

To contain the virus's advance, dozens of nations imposed travel restrictions on Chinese visitors around February 2020. The regime, in response, lashed out at countries taking precautionary measures, with the Chinese Foreign Ministry accusing these nations of "sowing panic," even though a swath of China had shut down.

"You put those two things together, and it means they deliberately spread this disease beyond its borders," Gordon Chang, author and a senior fellow of Gatestone Institute, said in a recent interview with EpochTV's "American Thought Leaders" program, which premiered on Jan. 7.

"The reason why we need that context is because we're seeing something similar today. As this disease ... is ripping through China, they are now opening up the doors to Chinese leaving [the] country for tourism. And they are not sharing sequencing. They're not telling the world what's actually going on in China right now."

His comments come as the regime becomes increasingly angry at countries requiring travelers from China to take COVID-19 tests, measures taken ahead of the regime's border reopening on Jan. 8.

"We will take corresponding measures based on the principle of reciprocity according to different situations," China's Foreign Ministry spokesperson, Mao Ning, said on Jan. 10.

China is battling with a massive outbreak that has yet to peak. The World Health Organization is appealing for transparency, stating that China's official tallies are underreporting the actual scale of the outbreak.

China's top health body stopped publishing daily infections and has acknowledged only a handful of deaths during the current outbreak. But as many as 248 million people, or 18 percent of the country's population, were estimated to have caught the virus between Dec. 1 and Dec. 20, according to a memo from the health regulator's internal meeting leaked online and confirmed by media outlets. Local officials and domestic health experts estimated that the infection rate likely exceeded 50 percent in multiple provinces and reached 80 percent in Beijing.

Amid the explosive outbreak, the lack of reliable data has stoked global concerns, particularly regarding the possibility of a new, more dangerous variant circulating in the country.

The United States and more than a dozen nations now require a negative COVID-19 test result for visitors from China. The U.S. Centers for Disease Control and Prevention stated that the measure is to impede the spread of COVID-19 on American soil, given "the lack of adequate and transparent epidemiological and viral genomic sequence data." The agency is now considering measures such as sampling wastewater from flights from China to track potential new variants.

Such responses aren't enough if the regime is once again seeking to "deliberately" infect the world, according to Chang. "That's entirely wrong. I mean, if China is doing this again, and it's clear that they are, then we should not be allowing arrivals in from China until we know what the devil is going on," he said.

### Reasons for Abandonment of Zero-COVID

Since the initial lockdown of Wuhan, the regime had vowed to eliminate every infection among communities through repeated testings, swift lockdowns, prolonged quarantine, and digital surveillance. By mid-October 2022, when Chinese leader Xi Jinping claimed an unprecedented third term in office during the 20th Party congress, he doubled down on the communist-style campaign, known as zero-COVID, despite the growing eco-



Gordon Chang, China analyst and author of "The Coming Collapse of China," in New York on Jan. 3, 2023.

nomic and human toll.

**We saw the Communist Party, despite its great efforts, was not able to stop this. And that's why we're having just unfolding tragedy in China right now.**

Gordon Chang, senior fellow, Gatestone Institute

Then, following historic nationwide protests in late November 2022, the regime abruptly reversed course and scrapped most of the zero-COVID policy.

In reality, the long-held strategy was already under strain ahead of the reversal, Chang noted.

"The World Health Organization actually said that the virus was surging through China before the lockdowns were lifted on Dec. 7, so that they were saying the lifting of the lockdowns didn't cause the surge because it was already there," the analyst said.

"When you start looking at the data ... we're seeing that there really were infections, and now it is just completely out of control."

The COVID-19 crisis set off even before the protests. Official daily infections surged to nearly 40,000 on Nov. 27, 2022, up from 3,837 new cases on Nov. 5, 2022—a record high in cases prompting more local controls. However, the official figures are still likely a vast undercount given the communist regime's practice of covering up data that may tarnish its image.

From Nov. 26, 2022, rare protests against the draconian curbs erupted in major cities and prominent university campuses across the nation. Some young demonstrators in Shanghai went even further, calling for Xi and the Chinese Communist Party (CCP) to step down.

"[That bold voice] frightened the Communist Party," Chang said. "That means that the mood was revolutionary."

Beyond the widespread anger, the fight against COVID-19 has taken a heavy toll on the economy. The daily testings and constant tracing of close contacts over the prior three years have drained local finances and hammered the country's shaky economy, he said.

As COVID-19 outbreaks kept repeating, the implementation of the costly approach

was "just not possible anymore for the party," according to Chang. "They just didn't have the resources to do it," he said.

Mounting economic costs, a slowing economy, and a rapid COVID-19 surge despite tightened lockdowns combined with the biggest display of public discontent in decades finally pushed the regime to relinquish the zero-COVID policy long championed by the CCP, according to Chang.

"Those four reasons are essentially why the Communist Party didn't change its policies on Dec. 7, it just capitulated to the disease," he said. "This is the collapse of Communist Party policy."

**COVID 'Conquered Communism'**  
Outbreaks are now spreading unabated through the nation's population of 1.4 billion people who have low natural immunity after three years of strict lockdowns, leaving ill-prepared hospitals inundated with patients and crematoriums overloaded with bodies, essentially a reprise of what happened in Wuhan and other Chinese cities in early 2020.

The chaotic scenes reveal that the "communist party policy was a failure," Chang said.

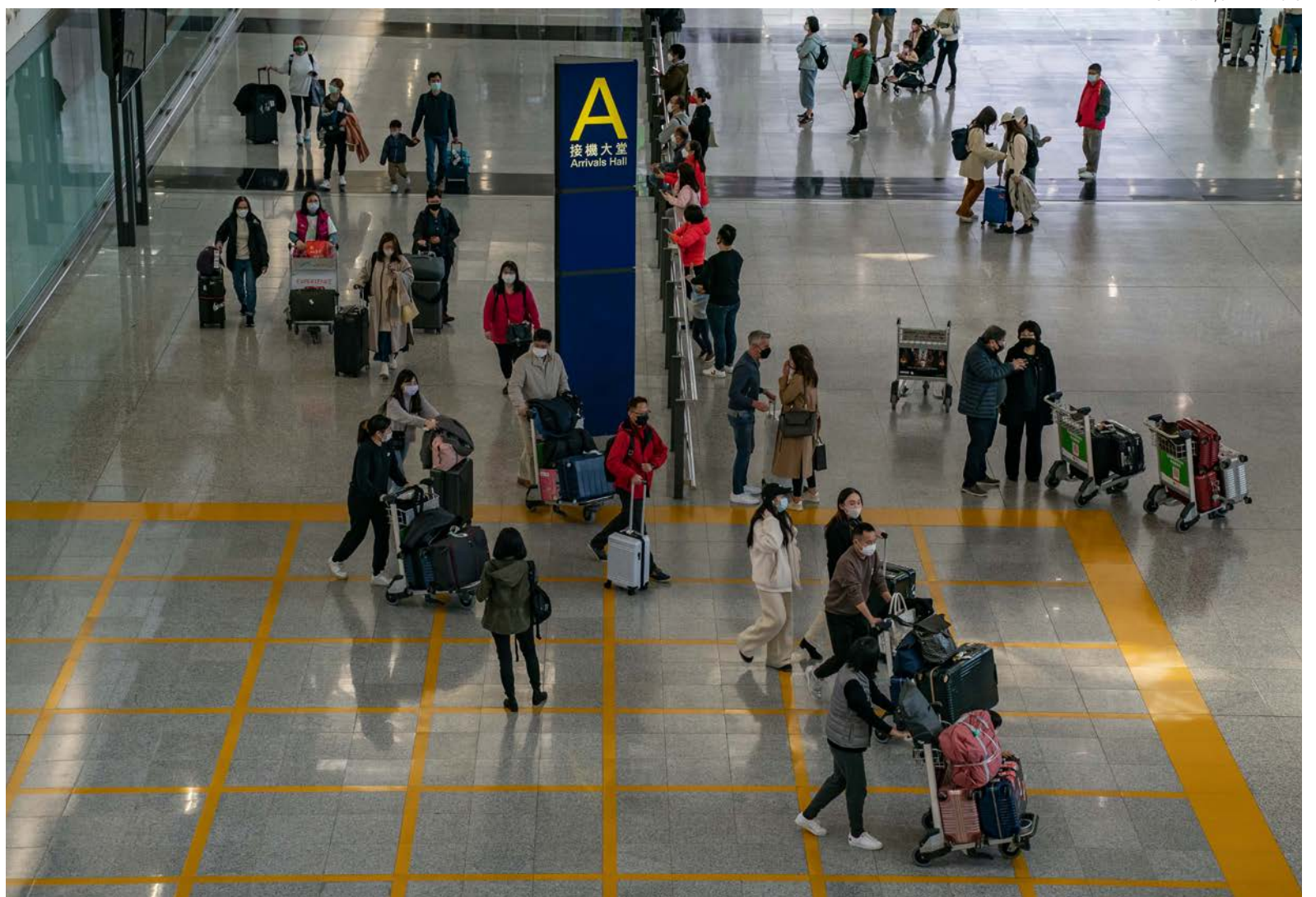
The anti-COVID campaign originated from a Chinese communist ideology that humans are over heaven.

"Battling with heaven is endless joy, fighting with the earth is endless joy, and struggling with humanity is endless joy," Mao Zedong, the first leader of the CCP, once said.

"Mao talked about conquering nature, well Xi Jinping obviously thought he could conquer the disease," Chang said.

"We saw the Communist Party, despite its great efforts, was not able to stop this. And that's why we're having just unfolding tragedy in China right now."

"And eventually the disease conquered communism."



## COVID IN CHINA

# 'It Doesn't Make Sense,' Experts Trying to Explain White Lungs in China

MARINA ZHANG

While the official data from China reports mild disease and low mortalities surrounding the latest COVID-19 outbreaks, Chinese social media is awash with reports of "white lung," a form of lung pneumonia.

The clusters of whiteness appearing on Computed Tomography (CT) and X-ray scans are signs of inflammation and pneumonia, both of which are concerning signs often seen in moderate to severe COVID-19 infections.

Anecdotal accounts of deaths after infections, and overwhelmed hospitals and morgues, have flooded Weibo and Chinese short-form video platforms.

## White Lungs: a Telling Sign of Severe Disease

Pulmonary critical care specialist Dr. Joseph Varon from Baylor University expressed his perplexity at the white-lung reports on Chinese social media.

"It doesn't make sense," he said, referring to the official reports from China that state the dominant circulating strains as BA.5.2 and BF.7, both Omicron variants that cause mild disease.

Omicron in general, "[doesn't] give you white lungs," he argued. "Those images [on social media] suggest that you're dealing with something very similar to Delta."

Whiteness in Computed Tomography (CT) scans is a telling sign of severe disease. "The whiter the lungs are, the more chances of dying you have," said Varon, referring to a study he co-authored on disease prognosis.

Omicron's different surface markers make the variant more capable of infecting the upper airways rather than causing inflammation and pneumonia in the lungs. Pneumonia is more likely seen in patients infected with Omicron if they are old and severely immunocompromised.

The Epoch Times recently spoke to a 36-year-old man in China, who had no underlying health issues but developed white lungs in mid-December 2022 after developing flu-like symptoms.

Feeling like he couldn't breathe, he admitted himself to the hospital. Doctors did not make a diagnosis but prescribed him Azvudine, a drug conditionally approved in China to treat COVID-19.

Pulmonary critical care specialist Dr. Paul Marik said the man's lungs on the CT scans had typical signs of COVID-19 pneumonia.

Varon speculated that if the cases of white lungs were indeed reported in many healthy and younger people, he would question if it were Omicron dealing so much of the damage.

## Low and Impaired Immunity From Lockdowns

Microbiologist Dr. Stanley Perlman expressed that he was "unsurprised" to see the white-



NELSON ALMEIDA/AFP/GETTY IMAGES

Tomography image of the same patient showing a healthy lung (L) and a lung affected by COVID-19 (R) at the Radiology Institute of the Clinics Hospital of the Faculty of Medicine of the University of Sao Paulo (InRad), in Sao Paulo, Brazil, on July 29, 2020.

lung reports in China.

Perlman argued that the zero-COVID policies and strict lockdown controls meant that most people likely had both low exposure and immunity to the virus, which would increase their chances of developing severe disease.

Professor of infectious disease Dr. William Schaffner from Vanderbilt University School of Medicine agreed that the lockdowns have reduced viral exposure and natural immunity.

"In China, the lockdown was so rigorous," said Schaffner. "It really reduced the transmission of COVID."

Schaffner said that while the rest of the world seems to be dealing with Omicron as a mild, background disease, with so little data coming out of China on the death and infection rates, it is difficult to draw a comparison and make a comprehensive assessment of China's situation.

Dr. David Bell, an infectious disease expert and former medical officer at the World Health Organization, criticized China's lockdown policies for contributing to large outbreaks.

Bell argued that it was not new knowledge that lockdowns cannot control a respiratory virus and that such measures can potentially impair people's immune systems if prolonged.

Additionally, children kept in sterile and isolated environments would develop poor immune responses when exposed to environmental stimulants.

"I call it the bubble boy," said Varon. "It's like if you have a kid. You wouldn't want the kid to get infected with everything, [but] you want to expose them to normal things. If you keep them in a glass bubble, anything can kill them."

Pulmonary critical care specialist Dr. Paul Marik said that humans would naturally mingle once the restrictions were lifted, and naturally start spreading the virus.

"This [the increase in cases and deaths]

was going to happen. It was just when it happened," said Marik.

## Rebuttal to the Lockdown Argument

Virologist Dr. Li-Meng Yan was more dismissive of the argument that the white-lung presentation was from a lack of general immunity due to zero-COVID measures.

Yan said this reasoning would assume that few people were infected in the earlier outbreaks in China, but this is unverifiable.

Since COVID-19 emerged in China in 2019, all of the data on infection and mortality rates have come from China's official reports and no outside research group has been able to verify the numbers independently.

Yan, who studied the COVID-19 virus at the University of Hong Kong early in the pandemic, said that the sharing of data between mainland Chinese and Hong Kong research laboratories suddenly became controlled and scrutinized. Scientists in Hong Kong could only work with official data and make their own estimations.

Interviews conducted with Chinese citizens during the early outbreaks also showed that in the very first Wuhan outbreak, case numbers and deaths were underreported as hospitals turned away people presenting with COVID-19 symptoms.

Yan argued that it was likely that the earlier outbreaks were more severe than what was officially reported. By this, Yan means that if more people had been infected and died, then more should now also have some degree of immunity that protects them against the Omicron variant.

Yet cities like Wuhan and Changsha, both of which were COVID-19 hotspots in earlier outbreaks, are now seeing a repeat of the overload in hospitals and morgues.

The problem with China's new outbreak is just the same as the first outbreak three years ago: The data is unverified and likely underreporting the real mortality and infection rates.

While the lifting of the zero-COVID policies would have contributed to further spread, Yan argued that the strict lockdowns were not consistent.

She pointed to media reports of lockdowns in Shanghai and Xinjiang, which lasted for months and left many people starved. Yan said that while those lockdowns were severe and the experiences real, the reality was that most of the zero-COVID policies were about contact tracing and implementing "digital control using tracking codes."

Once lockdowns were lifted, business went on as usual; people would work and go outside for daily testing, which put them in an environment of viral exposure.

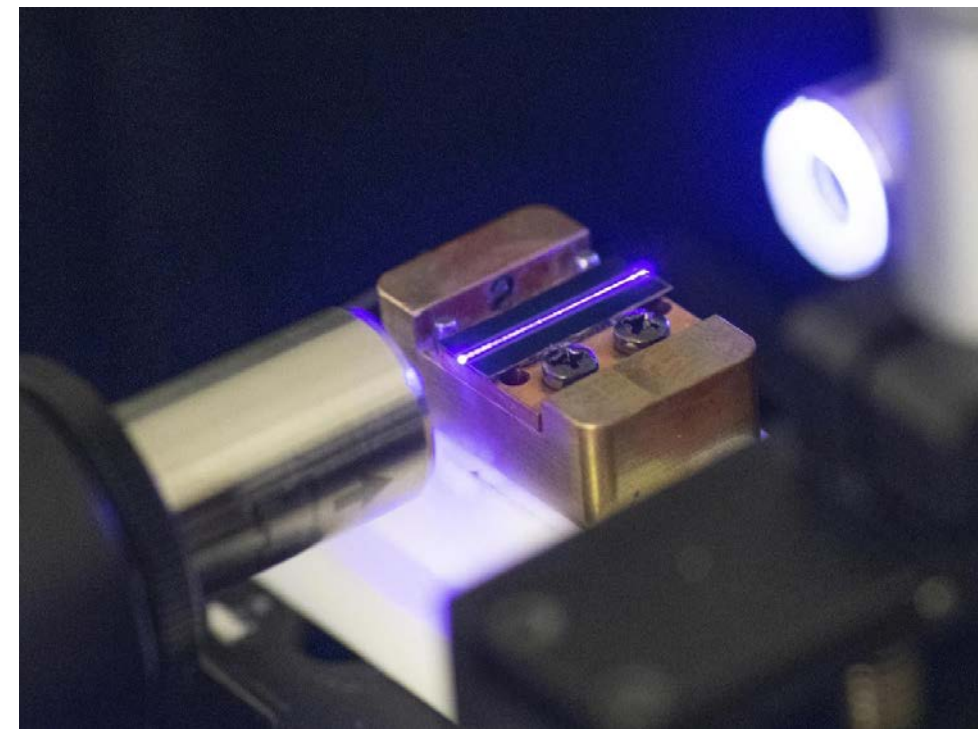
According to WHO data, over 86 percent of China's population has taken the two primary shots of the Chinese COVID vaccines, which are the traditional-type vaccines containing inactivated SARS-CoV-2 viruses, and around 55 percent has been boosted.

Given these exposures, Yan argues that most people have some level of immunity.

In light of these inconsistencies, Yan said that global health agencies should ask why Chinese health authorities stopped PCR testing to track new variants.

Schaffner also expressed concern that the variants are not being tracked.

With so many people infected, there is "a certain anxiety" among biologists and public-health authorities, said Schaffner, "that this is an environment where potentially a new variant could occur that might evade the protection of our vaccines and therapeutic agents."



THOMAS KENZLE/AFP VIA GETTY IMAGES

A laser tests the optical waveguide of a chip for quantum computing in a laboratory in Stuttgart, Germany, on Sept. 14, 2021.

## TECH THREAT

# China's Claims About Breaking Quantum Encryption 'Should Make Us Uncomfortable': Expert

ANDREW THORNEBROOKE, TIFFANY MEIER &amp; EMEL AKAN

A group of Chinese scientists is claiming that it has developed a means of breaking public encryption using quantum computing.

In a paper published online in late December, 24 Chinese researchers claimed that they had developed a means of using quantum computing to break the RSA public encryption system which is commonly used in the finance and telecommunications industries.

If true, the paper could have far-reaching consequences for national security and the future of data and privacy.

The release of the paper is likely related to a wider effort by China's communist regime to develop technologies capable of undermining the United States' most important technologies, according to Arthur Herman, a senior fellow at the Hudson Institute, a conservative think tank.

"It's all part of the same pattern of the Chinese using advanced technologies ... for a strategic advantage," Herman told The Epoch Times.

"The U.S. really needs to come up with their own plan, their own way of not only dealing with the China threat, but also of advancing our own strategic interests in the same coherent way."

## A Warning to the West

The Chinese Communist Party (CCP), which rules China as a single-party state, has been fast at work trying to develop the quantum technology possible to break open public encryption systems like RSA and bring the West down from the inside.

Herman, who also serves as director of the Hudson Institute's Quantum Alliance Initiative, believes that the CCP does not have the capability to break that encryption, contrary to what the paper stated. Instead, he said, the paper should serve as a warning of the regime's ambitions.

"I think you have to look take a very hard look at whether the claim is valid or not," Herman said. "I would say ... it doesn't pose any kind of immediate threat, but it should make us uncomfortable."

"Don't wave this threat away. This is what's coming. And it's just one more indication of the fact that the Chinese are working hard on this."

Traditional processors use bits as the most basic unit of information. Bits can be turned to one of two positions, off or on, forming the zeros and ones of binary code.

Quantum processors use quantum bits, or qubits, instead of bits. Whereas regular bits can only be turned on or off, qubits can be turned on, off, or both on and off simultaneously in a phenomenon known as superposition.

The existence of this third state will theoretically allow quantum processors to achieve much quicker processing speeds than their traditional counterparts, making them invaluable in cybersecurity.

As such, Herman previously described quantum computing as the "ultimate weapon" and the race for quantum supremacy as being "potentially as important as the Manhattan Project to create the atomic bomb."

To that end, he said that the research paper should come as a warning to the West of the CCP's ambitions for the near future.

"If you read the paper carefully, you realize what happened is that they didn't really break into anything," Herman said during a recent interview with "China in Focus" on NTD, a sister media outlet of the Epoch Times.

"What they claim is that they have devised a universal quantum decryption algorithm, one that can be used to factorize the big numbers that underlie our public encryption systems."

Don't wave this threat away. This is what's coming. And it's just one more indication of the fact that the Chinese are working hard on this.

Arthur Hermann, senior fellow, Hudson Institute

"So, it's a code-breaking algorithm. What it needs is a machine big enough and powerful enough, with enough qubit power and enough processing power, to be able to be used and wielded in ways that would really make it a dangerous device."

## A Propaganda Victory for Communist China

Though the CCP does not have a device to crack the United States public encryption systems yet, Herman said that the publication of the paper was likely intended to score a propaganda victory for the regime.

"If the Chinese really did have an algorithm that could really do all of those amazing and dangerous and terrifying things, they wouldn't advertise it," Herman said. "They would just use it."

"Is it something that we have to worry about right now? No. Is there a lot of propaganda value for China in making such an announcement? Absolutely."

As such, Herman said that there was no cause for panic, but that the paper ought to motivate leadership in the West to get their head in the game and work to quickly develop quantum capabilities before the CCP.

"The push that China's making to achieve that breakthrough, to have that all-powerful quantum computer, is just one front in a multi-front war that they're conducting against us in the high-tech frontier," Herman said.

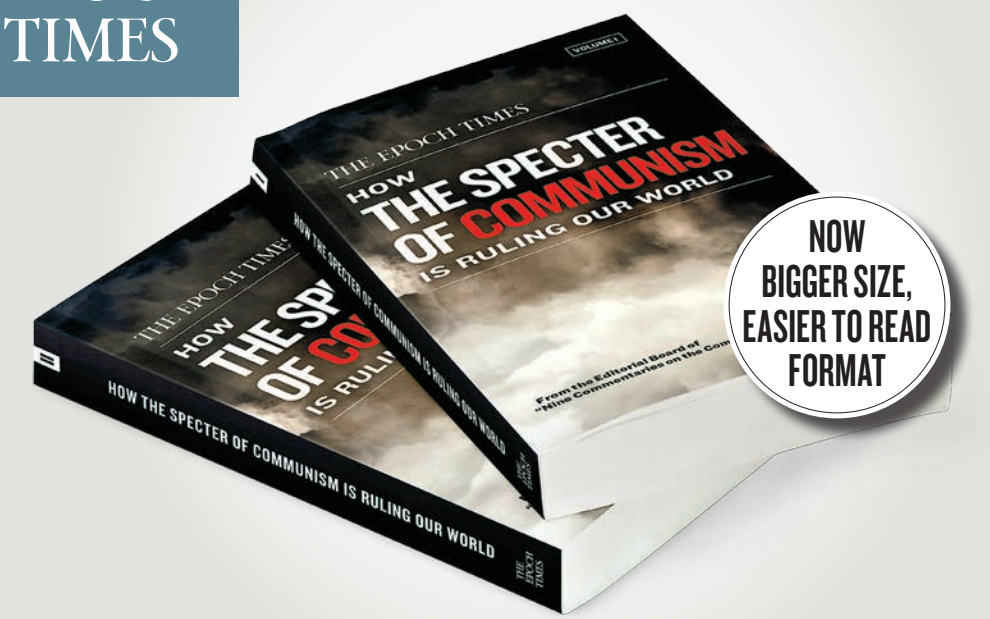
"[This paper] should make us uncomfortable, because it means that this capability is coming along and we're moving step by step in that direction."



HECTOR RETAMAL/AFP VIA GETTY IMAGES

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Customers shop at Apple's flagship store in Shanghai on Feb. 23, 2022.

## OPINION

# Apple Kisses Up to China Again

Apple stabs Taiwan in the back with iPhone shift to China

ANDERS CORR

Apple is doing the splits. The maker of iPhones, MacBooks, and AirPods is moving much of its production outside of China to the United States, India, and Vietnam.

Simultaneously, the company is shifting production within China from Taiwanese to Chinese companies.

Moves to the West and friendly countries will please Western consumers and governments.

Within China, whose consumers spend a whopping 17 percent of Apple's total revenues, the company is moving production from Taiwan's Foxconn to Chinese companies like Luxshare Precision, Goertech, and Wingtech.

That makes the Chinese Communist Party (CCP) happy, or at least, less unhappy.

The production split is driven by politics. Apple wants to maintain production in China and the West during an incipient global decoupling between Washington and Beijing-led trading blocs.

Chinese production will continue to supply China, Russia, and Iran, while non-Chinese production can reliably supply the rest of the world.

Taiwan is a definite loser in the split, as its Foxconn company specializes in Chinese production for Western markets. That specialty is no longer in demand. Vietnam and India are the biggest winners.

Apple's first major order for premium iPhones from Luxshare was reported on Jan. 4 by the Financial Times. It comes shortly after worker riots at Foxconn, allegedly over pay and COVID-19 lockdowns at the plant. The protests hurt the Apple brand, production, and revenues.

They also pressured Apple and served as a convenient excuse for it to move Foxconn production to Luxshare, despite the Foxconn plant having regained speed.

Luxshare previously assembled only non-premium iPhones. With the new contract, the company broke Foxconn's monopoly on premium phones.

The day the news broke, Luxshare shares rose more than 3 percent. Apple's valuation, conversely, fell over the past year from \$3 trillion to under \$2 trillion.

Cutthroat business practices are a strong possibility. Luxshare was founded by Grace Wang, a former Foxconn worker.

The latest Taiwanese-to-Chinese production shift follows the same course as many in the past, where a Chinese company cannibalizes a competitor and then develops similar products to outcompete its rival.

Beijing assists the replacement of its competitors by subsidizing Chinese companies and providing them with lax regulations while increasing regulations, taxes, and propaganda against non-Chinese competitors or fomenting labor strife on their work floors. If competitors complain, the CCP's only-somewhat-passive aggression increases.

"Apple struggled with iPhone 14 Pro ship-

ments during the holiday season because of Covid restrictions on its primary [Foxconn] factory in China," according to CNBC.

Those restrictions increased labor strife and the debilitating drop in production.

The production shifts have occurred for years and through Apple's enabling hand. Luxshare's annual revenues increased to \$24 billion up from \$2 billion between 2016 and 2021.

In the latest shift, Luxshare could only bring its technical standards up to the required level for premium iPhone production with a "significant investment from Apple," according to sources cited by the Financial Times.

In November 2022, Luxshare was reportedly producing some iPhone 14 Pro Max units in its plant northwest of Shanghai.

"The transferred order represents a coup for Luxshare, which has been winning an increasing share of Apple's business," according to the Financial Times. "Apple's ties to China have become closer in recent years as Chinese contract manufacturers have won orders at the expense of Taiwanese partners."

But placating the CCP with production and technology transfers only buys Apple time.

Chinese state media criticized the American company. The Global Times claimed that "weakening demand for Apple products ... has dragged down the performance of Chinese suppliers."

The Global Times claimed that Apple's problems stem partly from a "competitive

market in China as domestic smartphone brands such as Huawei, Xiaomi, Oppo, and Vivo have gained increasing popularity."

The CCP clearly aims for the replacement of not only Foxconn by Luxshare but of Apple by China's tech champions.

Moving premium iPhone production to a Chinese manufacturer improved Apple's short-term chances of avoiding worker riots and arbitrary rules imposed by the regime. But in the long run, Apple's days in authoritarian China are numbered.

Apple and other international corporations, along with shareholders who have different incentive structures than their CEOs, should watch their backs.

CEOs who pursue the Chinese market with production and technology transfers are investing in their companies' long-term demise.

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

*Anders Corr has a bachelor's/master's in political science from Yale University (2001) and a doctorate in government from Harvard University (2008). He is a principal at Corr Analytics Inc., publisher of the Journal of Political Risk, and has conducted extensive research in North America, Europe, and Asia. His latest books are "The Concentration of Power: Institutionalization, Hierarchy, and Hegemony" (2021) and "Great Powers, Grand Strategies: the New Game in the South China Sea" (2018).*

## OPINION

# Does Beijing Have Designs on Siberia?

FAN YU

Xi Jinping and Vladimir Putin met virtually on Dec. 30, touting the usual and expected bilateral economic and political engagement, cooperation, and development.

But increasingly, one gets the sense that the marriage between Beijing and Moscow is one of convenience and necessity, not friendship. And Xi, the Chinese Communist Party chairman, may slowly be gaining the upper hand.

Each country faces its own issues. Russia is mired in a costly and increasingly unpopular war against Ukraine. It faces international sanctions and a sizable portion of its foreign reserves are frozen. Putin, its longtime president, has become persona non grata on the global stage.

China has more internal problems. We won't detail all of the issues here but they are urgent and span across the economy, the real estate market, rampant COVID infections and hospitalizations, and escalating citizen unrest. Beijing is also believed to have ambitions of annexing Taiwan, and knowing the ramifications currently facing Russia, it must be prepared to face similar consequences including being cut off from global trade.

We've previously discussed China, Russia, and other nations potentially forming their own global reserve currency backed by commodities and/or gold. That would form another global trade hegemony and free China (and others) from having to transact in dollars. This would be helpful in a post-globalist, more regional economic and political paradigm, especially if China joins Russia as a global pariah.

China has also sought to secure its flow of natural resources. In late December, Putin touted that Russia has become China's leading supplier of oil and gas. Almost 14 billion cubic meters of gas were sent from Russia to China during the first 11 months of 2022 between pipeline and liquefied natural gas (LNG). And thanks to the embargo on Russian oil by most of the developed world, Russia has replaced Saudi Arabia as China's top oil supplier, and at a discounted price.

For the most part, Russia lacks pipelines to carry gas from Siberia to China

Russian President Vladimir Putin speaks with Chinese leader Xi Jinping before an extended-format meeting of heads of the Shanghai Cooperation Organization summit member states in Samarkand, Uzbekistan, on Sept. 16, 2022.



SPUTNIK/SERGEY BOBYLEV/POOL VIA REUTERS

**Russia needs China. China can provide the capital for development and take over Siberia, if not legally then certainty in practice.**

or Europe. Siberia is historically underdeveloped with clusters of towns and cities, poor infrastructure, and inadequate transportation. As of December, the "Power of Siberia" pipeline is now fully operational and can carry gas from Russia all the way to Shanghai, at a maximum 38 billion cubic meters per year capacity by 2027. The Russian portion of the pipeline was completed in 2019. Moscow has plans to build "Power of Siberia II" to supply more gas to China, but it isn't a strategic priority budget-wise given its war in Ukraine.

With Moscow now fully distracted in its war in the west, China and Xi now have the upper hand in this uneasy marriage. While Xi has publicly supported Putin, privately Xi has raised "concerns." China also failed to appeal most Western sanctions against Russia nor has provided Russia with any military aid. It's a bit of duplicitous diplomacy.

At this point, China is simply using Russia. Their relationship, despite today's public harmony, has been an uneasy one for centuries. China and Russia often vie for hegemony over Eastern and Central Asia.

We're projecting a bit here. But Russia has been among the top beneficiaries of Chinese development funding through

the Belt and Road Initiative (BRI). China has now secured Russian oil and gas supplies. It benefits both nations for China to take over the development of Siberia, and Russia has very little wherewithal to challenge. China's BRI capital has dried up since the Ukraine invasion—fearing Western sanctions—but if China eventually is sanctioned itself then BRI would become a full go.

China craves more natural resources. Siberia has an abundance of oil, gas, coal, diamond, gold, iron ore, and rare earth minerals. Yet Russia has little capital and Moscow is too far to supply the necessary equipment. China is very close to Siberia.

Moscow needs the cash to sustain its costly war in Ukraine. Its economy is woefully undiversified and reliant upon energy and mineral exports. Russia needs China. China can provide the capital for development and take over Siberia, if not legally then certainty in practice.

*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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## OPINION

# Xi Jinping's Achilles' Heel

ZHANG TIANLIANG

When Xi Jinping secured an unprecedented third term as the leader of the Chinese Communist Party (CCP) at the 20th National Congress in October 2022, people were surprised to find that the Politburo's Standing Committee comprises Xi's yes-men.

It seems that Xi has a firm grip on power and that no one can challenge it, and that he can remove or promote whoever he wants with total disregard for the CCP's conventions. Xi has turned into a dictator as powerful as Mao Zedong.

However, Xi has already made major compromises on three issues. He abruptly ended the zero-COVID policy, abandoned nearly all of his signature economic measures, and reversed his science and technology policy.

**The CCP believes that if its population is constantly suppressed, the people will never think justice can prevail.**

In the CCP's history, compromise has always meant weakened power. Even someone as tough as Mao, who compromised by acknowledging his failed economic policies after the Great Famine of 1959 to 1961, had to hand over the management of the regime to Liu Shaoqi. In 1980, Mao's successor, Hua Guofeng, lost his post as the CCP chairman after admitting he'd made a political mistake. In 1986, Hu Yaobang lost his post as the Party chairman after acknowledging that he'd been ineffective in opposing "bourgeois liberalization."

Why did Xi make such compromises,

and what are the consequences?

On Jan. 4, The Wall Street Journal published a report by Lingling Wei and Jonathan Cheng, citing insiders who shared why Xi ended the so-called dynamic zero-COVID policy. They gave two reasons: one is that the economy is on the verge of collapse, and the other is the white paper movement.

According to the South China Morning Post, Xi told European Council President Charles Michel that most protesters were students who grew frustrated over COVID-19 measures implemented three years ago.

The rare mass protests were sparked by a high-rise fire that killed at least 10 residents in Urumqi, in China's Xinjiang region, in November 2022. First responders couldn't reach the apartment fire, which was left to burn for hours due to COVID blockades throughout the residential compound.

During the protests, the people called for Xi and the CCP to "step down." Xi's decision to lift the COVID-19 restrictions indicates that he isn't as powerful as he seems. In contrast, Deng Xiaoping used force to suppress the student protesters in Tiananmen Square in 1989.

The consequence is that when the CCP compromises, the people will realize that public pressure is effective and will be more willing to fight for their rights on more issues.

One person in Xi's circle knows that. Shortly after Xi came to power, his close ally Wang Qishan recommended a book, titled "The Old Regime and the Revolution," to CCP cadres. Authored by Alexis de Tocqueville, the book contains a thought-provoking sentence: "The Revolution was designed to abolish the remains of the institutions of the Middle Ages: yet it did not break out in countries where those institutions were in full vitality and practically oppressive, but, on the contrary, in a country where they were



WANG ZHAO/AFP VIA GETTY IMAGES

Chinese leader Xi Jinping (L) waves with Li Qiang, a member of the Chinese Communist Party's new Politburo Standing Committee, the nation's top decision-making body, as they meet the media in the Great Hall of the People in Beijing on Oct. 23, 2022.

hardly felt at all; whence it would follow that their yoke was the most intolerable where it was in fact lightest."

In other words, the CCP has been responding to the people's demands with brutality, even when it could solve the problem by punishing some low-level officials or giving the people a little compensation. The CCP would use hundreds of armed police and spend lots of money to suppress the population, which many people can't understand.

The logic behind this is simple. The CCP believes that if its population is constantly suppressed, the people will never think justice can prevail. Despair will numb them, and they will eventually give up the struggle. This is the real goal of the CCP.

However, even the slightest compromise is tantamount to encouraging the people to resist the CCP's rule. Because of the white paper movement, I believe protests will become more frequent. When such protests reach a point where they're everywhere, Xi

can't suppress them. Because the CCP is a totalitarian system and its power is centralized, it's best at dealing with a single incident at a time. For example, the regime quickly crushed the 1989 student-led pro-democracy protests because they mostly took place in one location, in Tiananmen Square.

The most important outcome of future protests is that the people will no longer fear the CCP—this is what the Party fears most! This is Xi's Achilles' heel.

*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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