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CHINA INSIDER



OPPOSITION MOUNTS AGAINST FORD PLANT

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BUSINESS

Michigan Locals Say 'No' to Ford's EV Battery Plant With Chinese Partner

Megasite Ford-CATL deal raises questions about national security, loss of prime farmland

TERRI WU

Michigan locals are mounting resistance against Ford's new battery plant partnered with a Chinese company.

The factory will be owned by Ford through a wholly-owned subsidiary without foreign investment; Chinese EV battery maker Contemporary Amperex Technology Co. Ltd. (CATL) will provide the battery technology, some equipment, and Chinese workers. The plant is expected to start operating in Marshall, a small township 100 miles west of Detroit, in 2026.

During a February press conference announcing the deal, Michigan Gov. Gretchen Whitmer, a Democrat, said the factory's expected creation of 2,500 jobs will "build on Michigan's economic momentum."

Some locals disagree. They are concerned about the CATL's communist backing, and the associated national security risk, loss of prime farmland, the lack of transparency in the process, and an oversize industrial park's impact on a small town.

National Security Concerns

The Battle Creek Air National Guard Base is located about 15 miles from the intended battery park site, which is heavily marketed as a "megasite" by the Michigan state economic development agency. The base hosts a ground control station that supports U.S. missions of the MQ-9—an armed, remotely-piloted plane—providing intelligence to federal and state entities.

The Hart-Dole-Inouye Federal Center, a defense logistics center, is within 10 miles of the megasite.

Ford will initially use 950 acres of the 1,600-acre megasite, with an option to expand.

"I feel that the placement of this site is no accident; it is an effort by the CCP to gain access to our base. Our national security is at risk. Apparently, it's OK with Ford, the local government, and the state government," Rick Sadler, a Marshall resident who lives half a mile from the megasite, told The Epoch Times.

Experts previously told The Epoch Times that access to federal and state tax credits, potentially reaching \$1 billion, was vital to the Ford-CATL deal. Even though CATL might not directly receive the incentives Ford would get, Ford could not afford to pay the Chinese company without the federal and state subsidies.

In addition, Ford's introduction of lithium-iron-phosphate batteries in its entry-level models takes the Chinese-monopolized technology one step closer to global dominance in the EV battery market, according to a December report by Adamas Intelligence, a critical minerals market research firm.

The deal will give a significant additional boost to CATL, which rose to prominence with the help of \$155 million in Chinese subsidies between 2015 and 2017, a time during which foreign providers had no access to the Chinese EV battery market.

On Feb. 20, at the first Marshall Township board meeting after the Ford-CATL deal announcement, a speaker said during public comment: "Why in the world would Marshall want to accept something—the Trojan horse that's being put into their area—when other governors and other senators are turning it down?"

She referred to Virginia Republican Governor Glenn Youngkin's decision last December to withdraw the Commonwealth's bid as a possible site for the EV park. He called the plant a "Trojan horse" for the Chinese Communist Party's (CCP) global dominance agenda. Senate Intelligence Committee chairman Sen. Mark Warner (D-Va.) supported Youngkin's decision.

The public affairs office of Battle Creek



Protesters in front of Riverside Farm, a 120-year-old farmstead on the lot slated for a new Ford EV battery park in Marshall, Mich., in January 2023.

I feel that the placement of this site is no accident; it is an effort by the CCP to gain access to our base.

Rick Sadler, Marshall resident

An MQ-9 Reaper flies a training mission over the Nevada Test and Training Range on July 15, 2019.



U.S. AIR FORCE PHOTO BY AIRMAN 1ST CLASS WILLIAM RIO ROSADO

Air National Guard Base told The Epoch Times the base couldn't comment on the business practices of private companies. It didn't disclose whether it was informed of the deal before the public announcement.

The base reports to Michigan's governor. The Epoch Times has contacted the U.S. Department of Defense for comment.

On its official website's "myths and facts" section, Marshall Area Economic Development Alliance (MAEDA) says the EV plant doesn't involve any national security issues because there's no technology transfer in the deal.

"When you see our farmland being bought up by China, when you see that we're relying so heavily on a technology from China that has control of lithium deposits around the world, it just doesn't seem wise to be doing this," Rebecca Glotfelty, co-founder of local non-profit Seedkeepers, told The Epoch Times. "It's not like we're buying a toy from China; we are putting EV batteries in all of our transportation, which is critical to our security."

Seedkeepers was founded as a response to the Ford-CATL plant. The organization is advocating a state park as an alternative plan for the site.

'Pause to Consider What Will Be Lost'

Marshall, a township of about 3,000 people, prides itself on its prime farmland. The township's website says it includes about 9,000 acres of farmland—"some of the best farmland in Calhoun County"—with corn, soybeans, and wheat as primary crops.

The acres designated for the future EV battery park are farmland. Ford has said it would place 245 acres at the site's southern edge in a conservation easement, limiting the land use to protect its conservation values.

"Before we rush to embrace what some refer to as progress, first pause to consider what will be lost when land that has produced literally tons of corn and beans to feed a hungry nation is covered in concrete. It cannot be reclaimed," said another speaker at the township board meeting on Feb. 20. "With the entrance of the Ford company, more farmland will inevitably be lost to housing and strip malls."

MAEDA's response is that the acres used for the EV battery park are a small fraction of the 10 million acres of farmland in the state. "We have seen firsthand that communities can increase economic opportunities while preserving and respecting our deep agricultural roots," the organization says.

Transparency Complaints

Jan. 16 was the first time the Marshall public knew there would be an EV battery plant operated by an unspecified company at the megasite.

Ten days later, at a special board meeting on Jan. 26, the Marshall Township board approved the transfer of the first four pieces of land sold to MAEDA for the battery park to Marshall City for public utility access.

On Feb. 20, a week after Ford announced its partnership with CATL and the site selection in Marshall, the township held a public hearing to discuss the land transfers. On the same day, the board approved the transfer of another four pieces of land.

It's unclear how many acres the eight pieces of land totaled.

Holding Out

A few property owners are holding onto their land, although a chart on MAEDA's website shows over half with options either exercised or pending.

Locals said that MAEDA was not forthcoming with information about the development plan for the megasite. Some said they felt pressured by MAEDA because its representatives told them that the state government was involved.

"This gives people the impression that they really don't have the option to fight. Many of these people I've talked to have said, 'I felt I had to sign. If the state wants your property, they're going to get it,'" said Glotfelty.

Although not a resident currently, Glotfelty grew up at a farm in Marshall. She told The Epoch Times that her parents sold the farm to MAEDA in association with the Ford-CATL plant. Glotfelty leads a non-profit organization by profession. She co-founded Seedkeepers to lend her skills and experience to local residents.

Glotfelty said she was in the room when her mother signed the options agreement with MAEDA. After the signing, the MAEDA representative told them there would be a big plant with potentially 5,500 employees, something unprecedented for the area. The representative added that the plant would change the character of the community.

'Lansing Wants Me to Come to You'

Joan Chapman, who owns a piece of land designated for the EV battery park, said she doesn't want to sell her home to MAEDA.

She purchased the home in 1994. A mini homestead with chickens, ducks, bees, and flower gardens, the home has been paid for, and the taxes are relatively low.

MAEDA approached Chapman three times: with a letter in the summer of 2021 and through personal visits by Richard Lindsey, a MAEDA board member, in September of 2022 and again in January. Lindsey told Chapman and her husband, Fred, that he was reaching out to them "because you are the last ones, and Lansing wants me to come to you," referring to the state government.

"Why don't you just send them here?" Joan replied.

Fred said he was "skeptical" because he knew at least a few neighbors hadn't signed the options agreement, either. The Epoch Times has contacted MAEDA for comment.

A Rushed Deal

To Glotfelty, the announcement of the deal before the public had a chance to voice their concerns "undermines our democracy."

"It's no democracy at all. They [local

elect officials] already bought into what Ford wants," Glotfelty said. She also questioned MAEDA's land acquisition methods because, in her view, landowners had to sign the options agreements without adequate information.

"Everything is being rushed," she added. "Now people are just rushing to accept this without taking into consideration all the impacts to this project."

"I wouldn't doubt it that they hurried and made this announcement for the sole purpose that our resistance movement was building up, and they wanted to squash it," said Glotfelty, adding that the movement began right after Jan. 16, the first township board meeting at which the public heard about the deal. At the time, the plan for an EV battery park was disclosed but Ford was not named as the owner.

Michigan Gov. Gretchen Whitmer speaks at Ford's press conference announcing its partnership with Chinese EV battery maker Contemporary Amperex Technology Co. Ltd. (CATL) to create a new EV battery park in Marshall, Mich., in Romulus, Mich., on Feb. 13, 2023.

Do the Benefits Justify the Cost?

A spending bill including \$630 million for the site development of the Ford battery park was presented to Whitmer on Mar. 7. Both Democrat-controlled chambers in the state legislature cleared the bill.



(Top right) A display by Chinese electric car battery maker CATL at the 2019 IAA Frankfurt Auto Show on Sept. 11, 2019.

(Above) A special board meeting in Marshall Township, Mich., on Jan. 26, 2023.

Michigan Gov. Gretchen Whitmer speaks at Ford's press conference announcing its partnership with Chinese EV battery maker Contemporary Amperex Technology Co. Ltd. (CATL) to create a new EV battery park in Marshall, Mich., in Romulus, Mich., on Feb. 13, 2023.

According to The Detroit News, the estimated Michigan state incentive for jobs created by the EV battery plant ranges from \$136,000 to \$680,000 per job. However, those jobs pay an average of \$45,000 per year, lower than the annual median household of about \$53,000 in Calhoun County.

Marshall Township Supervisor David Bosserd was the only one who voted against the property transfers to the city, a crucial step for the battery park site development. The 63-year-old farmer has lived in the local community all his life.

"My family has been here for almost 100 years," he told The Detroit News. "We're farmers, and that's what we do. And this site could potentially put agriculture right out of our township completely."

He said he understood that job creation is needed but asked, "Do we do it at the cost that it is?"

In response, Josh Hundt, executive vice president and chief projects officer of the Michigan Economic Development Corporation (MEDC), said his agency had "partnered with all aspects of local government and local economic development partners across the Marshall area, Calhoun County, and southwest Michigan." In his view, the new EV battery plant is an across-the-board collaboration between government agencies to bring jobs and investment to the Marshall community.

Michigan State Sen. Thomas Albert (R-Lowell), whose constituents live on properties slated for the megasite, sees the issue differently. He voted "no" for the spending bill that allocated \$630 million for the project.

On the state Senate floor on Feb. 28, he said his question about the local impact wasn't answered. "I was told to reach out to the MEDC. Basically, the message from the majority is that we need to approve this bill now and let people hear about what's in the deal later," he said. "Decisions like these should not be made behind closed doors; they should be made in public. This appropriation and the process used are a disservice to Michigan taxpayers."

"I want jobs and economic development for the Marshall community and for Michigan as a whole as well, but not at any and all costs," he added.

The Epoch Times reached out to Ford for comment.



BILL PUIGLIANO/GETTY IMAGES

TECHNOLOGY

TikTok Whistleblower Says US Data Can Easily Be Accessed From China: Sen. Hawley

EVA FU

Sen. Josh Hawley (R-Mo.) is pressing the U.S. Treasury Department to conduct a thorough review of new whistleblower allegations regarding the Chinese-owned video app TikTok that were recently brought to his attention.

Hawley said that a TikTok whistleblower has come to him with direct knowledge that the app's access controls might be weaker than previously suggested. The allegations are "deeply concerning" and appear to contradict public statements from senior executives of TikTok and its Beijing-based parent company, ByteDance, over the handling of U.S. users' data, he said in a letter dated March 8 to Secretary of the Treasury Janet Yellen.

Revelations from leaked recordings that engineers in China had repeatedly accessed the platform's U.S. data as of January 2022 have raised bipartisan concerns in Congress.

While TikTok's Chief Operating Officer Vanessa Pappas testified to senators in September 2022 that TikTok has "strict controls in terms of who and how our data is accessed" and vowed that "under no circumstances would we give that data to China," the whistleblower described the access controls as "superficial" at best, if they exist at all, according to Hawley.

TikTok and ByteDance employees can "switch between Chinese and U.S. data with nothing more than the click of a button using a proprietary tool called Dorado," Hawley said, citing the whistleblower, who likened it to a "light switch."

Another tool the whistleblower cited is called Aeolus, which he said allows a China-based employee to access U.S. data with authorization from a manager and a dataset owner.

"I have seen first-hand China-based engineers flipping over to non-China datasets and creating scheduled tasks to backup, aggregate, and analyze data," the person told Hawley's office, according to the letter.

The whistleblower also described close coordination between TikTok and ByteDance, both of which he said "rely on proprietary software they engineered in China, thereby reducing foreign scrutiny and enabling Chinese engineers to insert software backdoors," Hawley wrote in the letter.

"TikTok and ByteDance are functionally the same company. They use the same data analysis tools and chat apps, and managers are in constant contact," Hawley cited the whistleblower as saying.

'Highly Disturbing Allegations'

Hawley sees the "highly disturbing allegations" as the latest reason for a complete purge of TikTok from the United States, which is most popular among American teens.

Sen. Josh Hawley (R-Mo.) delivers remarks during the Senate Judiciary Committee confirmation hearing for Supreme Court nominee Judge Ketanji Brown Jackson in Washington on March 21, 2022.



DREW ANGERER/GETTY IMAGES

"Despite TikTok's many reassurances that members of the Chinese Communist Party do not have access to U.S. data, it seems more and more likely that they do," he wrote.

He requested Yellen provide information on what TikTok has shared with the foreign transaction review panel—the Committee on Foreign Investment in the United States (CFIUS)—that she chairs regarding its software tools, dataset facilities, internal products, the declared access ability for TikTok staff in China through these tools, and the internal approval process that CFIUS is aware of.

A TikTok spokesperson told The Epoch Times that the whistleblower "appears to be misinformed."

"The tools described in Sen. Hawley's letter are primarily analytic tools—they don't independently grant direct access to data," the spokesperson said. "All access to U.S. user data is managed in the United States by [TikTok] U.S. Data Security, and can only leave the Oracle cloud environment under limited, monitored circumstances as described in our proposed agreement with CFIUS."

TikTok said "it is standard for tech companies to engineer their own tools and services to meet internal business needs" and that "none of those tools are typically scrutinized externally."

In a bid to remain in the United States, TikTok has been working on a program called "Project Texas" by partnering with U.S. computing giant Oracle, whose cloud infrastructure will host TikTok's U.S. data. The company assured that "every line of code will be inspected, tested, and vetted by multiple third parties specifically to ensure that there are no back doors."

The push to ban TikTok, which has more than 113 million U.S. users each month, has been gaining momentum in the United States and elsewhere, at a time when

threats stemming from Beijing's global ambitions to challenge the liberal democratic world order are drawing broader concern.

Action in Congress

On March 1, the House Foreign Affairs Committee voted to advance legislation targeting TikTok.

"Anyone with TikTok downloaded on their device has given the CCP [Chinese Communist Party] a backdoor to all their personal information. It's a spy balloon into your phone," Rep. Michael McCaul (R-Texas), the committee chairman who introduced the proposal, told The Epoch Times' sister outlet NTD.

More than half of U.S. states have moved to ban TikTok from government devices. The measure is also enforced on a federal level under part of a \$1.65 trillion spending bill passed in December 2022.

During a Senate Select Committee on Intelligence hearing on March 8, FBI Director Christopher Wray reaffirmed that TikTok poses national security and privacy concerns and could be used as a tool by the CCP to manipulate the thinking of millions in America.

However, Wray said it could be difficult to "see many of the outward signs of it happening if it was happening," when asked by committee Vice Chairman Sen. Marco Rubio (R-Fla.) about whether the regime in Beijing could use the app to sow public discord and promote certain narratives.

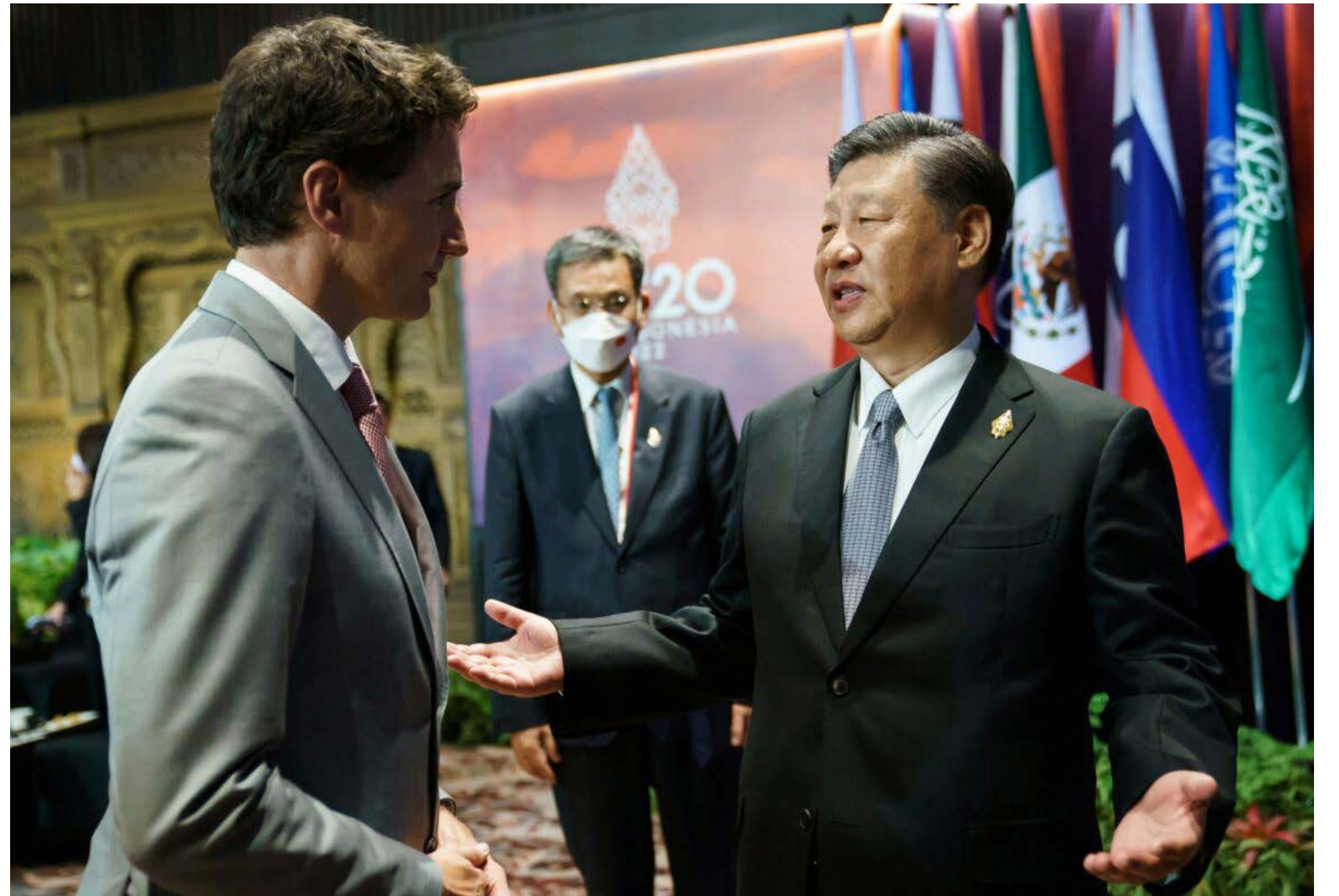
"I think the most fundamental piece that cuts across every one of those risks and threats that you mentioned, that I think Americans need to understand, is that something that's very sacred in our country: the difference between the private sector and the public sector," Wray said. "That's a line that is nonexistent in the way the CCP operates."

NG HAN GUAN/AP PHOTO



A man wears a shirt promoting TikTok at an Apple store in Beijing on July 17, 2020.

ADAM SCOTT/PRIME MINISTER'S OFFICE/HANDOUT VIA REUTERS



Chinese leader Xi Jinping speaks with Canadian Prime Minister Justin Trudeau on the sidelines of the G20 summit in Bali, Indonesia, on Nov. 16, 2022.

NEWS ANALYSIS

3 Ways the CCP Uses Your Phone

LAWRENCE WILSON



Your cellphone may be a spy in your pocket, sending personal information to the Chinese government, which then feeds disinformation

back to you through TikTok and other social media apps, according to retired Air Force Brig. Gen. Robert Spalding.

Spalding, former chief of the China, Mongolia, Taiwan Division at the Pentagon and senior defense attaché to China, served as senior director of strategic planning for the National Security Council from 2017 to 2018. He's an expert on the military threat posed by China.

"The information that's collected about you, particularly from apps like TikTok, is just about everything that every sensor on that device [collects]," he said in a March 10 interview with Jan Jekielek, a senior editor at The Epoch Times and host of "American Thought Leaders."

"The data are primarily used to determine which advertisements to place in front of you but can be used for other purposes, particularly if collected by the Chinese Communist Party (CCP), according to Spalding.

That makes individuals, businesses, and even the country vulnerable to data surveillance, productivity loss, and Chinese influence campaigns.

Data Surveillance

U.S. corporations and government officials may be particularly vulnerable to data surveillance, according to Spalding.

"Say you're a J.P. Morgan executive," he said. "Somebody can track you and who you're talking to. All they need to do is provide that data to an intel analyst, and they can present a fairly good picture of what that person is doing. So it's a competitive intelligence problem for business."

The threat is magnified when data is collected on elected officials or government staff members, Spalding said.

"Who's going to the White House today? Who are they meeting? What are they talking about? These are the things that you can gather from this [data]," he said. "It's happening every single day because I see it in my business."

The problem illustrates the dilemma posed by having an open society. On the one hand, we enjoy a lot of free computer applications and services, but there's a catch, according to Spalding.

"Well, it's not free, and the cost to the country is in this ability to leverage your data for nearly anything," he said.

Through data surveillance, whoever collects the data from our cellphones

knows us better than we know ourselves, Jekielek said in summary.

Productivity Loss

Daily social media use averages 147 minutes per person per day, according to Statista.

American teens spent much more time than that using social apps in 2021, according to a study by Common Sense Media. For teenagers, the average screen entertainment time was more than 8 1/2 hours. For tweens, it was 5 1/2 hours.

All of that adds up to a significant loss of productivity for adults and a huge misdirection of attention for young people, according to Spalding, who said that result is intentional by the Chinese government, which owns a share of TikTok's parent company. Children and adults watch videos on the app for hours, drawn in by algorithms that predict the content that will appeal to each user.

By contrast, use of the app Douyin, the Chinese equivalent of TikTok, is limited to 40 minutes per day by the CCP, he said.

"So if you ask a kid in China, 'What do you want to be when you grow up?' they'll say, 'I want to be an astronaut,'" Spalding said, noting that the content on Douyin is geared toward education.

But if you ask a child in the West the same question, they'll say they want to be a social media influencer, he said.

"So it's not just about taking data,"



Somebody can track you and who you're talking to.

Robert Spalding, retired U.S. Air Force brigadier general

Heavy social media users are twice as likely to be depressed as light users, making it important for parents to consider limiting their teen's access or offering more beneficial activities.

Spalding said. "It's also about reducing productivity."

Disinformation

The third strategy in CCP's information war is influence, according to Spalding. "The official stance of the party is that liberal democracy is a fiction created by the American people to destroy the Communist Party."

"That's what they say in Document No. 9," he said, referring to the party communiqué that warns against Western values such as freedom of the press and judicial independence in an effort to reinforce one-party rule.

The CCP uses social media to insert its messaging into the minds of Americans, according to Spalding.

"China is trying to convince the world that it has a better system," he said.

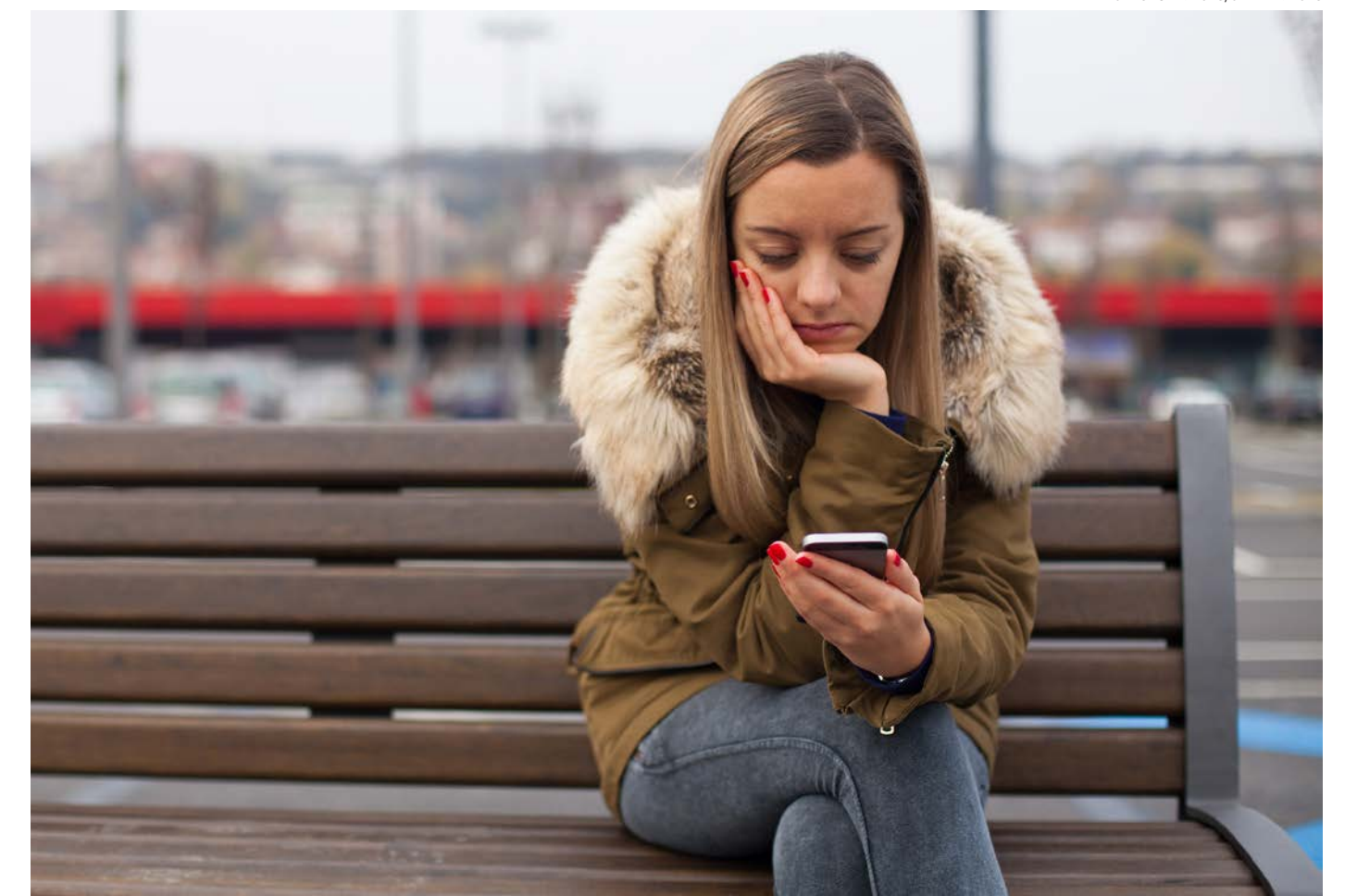
"It doesn't stop at TikTok. They're on Twitter. They're on Facebook. They're on all their platforms and all of ours."

While China has become a significant trading partner and offers much to the world, the relationship of its government to the United States isn't benign, according to Spalding.

"Rather than having this debate in the United States about what we call China, why don't we just look at what the Chinese Communist Party calls America?" he said.

"They call us an enemy. So whatever we think, we have to respect the fact that that's what they believe."

EIGHTSHOT/IMAGES/GETTY IMAGES



OPINION

China's Economic Recovery Is Uncertain

ANTONIO GRACEFFO

China ended 2022 better than many analysts had projected, but the numbers were still relatively bad. Retail sales were down by 1.8 percent in December 2022, which was the third consecutive month of declines.

For the year, retail sales were down by 0.2 percent. It isn't a huge drop, but compared to 12.5 percent growth in 2021, this suggests that the Chinese economy was in a significant downturn. Industrial production slowed by 1.3 percent in December 2022, and the year finished with 3.6 percent growth compared to 9.6 percent in 2021.

Last year, investment in fixed assets increased by 5.1 percent. Infrastructure investment, including railways, ports, and telecommunications networks, was up by 9.4 percent. Investment in electrical machinery manufacturing experienced tremendous growth of 42.6 percent. All this investment was the result of monetary easing and credit expansion combined with a government push for more infrastructure investment.

The geopolitical situation is a major wildcard in China's economic recovery prospects.

While increased investment is a relatively positive sign, growth driven by government spending isn't a sustainable economic model and doesn't indicate real recovery. It also adds to China's debt burden, which already stands at 300 percent of its gross domestic product (GDP). Last year, foreigners divested themselves from China government bonds, and so far this year, the sell-off has continued. In January alone, investors sold \$15.5 billion worth of Beijing's sovereign debt.

China's current account surplus remained high going into 2023, despite a 10 percent drop compared to the previous year. However, the relatively high current account surplus may not be good news. It could be due to the lower profits of foreign-invested businesses. Maintaining a current account surplus will depend on maintaining export volumes. Exports fell by 9.5 percent in December 2022, and exports have fallen by 6.8 percent so far this year and are expected to slide even further. With-



Chinese leader Xi Jinping attends the opening of the first session of the 14th National People's Congress at The Great Hall of People in Beijing on March 5, 2023.

out exports, the main source of capital inflow into China is foreign investment, which has hit an 18-year low, although it's picking up this year.

Chinese mutual funds experienced major outflows in January, the highest in three years. Poor performance or pessimism about the future could be driving investors to sell their mutual funds and deposit the cash in their savings accounts. Net capital inflows into Chinese banks in January were just 10 percent of what they had been a year earlier, and in February, they were down by 40 percent year-over-year.

This could be because of decreased corporate deposits stemming from reduced revenues as many of China's strongest companies posted their worst quarter on record. At the same time, personal savings are up and loans are down, suggesting that consumers are afraid to spend while businesses are afraid to invest, borrow, or expand. Through the beginning of March 2023, consumer spending was still lower than in previous years, but it's trending upward. Analysts expect the sector to recover slowly in the coming months.

The Central Economic Work Conference (CEWC) held in December 2022 set economic growth as the main priority for 2023 and is counting on the private sector to drive the recovery.

A statement released by the CEWC reads, "We need to encourage and support the private sector economy and private enterprise in terms of policy and public opinion."

However, the problem is that the labor pool available to the private sector is declining. The Chinese population shrank by 850,000 people last year, and the trend is expected to accelerate as birthrates fall to record lows. As the size of the workforce declines and China continues to price itself out of low-end manufacturing, the driver of growth will have to come from an increase in labor productivity. To this end, the CEWC stressed the importance of upgrading and modernizing China's industrial sector.

On the one hand, the CEWC stated that it was removing restrictions on the technology sector to restrict growth. On the other hand, Beijing announced an organizational overhaul by creating a new Central Financial Work Commission to oversee the banking, financial, and technology sectors. This will place these sectors directly under the supervision of the Chinese Communist Party and grant Chinese leader Xi Jinping even more control over the country. During the annual National People's Congress (NPC), on March 7, China's State Council also announced that it would be establishing a National Data Bureau, which will be building a "Digital China" by coordinating, integrating, sharing, and utilizing data sources.

History has proven that the best way for the CEWC and the CCP to grow the economy would be to liberalize it. However, it seems that Xi and the CCP will be tightening, rather than loosening, restrictions. This may further discour-

age domestic consumption and investment while encouraging more people and companies to try and get their money out of China.

Beijing set a modest GDP growth rate for the year of 5 percent. Despite all of China's problems, analysts believe that this number is attainable. Aidan Yao, senior emerging Asia economist at AXA Investment Managers, for example, believes that the fourth quarter of 2022 was the low point and that the Chinese economy will improve tremendously this year. Even more optimistic is Goldman Sachs predicting growth of 5.5 percent.

The geopolitical situation is a major wildcard in China's economic recovery prospects. The United States continues to add Chinese firms to its blacklist, with 40 more additions in March, raising Beijing's ire. The CCP has now enacted anti-sanctions legislation that will allow it to bring retaliatory sanctions against companies from America and other foreign countries. At the same time, the CCP is already sanctioning U.S. firms for selling weapons to Taiwan. The U.S. chip ban is hitting Chinese tech companies hard while also forcing some foreign firms to leave China.

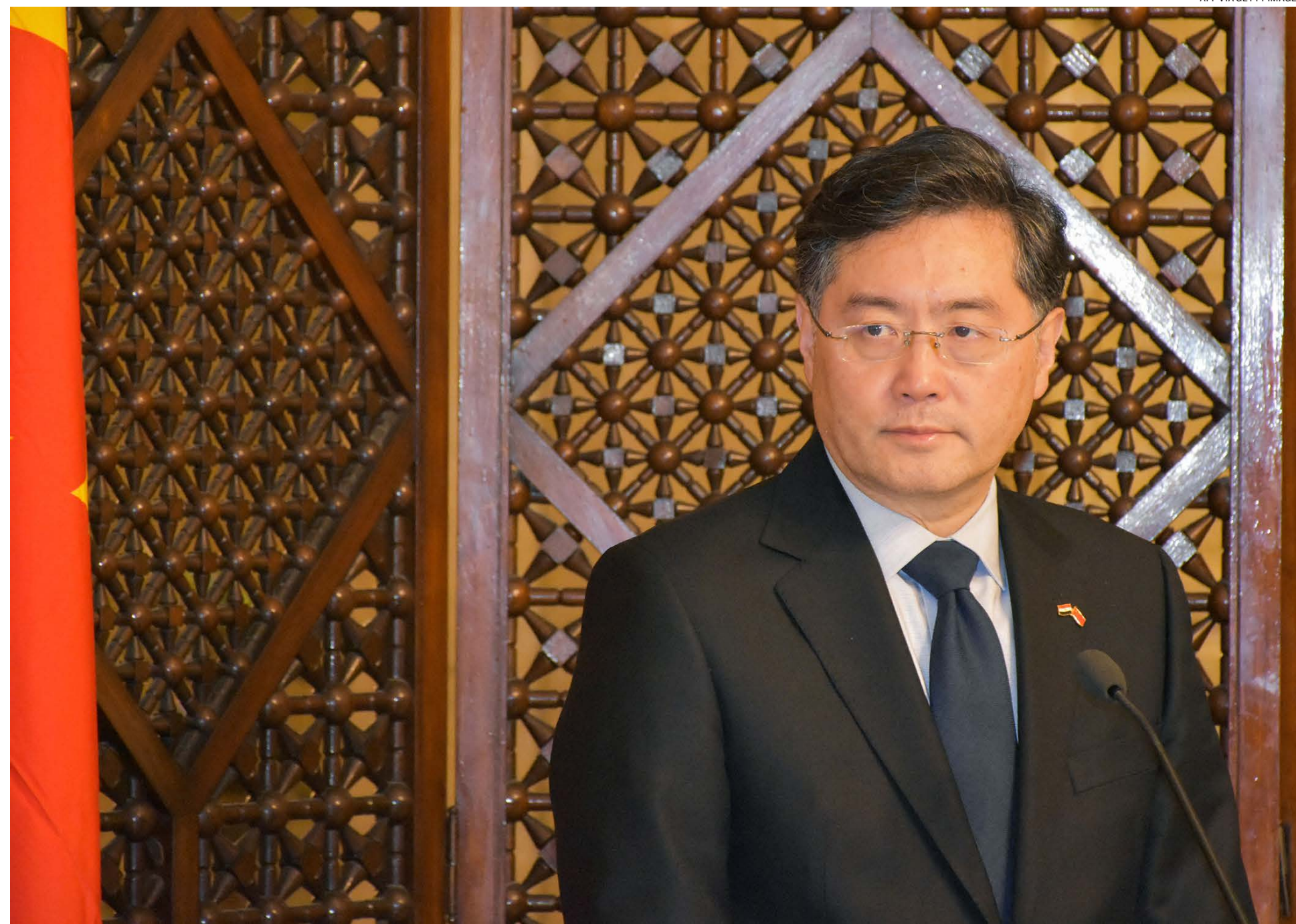
The threat of war and sanctions could scare off more investors. Money managers are devising plans to get their clients' money out of China in the event of a Taiwan invasion. However, the volume of trade between the United States and China remains extremely high for now. Of course, the political situation could change at any moment. U.S. regulators are considering bringing secondary sanctions against Beijing for its support of Russia in the Ukraine war. A conflict could also erupt in the South China Sea, where the maritime militia and the People's Liberation Army Navy have been harassing Taiwan, Japan, and the Philippines.

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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Evergrande residential buildings under construction in Guangzhou, Guangdong Province, China on July 18, 2022.



OPINION

Communist China Recycles an Old Soviet PsyOp

STU CVRK



On 7 March, Chinese state-run media reported new Chinese Foreign Minister Qin Gang stating that China would follow the principles of "peaceful coexistence" (Russian: *Mirnoye soshchestvovaniye*) in relations with the United States. The ghost of Nikita Khrushchev must be whispering in Qin's ear (and also his master, Xi Jinping's ear) because that was a Soviet psychological operation intended to anesthetize the United States and the West for decades during the Cold War. Let us examine the issue.

Background

On Feb. 14, 1956, Soviet leader Nikita Sergeyevich Khrushchev presented a "Report of the Central Committee of the Communist Party of the Soviet Union" to the Twentieth Party Congress. While most of the international and Soviet-controlled media at the time were shocked by his public excoriation of Joseph Stalin for past crimes and abuses, an equally important message was conveyed concerning Soviet foreign policy and international relations.

In Section 6, "The International Position of the Soviet Union," Khrushchev solidified that a major ideological underpinning to Soviet foreign policy going forward would be Vladimir Ulyanov's (Lenin) concept of "peaceful coexistence." From the speech: "The Leninist principle of peaceful coexistence of states with different social systems has always been and remains the general line of our country's foreign policy."

As all communists do, Khrushchev then proceeded to deny the reality by claiming that the Soviet Union wasn't "exporting communism" to other countries: "It goes without saying that among us Communists there are no supporters of capitalism. But this does not mean that we have interfered or plan to interfere in the internal affairs of countries where capitalism exists." The East Europeans and various African and Asian countries at the time knew otherwise from direct experience. In short, Khrushchev's trumpeting of the Marxist euphemism of "peaceful coexistence" was part of a psychological operation intended to mask the Soviets' true intentions—the exportation of communism worldwide.

Communist ideology is tricky and full of contradictions. This is useful for them, as it facilitates arbitrary policy reversals based on circumstance. The Marxists can always cite a quote from Marx, Lenin, or later communist leaders to justify their crackpot policies and later reversals. In this case, peaceful coexistence was a contradiction of another principle called "an-

Chinese Foreign Minister Qin Gang holds a press conference with the Arab League's secretary-general (unseen) at the league's headquarters in Cairo on Jan. 15, 2023.

tagonistic contradiction" which held that, because of "irreconcilable differences," communist and capitalist societies could never exist side-by-side in peace, and that the proper policy for all communist countries was to be hostile and belligerent toward capitalists everywhere.

Interestingly, Chinese Communist Party leader Mao Zedong favored the antagonistic contradiction principle over peaceful coexistence, as noted here. Only near the end of his life did he authorize a softening of his inherent belligerence toward the capitalist West by allowing China to be "opened" by the United States in 1972. The great flip-flop became a staple of Chinese communist policy actions that continues to this very day. The reversal of the decades-long one-child policy and the cancellation of Xi's signature Zero COVID policy are good examples of the nonscientific arbitrariness of Chinese communist decision-making.

"Peaceful coexistence" dominated the Soviets' public pronouncements about international relations from 1956 until the very end of the Soviet Union in 1989. Fortunately, President Ronald Reagan and many other Americans were not fooled by the Soviets' long-running psyop that masked Soviet-backed proxy wars around the world.

Fast-forward to 2023

Since Mao's death, subsequent Chinese communist leaders have been pursuing largely peaceful relations with the United States as a strategic plan to persuade western capitalists to help modernize China. The smiling communist Chinese mask turned toward the world has been cracking a great deal during the Xi era, as Chinese belligerence and intimidation are increasingly evinced in the South China Sea and the Sino-Indian border area, as well as in the continuing persecution of Chinese minorities such as Tibetans, Uyghurs, Christians, and Falun Gong.

There are conflicting signals emanating from Beijing. As mentioned above, the state-run Chinese media spun Chinese Foreign Minister Qin's remarks at a press conference in the language of peaceful coexistence: "China will continue to follow the principles of mutual respect, peaceful coexistence and win-win cooperation to pursue a sound and stable relationship with the United States." Qin further called on the United States to "abandon the zero-sum Cold War mentality." Hmmm. The United States is to abandon the zero-sum Cold War mentality while communists resurrect the Cold War euphemism "peaceful coexistence." The United States is being encouraged to swallow the psyop that masks real communist actions once again.

The state-run Chinese media rendering of Qin's press availability is dramatically different than that reported by Western

media. For example, Breitbart had a decidedly different take on Qin's comments, reporting that Qin was "remarkably belligerent, threatening the United States with 'catastrophic' consequences for 'reckless' policies such as shooting down Chinese spy balloons and supporting Taiwan." Furthermore, "he relentlessly blasted the Biden administration for allegedly causing all of the world's problems and threatened reprisals for any further actions that ran against China's imperial interests." This is definitely not the rhetoric associated with "peaceful coexistence."

What is the real Chinese position vis-à-vis U.S. relations? The Chinese state-run media's soothing interpretation or Qin's direct remarks?

Concluding Thoughts

The real truth of Qin's remarks dovetails with a 6 March speech given by the "new great helmsman" at the National Party Congress in Beijing, as reported by The Wall Street Journal. In a public rebuke of U.S. policy, Xi blamed "what he termed a Washington-led campaign to suppress China for recent challenges facing his country." According to Xi, "Western countries—led by the U.S.—have implemented all-round containment, encirclement and suppression against us, bringing unprecedentedly severe challenges to our country's development."

These are not the words of peaceful coexistence and confrontation that harken back to the old Marxist principle of "antagonistic contradiction."

With the continuing expansion and modernization of the People's Liberation Army—ships, submarines, aircraft, tactical and strategic missiles, space capabilities, and more—as well as the increasing use of these forces to intimidate neighbors and the recent remarks of Qin and his master Xi, place your bets on "antagonistic contradiction" as the real ideological underpinning for current Chinese communist international relations.

Expect more communist Chinese belligerence, intimidation, and confrontation in the future. It's what communists do.

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

Stu Cvrk retired as a captain after serving 30 years in the U.S. Navy in a variety of active and reserve capacities, with considerable operational experience in the Middle East and the Western Pacific. Through education and experience as an oceanographer and systems analyst, Cvrk is a graduate of the U.S. Naval Academy, where he received a classical liberal education that serves as the key foundation for his political commentary.

Expect more communist Chinese belligerence, intimidation and confrontation in the future.

Communist ideology is tricky and full of contradictions. This is useful for them, as it facilitates arbitrary policy reversals based on circumstance.



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