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CCP SCHEME TARGETING FALUN GONG IN US

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Falun Gong practitioners march in Manhattan to celebrate World Falun Dafa Day on May 12, 2023.

DOJ Charges 2 Suspected Chinese Agents for Targeting Falun Gong in US

2 individuals tried to bribe purported IRS official to advance Beijing's campaign against persecuted group, Justice Department says

By Eva Fu

NEW YORK—Federal prosecutors have charged two men with attempting to bribe a public official with tens of thousands of dollars in a scheme to help the Chinese Communist Party (CCP) “topple” the persecuted faith group Falun Gong.

John Chen, a 70-year-old U.S. citizen born in China, and Lin Feng, a Chinese citizen aged 43, attempted to “manipulate the IRS Whistleblower Program, through bribery and deceit,” in an attempt to strip an entity run and maintained by Falun Gong practitioners of its tax-exempt status, according to court filings unsealed on May 26.

The information they submitted to the IRS is “facially deficient and contains rhetoric similar to the propaganda that the PRC [People’s Republic of China] Government uses to justify its subjugation and harassment of Falun Gong members,” according to the complaint.

Chen and Feng, who reside in California’s Chino City and Los Angeles, respectively, were arrested at their residences early on May 26, a spokesperson from the FBI Los Angeles field office told The Epoch Times.

The two face charges of conspiracy, bribery, and money laundering. Chen was

The Chinese government has yet again attempted, and failed, to target critics of the PRC here in the United States.

Attorney General Merrick Garland

persecuted without bond, and the U.S. Marshals Service will transport him to New York. Feng’s detention hearing was postponed until June 1. He will remain in custody until then, a spokesman for the U.S. attorney’s office in Los Angeles told The Epoch Times. Chen’s lawyer declined to comment.

‘Shocking’ and ‘Insidious’

The action marks the first prosecution by U.S. authorities to deter the Chinese regime from targeting Falun Gong—a meditative practice with core tenets of truthfulness, compassion, and tolerance—in the United States. In China, the CCP has been severely persecuting the group for the past 23 years.

The Department of Justice (DOJ) indictments also followed the arrest of two individuals allegedly running a secret police station in New York for Beijing. One of the men, according to the Justice Department, organized counter-protests in Washington to demonstrations by Falun Gong practitioners during Chinese leader Xi Jinping’s U.S. visit in 2015.

“Efforts to manipulate and use the arms of the U.S. Government to carry out the PRC Government’s autocratic aims are as shocking as they are insidious,” U.S. Attorney Damian Williams said in a statement announcing the charges.

From January to May, Chen and Feng worked under the direction of Chinese officials to engage in a bribery campaign, according to the DOJ. Discussing the plan in a recorded call around Jan. 21, Chen indicated that he aimed to help the CCP “topple” Falun Gong, noting that the Chinese “leadership” would be “very generous” in funding the illicit payments, according to the court document.

According to the DOJ’s complaint, Chen said during a recorded call a week later that “after this ... thing is done ... reward for work will surely be given at that time.”

In early February, Chen and Feng submitted a “whistleblower complaint,” which Chen would later claim was intended to be for the benefit of U.S. taxpayers, to an IRS office in New Windsor, New York, according to the court filing. That complaint, which repeatedly used the regime’s defamatory language in describing Falun Gong,

was “facially deficient,” the filing stated. It also stated that IRS personnel have advised to reject the complaint.

On May 14, the pair met with an undercover agent who posed as an IRS official in a restaurant, promising to pay a total of \$50,000 to open an audit on the Falun Gong-related entity, according to the document. In the back seat of the agent’s vehicle, Chen handed the agent a \$1,000 cash bribe, in \$100 bills, as an initial payment. The agent would receive 60 percent of the whistleblower award from the IRS if the whistleblower complaint was successful, Chen and Feng promised.

On an intercepted call two days earlier, the two said that they would receive “direction” from a Chinese official to carry out the scheme through a China-based encrypted messaging app, then delete the official’s instructions. They planned to “alert” and “sound the alarm” to the Chinese official if the meeting failed to go as planned.

‘Blood Brothers’

Over the course of the scheme, Chen also warned a contact, who introduced him to the purported tax official and was cooperating with the FBI, to keep the illicit payment plan discreet, according to the court document.

“If you say pay money, [expletive], it’ll leave a trail along the way, and it’ll be troublesome,” Chen allegedly said.

The identity of the Chinese official hasn’t been released, but Chen, in an intercepted call while discussing the scheme, said the official is “the one that is always in charge of these matters,” the DOJ complaint reads. The complaint noted that the repression efforts targeting Falun Gong are centralized from the 610 Office, an extralegal body that for many years maintained a principal location in China’s northeastern megacity Tianjin.

The city’s name came up in a call around May 16, after the agent emailed Chen a document purporting to show his whistleblower complaint being referred to the audit department. Seeing the email, Chen called Feng and asked him to go to New York to deliver the agreed-upon bribe money. Chen said he would “contact Tianjin again.”

In a call with the agent around that day,

Chen reaffirmed that the two were carrying out the campaign on behalf of Beijing. According to the filing, Chen told the agent to “trust these friends.”

“They are like blood brothers. We started this fight against [the founder of the Falun Gong] twenty, thirty years ago. They are always with us,” Chen allegedly said. He said “the money is from all of us,” which the FBI investigator says likely refers to the Chinese authorities.

“It is very risky to bring money into the US ... need to use some special methods. It needs some time,” Chen said, according to the court document. He explained that he would return to China in June and pay the agent in installments between July and September.

“It’s so much. In the US, ten thousand is over, and one has to declare. Darn it, don’t want to declare,” he said.

Feng handed the undercover agent another \$4,000 cash bribe at John F. Kennedy International Airport on May 18 to further the scheme. The same day, Chen told the agent in a call that he would return to China to collect more funding and have Feng deliver it in two \$25,000 payments to the agent in New York.

A Threat to ‘Our Democratic System’

The details of the case, according to Falun Dafa Information Center Executive Director Levi Browde, show “how Falun Gong practitioners remain a major target for the CCP’s transnational repression.”

“It also shows the lengths the CCP will go—bribing a tax official to break US law and weaponize U.S. institutions against innocent people—to try to get their way,” he told The Epoch Times.

“We applaud the U.S. government for taking this action, and we encourage it to vigorously pursue CCP agents across the U.S. because they pose a threat not only to Americans who speak out against the atrocities in China, but also to our government officials, and indeed our democratic system itself, all of which is targeted by these illicit schemes.”

Prosecutors said the arrest is their latest effort to confront the Chinese regime’s transnational repression campaign.

“The Chinese government has yet again attempted, and failed, to target critics of the PRC here in the United States,” U.S. Attorney General Merrick Garland said.

He added that the Justice Department “will continue to investigate, disrupt, and prosecute efforts by the PRC government to silence its critics and extend the reaches of its regime onto U.S. soil” and “defend the rights to which every person in the United States is entitled.”

“The Department of Justice continues to expose the Chinese government’s brazen attempts to perpetrate transnational repression, this time through attempted bribery,” Deputy Attorney General Lisa O. Monaco said. “As highlighted by today’s arrests and charges of conspiracy, bribery, and money laundering, we will not tolerate efforts by the PRC or any foreign government to intimidate, harass, or undermine the rights and freedoms enjoyed by all who live in the United States.”

FBI Director Christopher Wray said that “China’s government has once again shown its disregard for the rule of law and international norms.” He vowed that his agency will “continue to confront the Chinese government’s efforts to violate our laws and repress the rights and freedoms of people in our country.”

FBI Los Angeles Assistant Director in Charge Donald Alway said the alleged activity is “antithetical to fundamental American values.”

“Those who practice transnational oppression on behalf of the Chinese government must be held accountable,” he said.

Linda Jiang contributed to this report.



FBI Director Christopher Wray testifies before Congress on Jan. 29, 2019.



U.S. Attorney General Merrick Garland speaks during a ceremony at the Department of Justice in Washington on May 24, 2023.

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



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IN-DEPTH

Dangerous Global Shift From Dollar Driven by CCP and US Policy, Experts Say

Experts warn that the CCP and US policymakers are undermining the US dollar's global reserve status, with potentially catastrophic implications for Americans

By Alex Newman

The trend away from the U.S. dollar in global trade and finance is accelerating rapidly as inflation persists, government debt levels explode, and the Chinese Communist Party (CCP) roams the planet negotiating deals in other currencies.

The economic and political implications of the dollar's possible loss of its prized status as the global reserve currency are hard to overstate, according to experts.

In fact, such a development—if and when it occurs—could prove catastrophic to U.S. consumers as their spending power evaporates, economists warn.

Numerous analysts who spoke with The Epoch Times said the CCP and other U.S. adversaries were actively advancing the global effort to undermine the dollar.

However, current and former U.S. lawmakers and policymakers also placed much of the blame on the Biden administration, U.S. government spending, and the Federal Reserve's monetary policies.

"The dollar is clearly at risk from foreign enemies who wish to challenge American power and domestic fools who believe the American credit card has no limits on spending," said Kevin Freeman, host of the "Economic War Room" and an authority on economic warfare.

In comments to The Epoch Times, Freeman, who has briefed top U.S. military officials and policymakers, pointed to CCP strongman Xi Jinping and Russia's Vladimir Putin as foreign adversaries seeking to undermine the dollar.

The Saudis and numerous powers across Africa and Latin America have joined the "anti-dollar cabal" in recent months, according to Freeman.

But the U.S. government deserves some of the blame for the developments, he said.

"Sadly, we are making it easy for them with massive debt increases, an erratic foreign policy, and Washington's arrogance that ignores the threat," said Freeman, who also serves as a senior fellow at the Center for Security Policy.

Multiple members of Congress who spoke with The Epoch Times echoed the concerns about the Biden administration's role in the accelerating shift away from the dollar.

Rep. Paul Gosar (R-Ariz.) pointed to the president himself.

"Joe Biden's warmongering, runaway inflation, and irresponsible spending spree have threatened our currency's value," he said.

A broad range of experts who spoke with The Epoch Times were divided on when or even if the U.S. dollar might lose its status as the global reserve currency and what that could mean for the U.S. economy and the American people.

While many are warning of calamity, some said there may be a "silver lining" to the U.S. dollar losing its global position.

But regardless of when or how the saga plays out, the significance of the trends surrounding the U.S. dollar and its role in the world will be profound and highly disruptive at the very least, according to experts.

De-dollarization

Thanks to the unchallengeable supremacy of the United States in the aftermath of World War II and the dollar's nominal backing by gold at the time and later its endorsement by oil exporters as the "petro-dollar," the U.S. currency has reigned supreme among currencies for more than 70 years.

The dollar still benefits from what's known as the "network effect," as well as the fact that U.S. capital markets are the deepest and most liquid in the world, experts told The Epoch Times.

But if current trends away from the dollar and political instability continue, analysts say the American currency's coveted status as the global reserve could be shaken or even lost for good. In fact, the process is already underway, some experts warned.

The dollar's share of global reserves just two decades ago was at about 75 percent, according to experts and analysts. Today, estimates suggest that it's below 50 percent and shrinking fast.

Speaking at the 2023 Milken Institute Global Conference, International Monetary Fund (IMF) chief Kristalina Georgieva highlighted the trend.

"There has been a gradual shift away from the dollar," she said, noting that the euro, the



Products at a grocery store in Columbia, Md., on May 17, 2023.

MADALINA VASILIU/THE EPOCH TIMES

dramatic, too.

"Adjusting for these price changes, the dollar, we calculate, has lost some 11 percent of its market share since 2016 and double that amount since 2008," said Jen, who previously worked at Morgan Stanley.

Much of the recent acceleration has to do with U.S. policy on Ukraine.

"This erosion in the USD's reserve currency status has accelerated precipitously since the start of the war in Ukraine," he said, pointing to "exceptional actions" against Russia that "startled" large reserve-holding countries.

"What we witnessed in 2022 was sort of a 'defund-the-global-police' moment, whereby many reserve managers in the world disagreed with the conduct of both Russia and the U.S."

CCP Agenda

Calls for a new global monetary system and reserve currency aren't new, however. Even a decade ago, the CCP was promoting the idea through its propaganda machine.

"What may also be included as a key part of an effective reform is the introduction of a new international reserve currency that is to be created to replace the dominant U.S. dollar, so that the international community could permanently stay away from the spillover of the intensifying domestic political turmoil in the United States," Liu Chang wrote in an opinion piece for Xinhua, a CCP propaganda and intelligence-gathering operation.

Analysts said the Xinhua editorial was undoubtedly approved by senior CCP officials and clearly reflected Beijing's views.

One benefit of such a policy would be to "encourage Washington to play a much more constructive role in addressing global affairs," the CCP piece states, calling for a "de-Americanized" so-called new world order.

It was hardly the first time that the CCP touted the idea. In a 2009 report by People's Bank of China chief Zhou Xiaochuan dubbed "Reform the International Monetary System," the CCP called for an "international reserve currency that is disconnected from individual nations and is able to remain stable in the long run." The proposed global currency could be issued by the IMF, he said.

In other words, almost 15 years ago, the highest echelons of power in Beijing were plotting a global currency to replace the dollar as the world reserve.

British pound, and the CCP's yuan were all gaining ground.

While Georgieva said she didn't anticipate an imminent rise of a viable alternative as "we may migrate to central bank digital currencies massively," that doesn't mean it won't come eventually.

Non-Western central banks are also buying gold in record quantities, and analysts expect that demand to remain strong.

"We think this trend of central bank buying is likely to continue amid heightened geopolitical risks and elevated inflation," Swiss bank UBS said in a note.

"In fact, the US decision to freeze Russian foreign exchange reserves in the aftermath of the war in Ukraine may have led to a long-term impact on the behavior of central banks."

Even traditional U.S. allies have been conducting deals in non-dollar currencies. In late March, the French government completed its first cross-border liquified natural gas deal in Chinese yuan.

Also in March, authorities in Brazil—an economic powerhouse that historically has had close relations with the United States—also inked a deal with the CCP to trade in domestic currencies rather than the dollar.

The trends are accelerating. According to a recent note by prominent currency analyst Stephen Jen at Eurizon SLJ, the dollar lost market share in 2022 at 10 times the pace as during the previous 20 years—a trend he says most analysts have missed.

The speed at which this is happening is

It is China's intention to become the dominant superpower of the 21st century.

Kevin Moley, former assistant secretary for international organization affairs, U.S. State Department



A billboard showing the national debt in Washington on Jan. 19, 2023.

too, as the cost of imports and commodities measured in dollars would soar.

It would also accelerate the ongoing global shift toward central bank digital currencies (CBDCs), according to Nenner, who has worked with numerous leading banks around the world.

On the geopolitical front, Nenner suggested, the world may be rapidly approaching the end not just of dollar supremacy but of the global dominance of the United States, with the collapse of the dollar being merely one symptom of a broader trend.

Historically, the average age of empires has been about 250 years, Nenner said, pointing to the rise and fall of the Roman, Dutch, and British empires as examples.

"The USA shows the same symptoms as these previous empires showed right before their downfall including the loss of trust from other nations," he said.

In other words, the loss of the dollar's status appears to be an important part of—not just a cause of—a broader geopolitical realignment with profound implications for the world.

Paul, a three-time presidential contender who for decades warned about what was happening to the U.S. currency as well as what he viewed as the danger of an interventionist foreign policy, told The Epoch Times in a wide-ranging interview that the United States was already facing an "inflationary depression."

"And it's going to get worse as the dollar continues losing ground," he said, arguing that prices would rise dramatically. "There will be so much pain and suffering when they have to give up on the dollar."

While many analysts are "clucking" about the trend being potentially catastrophic for America, Stockman suggested that it may not necessarily be a bad thing for the United States over the long term, as it would force Congress to act more responsibly.

"This is just a gift to Congress that allows them to spend and spend and build up the public debt to the point that we're at \$31 trillion today, to the point that we're having a debate about paying our bills and not cutting any spending," he said, sounding flabbergasted.

"It'll be very painful, and Americans will have to accept a significantly reduced standard of living, according to Stockman.

But the "silver lining" of the U.S. dollar losing its global-reserve status is that "it will wake up the politicians and policymakers to understand that we've been living way, way beyond our means, and we're going to have to pay the piper," he said.

"It's about time for us to face the facts—and change policy quite dramatically."

In economic terms, the loss of global reserve status will mean that Americans will have to export more to be able to import the same amount, according to Thorsten Polleit, chief economist at Degussa, Europe's largest precious metal trading house.

In comments to The Epoch Times, the honorary professor of economics at the University of Bayreuth said this means a decline in living standards.

"Moreover, as capital inflows would most likely also decline, there would be lower investments and lower economic growth in the U.S. going forward," he said.

Ultimately, the world may even end up divided between a "dollar block" and a "non-dollar block" as a more "multipolar world currency system" emerges and other currencies such as the yuan and the euro gain ground.

Experts who spoke with The Epoch Times had widely divergent views on whether the transformation would be sudden or gradual, as well as on how long it might take for the dollar to lose its prized status.

Neither the U.S. Treasury nor the IMF responded to requests for comment.

Alex Newman is a freelance contributor to The Epoch Times. Newman is an award-winning international journalist, educator, author, and consultant who co-wrote the book "Crimes of the Educators: How Utopians Are Using Government Schools to Destroy America's Children." He writes for diverse publications in the United States and abroad.

When asked about the idea at a Council on Foreign Relations event, then-U.S. Treasury Secretary Timothy Geithner shocked observers.

"We're actually quite open to that," he said, causing the dollar to plunge.

Many of the same policymakers from the Obama administration in 2009 who were supportive of the idea remain in positions of influence in the Biden administration today.

And as The Epoch Times reported in 2021 amid the CCP virus crisis, the IMF has been moving in that direction with its special drawing rights, a sort of proto-global currency issued by the global financial institution.

Former U.S. Assistant Secretary of State for International Organization Affairs Kevin Moley, a leading voice warning of the CCP's agenda, said the shift away from the U.S. dollar was "one of the most dangerous developments in the post-war era."

While he denounced the Biden administration for angering and alienating U.S. allies, he pointed to the CCP—the "greatest existential threat to the Republic since 1776"—as the main driver of the ongoing shift.

"This is all part and parcel of their plan to dominate the world," Moley said. "It is China's intention to become the dominant superpower of the 21st century."

Key members of the Biden administration have publicly celebrated the CCP's growing role on the world stage.

For example, senior Biden administration diplomat Bathsheba Crocker, who served as assistant secretary of state for international organization affairs during the Obama administration, was quoted by CCP paper China Daily as saying she was "particularly pleased" to see Beijing taking more responsibility in the U.N.

Previous presidential administrations, which Moley said were "misled" by their own "arrogance," have also contributed to the CCP's ongoing push to dethrone the dollar, he said.

With House Republicans revealing evidence of CCP money being funneled to Biden family members in suspicious transactions, questions about CCP influence in Washington continue to grow.

Domestic Causes

But while the CCP may be hoping to see the dollar replaced as the global reserve, that would be much more difficult to accomplish if not for the policies pursued by the federal government and the federal reserve, lawmakers told The Epoch Times.

Gosar, for instance, told The Epoch Times that "warmongering" by Biden along with "runaway inflation and irresponsible spending spree" have contributed in a major way to the dollar's escalating woes.

"Americans have taken for granted that most countries try to do business using U.S. dollars," he said. "Our dollar has historically been seen as stable, reliable, and useful. This benefits our nation greatly."

Now, however, U.S. financial dominance is "under threat" because of Biden's "incompetence," the Republican lawmaker told The Epoch Times.

"Countries like Russia, China, and India are now looking at using other currencies because Biden has abused our currency and banking system," Gosar said, pointing to legislation he and others introduced to link the dollar to gold again as a way to rein in the problems.

Former Congressman Ron Paul, a longtime advocate for monetary reform who served in key congressional positions relating to currency and banking, also pointed to U.S. policy as a leading cause of the shift away from the dollar.

While it's true that foreign governments and central banks right now appear to be "ganging up" on the dollar, Paul told The Epoch Times that much of the blame belongs with U.S. policymakers.

"Other governments are ditching the dollar because of our foreign policy causing so much harm to them and also our warmongering policy, which is not healthy for the world or our own peace," said the veteran lawmaker and author of the best-selling book "End the Fed."

David Stockman, director of the Office of Management and Budget in the Reagan administration, said he wasn't surprised at the global trend away from the U.S. dollar considering U.S. financial and monetary policies.

"For years, the Federal Reserve has been flooding the financial system with dollars," he said. "As a result, people are looking for alternatives that have a better chance of maintaining their value over time."

Another expert, prominent financial forecaster and economic analyst Charles Nenner, cited his models and macro trends to suggest that the looming "major de-dollarization" was tied to the end of a 250-year "super cycle."

"The United States has such a big deficit that it is leading to the start of longer-term inflation," said the former Goldman Sachs analyst, whose Charles Nenner Research Center advises hedge funds, banks, brokerage firms, family offices, and individual clients.

"The world has lost confidence in the leadership of the USA."

Amid those trends, governments and central banks of the BRICS nations—Brazil, Russia, India, China, and South Africa—are currently creating what Nenner described as an "anti-dollar economy."

"We expect most of the world to follow the alternative currency that BRICS countries are trying to develop," Nenner said.

Indeed, former Goldman Sachs Chief Economist Jim O'Neill openly called on the BRICS governments to deliberately counter the dollar.

"The U.S. dollar plays a far too dominant role in global finance," he wrote in the journal Global Policy.

Effects

This shift away from the dollar could lead to huge outflows from the U.S. bond market, an "enormous rise in inflation," and other problems for the U.S. economy, Nenner said.

Obviously, there would be major implications for the purchasing power of the dollar,

Russian President Vladimir Putin meets with Chinese leader Xi Jinping at the Kremlin in Moscow on March 21, 2023.

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TIMES

The dollar lost market share in 2022 at 10 times the pace as during the previous 20 years, according to Eurizon SLJ currency analyst Stephen Jen.

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US-CHINA | IN-DEPTH

The CCP Fears US Containment—Is This What Washington is Doing?

By Terri Wu

When Rep. Mike Gallagher defended his title of “fastest man in Congress” for the sixth straight year in May, he wasn’t exactly in a celebratory mood.

Winning the 3-mile race with a respectable 20 minutes 3 seconds, the Wisconsin congressman found himself turning his mind to post-Cold War America.

“On paper, this was a victory. In reality, my time was slow,” he said in a statement after topping the congressional men’s division in the annual race for government and media staff in Washington.

“Like America after the fall of the Berlin Wall, like Senator Tom Cotton after the 2016 [race], victory is defeating me,” the 39-year-old lawmaker said, referring to the defending champion he unseated in his maiden run in 2017.

“Let this be a lesson to all past-their-prime politicians raging against the dying of the light: complacency kills.”

Months earlier, the fourth-term congressman, a former Marine Corps intelligence officer, took the job to lead the newly-created House Select Committee on the Chinese Communist Party (CCP).

Gallagher’s comment after the win showed his immersion in this new undertaking.

“He thinks we are in the window of maximum danger, and he’s doing everything he can to move the ball forward,” a source close to the Committee told The Epoch Times.

Countering the Chinese regime is one of the few areas drawing bipartisan support on the Hill. Despite differing views on how exactly to characterize the challenge—such as, whether Beijing poses an “existential threat” or is merely a “strategic competitor,” the committee is “very bipartisan,” said the source.

For one, deterring China from invading Taiwan is a central priority for the members sitting on over 15 other committees in Congress, she said.

The U.S.-China economic relationship is another area of bipartisan focus, whether some call it “decoupling” and others “de-risking.” She listed specific action items, including achieving U.S. supply chain independence, ensuring American companies and investors are not implicated in the regime’s human rights abuses, and informing them of the risks of doing business in China.

While Democrats may use a different vernacular to address the China chal-

We should do more actions that support U.S. interests and worry less about how the PRC is going to respond.

David Stilwell, former Assistant Secretary of State for East Asian and Pacific Affairs

Despite the administration’s wishful thinking, our relationship with the Chinese Communist Party is only getting more problematic.

Rep. Mike Gallagher (R-Wis.)

lenge, there appears to be a growing convergence around the idea that strong action must be taken.

“I don’t use the Cold War language, but we do know we are headed towards a confrontation,” said Rep. Ami Bera (D-Calif.), ranking member of the House Foreign Affairs’ Indo-Pacific Subcommittee, at a May hearing on China’s economic aggressions.

‘Zombie Engagement’

But some worry that this message is not getting through to the White House.

On May 21, President Joe Biden said during the G-7 summit in Hiroshima, Japan, that a “thaw” was coming in U.S.-China relations “very shortly.”

The White House has sought to restore regular dialogue with Beijing months after a Chinese spy balloon flew over U.S. airspace, prompting Secretary of State Antony Blinken to cancel his scheduled trip to China in early February.

On May 11, U.S. National Security Adviser Jake Sullivan told top Chinese diplomat Wang Yi in Vienna, Austria, that the Biden administration was “looking to move beyond” the tensions the spy balloon spurred. The balloon flew over sensitive military bases in America before the U.S. Navy shot it down on Feb. 6.

“The president views our relationship with China as a strategic competition. He also believes that the United States is in a great position to succeed in that competition,” White House National Security Council spokesperson John Kirby told The Epoch Times in early May. “We’re not looking for conflict with China, and we want to keep the lines of communication open.”

The Biden administration has also sought to establish guardrails around U.S.-China relations. The Chinese Foreign Minister, at a March press briefing, fiercely rejected competition as “malicious confrontation” and guardrails as bullying.

For weeks, the United States has been pursuing another meeting between Biden and Xi Jinping, general secretary of the Chinese Communist Party (CCP), a proposal the CCP has resisted.

Such dialogues are precisely what David Stilwell, former Assistant Secretary of State for East Asian and Pacific Affairs, advises against.

In his view, the goal of this engagement is to ask the CCP’s permission to do things. By dangling the promise of dialogue, the regime hopes to distract the United States with “the relationship,” rather than allowing Washington to focus on actions.

“So I’m a little puzzled about all this talk about guardrails and all that stuff. That plays into Beijing’s hand 100 percent, and we shouldn’t do that,” Stilwell recently told The Epoch Times.

“We should do more actions that support U.S. interests and worry less about how the PRC is going to respond,” he added, using the acronym for the regime’s official name, the People’s Republic of China.

“They’re not going to overreact; they can’t afford to.”

Gallagher was similarly dismissive of the Biden administration’s approach, describing it as “zombie engagement.”

On a May 24 call with reporters, the lawmaker expressed skepticism about “this sort of revival of economic engagement as a core pillar of our strategy.”

“We can compete but also cooperate, or we can de-risk but not decouple,” he said, referring to the administration’s strategy.

“I’m very skeptical of that and I think that lack of clarity muddles our thinking and undermines our approach.”

“Despite the administration’s wishful thinking, our relationship with the Chinese Communist Party is only getting more problematic,” Gallagher told The Epoch Times when asked about Biden’s statement about an upcoming thaw in U.S.-China relations.

He continued, “We are well within the window of maximum danger for a CCP invasion of Taiwan, and that’s why it is critical that Congress take decisive action to bolster Taiwan’s military, economic, and diplomatic deterrence.”



Expand Congress’s Bipartisan Leadership

At the China Committee’s first business meeting in May, members passed policy recommendations for Congress to deter the CCP’s invasion of Taiwan. By doing this, the panel is “building bipartisan consensus to take the actions necessary to defend our country and deter CCP aggression,” according to a person familiar with the meetings.

Meanwhile, some analysts have also turned to Capitol Hill to take the lead in addressing the CCP threat to the country.

Arthur Herman, a senior fellow at the Hudson Institute and a former senior advisor on the National Security Council at the end of the Trump administration, for his part gives Biden credit for some notable successes in dealing with China, including the AUKUS defense agreement with Australia and the United Kingdom, bilateral agreements with Pacific allies to enhance mutual defense, and the banning of advanced semiconductor exports to China.

“But overall, if allies are looking for strength in the American position and resolve when it comes to dealing with China, the place where they can find it right now is going to be in Congress, not necessarily in the White House,” he told The Epoch Times.

He sees the U.S. farmland issue as an example of the legislature, at both the national and state level, taking the lead and supporting new actions from the administration.

In early May, the Biden administration proposed tighter controls over foreign land purchases by making land acquisitions near eight additional military installations subject to national security review. The new rule is set to take effect in early June.

Before that, many congressional representatives and senators introduced bills to ban Chinese entities from purchasing or leasing U.S. farmland. In addition, various states, such as Texas, North Dakota, and South Dakota, where the eight additional military bases reside, had also introduced or passed state-level legislation for the same purpose.

Such congressional and state-level actions showed constituents’ concerns and made it easier for the executive branch to take action, said Herman.

Hoping to tap into congressional leadership in dealing with China, in a May article titled “The President Can’t Counter China on His Own,” Herman and his former boss, national security advisor Robert O’Brien, urged Congress to ban Chinese-owned TikTok, expand its investigation of the origins of COVID-19 in China, and bar Chinese companies from buying U.S. farmland.

They also recommended that Congress eliminate Chinese-made components in telecommunication towers, starting with those near military installations, and remove federal funding from schools that host Confucius Institutes, CCP-backed language centers that critics say spread Beijing’s propaganda and aims to influence American students.

The Containment Beijing Fears

The bipartisan congressional interest in



containing China is something Beijing fears and strives to prevent.

The Chinese leader, in a speech in March, for the first time publicly called out the United States as responsible for the regime’s troubles.

“Western countries, headed by the United States, have implemented all-round containment, encirclement, and suppression against us, which has brought unprecedented severe challenges to our country’s development,” Xi told members of the Chinese People’s Political Consultative Conference, a political advisory body for the CCP.

As a result, Xi called for the members to “dare to fight,” “maintain strategic stamina,” and proactively drive changes by fine-tuning strategies upon observing “deep shifts in international relations.”

Xi’s unprecedented directness, according to some observers, was a sign that the U.S. administration’s efforts to check China, a campaign that began during the Trump administration and mostly con-

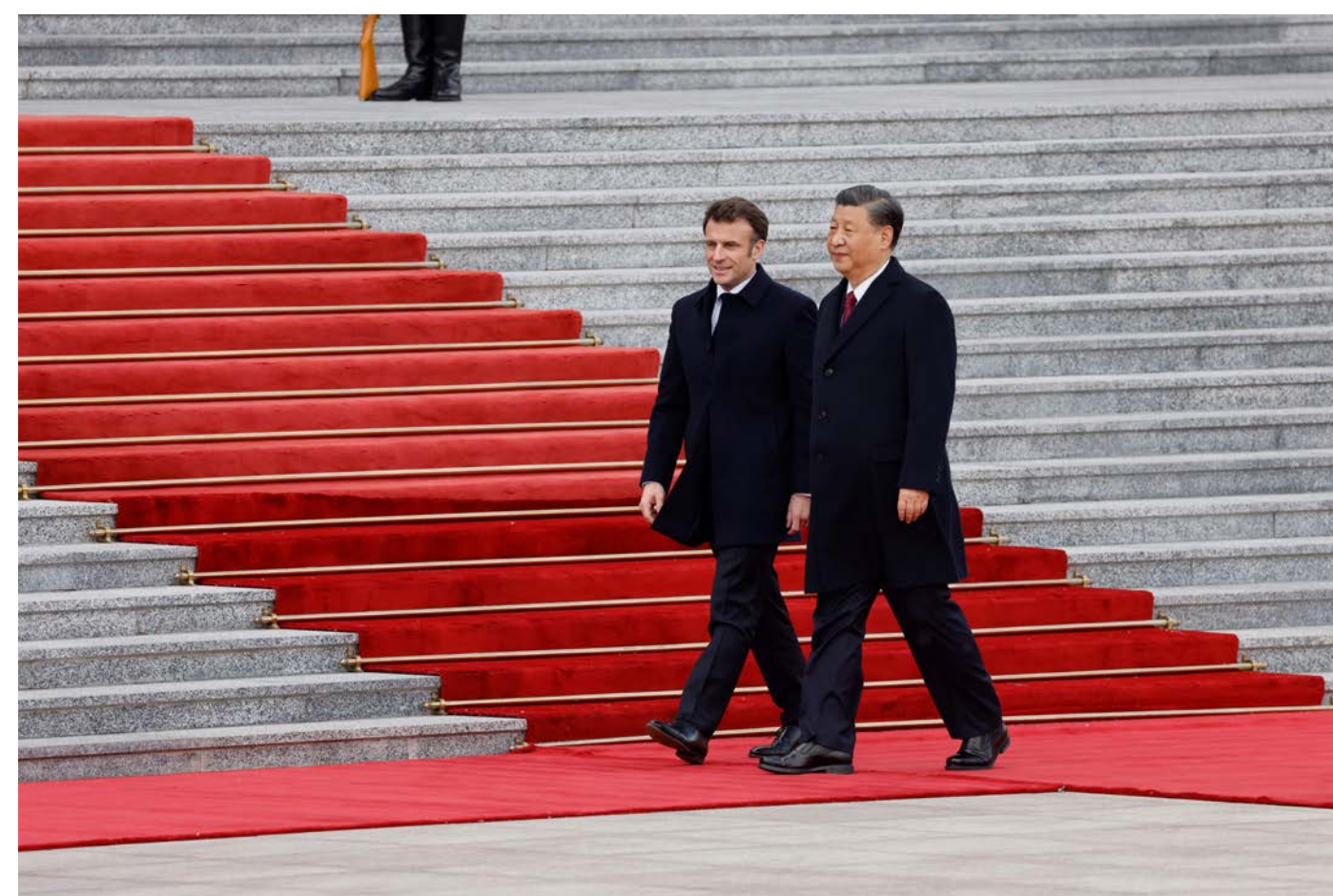
tinued under Biden, was indeed working.

While the Biden administration will never describe its strategy as one of “containment,” it is exactly what they are doing in practice, according to Anders Corr, a principal at Corr Analytics and publisher of the Journal of Political Risk, who says Washington avoids this language “in order not to inflame the conflict unnecessarily.”

“Everyone and the Biden administration claims we’re not circling [China],” Corr, a contributor to the publication, told The Epoch Times.

“But in fact, we’ve got troops in Japan, Taiwan, Philippines; we’re trying to make friends with Vietnam. We’ve got a base in Singapore and troops on the Chinese border in India. And we have had bases in the Central Asian republics. The only places where we haven’t had troops are Mongolia and Russia.

“We’re trying to get the Europeans to put trade pressure and economic tariffs on them as well.”



I don’t use the Cold War language, but we do know we are headed towards a confrontation.

Rep. Ami Bera (D-Calif.)

Rep. Mike Gallagher (R-Wis.) speaks at a press conference and rally in front of the America ChangLe Association highlighting Beijing’s transnational repression, in New York City on Feb. 25, 2023. A now-closed overseas Chinese police station is located inside the association building.

According to Corr, Xi then looked for “little wins” to break through the encirclement by the United States. Therefore, Europe, Russia, France, and the Middle East became leverage points where China’s diplomats attempted to get positive media coverage.

By “little wins,” he was referring to China’s reaffirmation of its “no limits” partnership with Russia in February and Beijing’s facilitation of a March deal between Iran and Saudi Arabia to restore diplomatic relations.

In addition, after a state visit to China in early April, French President Emmanuel Macron talked about Europe’s “strategic autonomy” and cautioned against being “America’s followers” and “taking our cue from the U.S. agenda and a Chinese overreaction” on the issue of Taiwan.

Most recently, China hosted a summit of Central Asian countries at the same time as the G-7 summit.

However, these recent moves are “smoke but no fire,” said Corr.

Instead of showing momentum, China is “starting to bog down,” he said.

In his view, China was gaining momentum from 1979 to 2018.

“Only by 2018, when Trump started putting his foot down with the trade war, did we really see China really start losing. That was really an inflection point when people started criticizing China.”

China’s once-roaring economic engine is also fading. Before the pandemic, its GDP growth decreased from 7.7 percent in 2013 to below 6 percent in 2019, according to the World Bank. Its 2021 GDP of \$17.73 trillion was about three-quarters of the size of the United States.

The country’s post-pandemic recovery has also fallen short of expectations. In May, Washington-based think tank The Atlantic Council gave China’s economy a “negative” outlook, saying that the public campaign to welcome foreign investors “has not been underpinned by a convincing shift in policy.”

Take the Information Battle Seriously

Meanwhile, politicians and think tanks are advocating a “whole-of-society” approach to recognize and push back against the CCP threat.

When conservative think tank The Heritage Foundation launched its policy paper titled “Winning the New Cold War: A Plan for Countering China” in late March, Sen. Marco Rubio (R-Fla.) spoke about the need for America to “wake up to the reality that we are in a geopolitical conflict between two very different models of human relations and the world.”

To the senator, Washington and Beijing are embroiled in a “civilizational conflict” in which China seeks to re-orient the world.

“We are in a conflict: a geopolitical conflict, a diplomatic conflict, a societal conflict, a technological or commercial [conflict], trade, at every level. And, frankly, certainly, a military competition when it comes to capability,” he said.

Currently, many China-related bills have been introduced but have gone nowhere, even with a few dozen co-sponsors. With its 100 operational recommendations—mainly for Congress—the Heritage Foundation wants to change that. Michael Pillsbury, a senior fellow at the think tank and a co-author of the recommendations, proposed to track lawmakers’ voting records on China-related issues.

The smoke Corr refers to, Stilwell calls “information warfare” with China.

“In this information battle, we have no access to the Chinese people; they [the CCP] have full access to the American people. And we need to rebalance that; we need to get that fixed,” he said.

Speaking about the threat of China reshaping the world order, he said, “Two years ago, I was not concerned at all. Today, I am a little concerned because we, as free and open democracies, are not doing a good job of defending ourselves.

“All the problems you see in the United States today, many can be attributed to Russian and Chinese government manipulation of our democratic systems, funding groups like Antifa, whose entire purpose is to create havoc, chaos, anger in our democratic system.”

He added that America should expose CCP’s untrustworthiness, starting with revealing more details about the Chinese spy balloon that Beijing had insisted was a weather balloon.

The former diplomat doesn’t criticize the current administration because that weakens the U.S. government. However, he said the United States needs to get more serious about the battle.

“We’re not fighting the information battle well; we’re only half-heartedly fighting it. If we were to put our whole shoulder into it, we could have a significant impact.”

Eva Fu contributed to this report.



U.S. Secretary of State Antony Blinken meets Chinese Foreign Minister Wang Yi during a meeting in Nusa Dua, Bali, Indonesia, on July 9, 2022.



Xi Jinping, general secretary of the Chinese Communist Party, sits in on the APEC Economic Leaders handoff ceremony in Bangkok, Thailand, on Nov. 19, 2022.

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