

WEEK 13, 2019

# THE EPOCH TIMES CHINA WEEKLY

## CHINA'S **BLOCKCHAIN** AMBITIONS

How the regime plans to subvert the  
global financial system: See Page **4**

**Czech artist  
on a crusade**  
to expose China's  
dark secret **6**



OPINION

# CHINA PLAYING A BIGGER 'GAME' THAN JUST NORTH KOREA

IS CHINA USING NORTH KOREA AS A TRAP TO STIFLE AMERICAN SUPPORT FOR TAIWAN?

JAMES GORRIE

Since the latest denuclearization talks between the United States and North Korea broke down in February, Kim Jong Un has threatened to restart his nuclear program. Is the threat directed at the United States? Are the North Koreans playing hardball with the United States?

Or, is their nuclear threat possibly directed at China? That's not likely, is it? Is Kim Jong Un going to threaten China with ... what? Nuclear attack? Cooperation with the United States? Probably not. His aim is more likely about receiving additional assistance from China.

The fear-of-refugees argument doesn't explain why China would allow the North Koreans to continue with their nuclear program.

Still, the question has more layers than some might imagine. Consider, for example, the possibility that North Korea really wants to make a deal with the United States, but that China doesn't want that to happen. If a deal with the United States ever did come to pass, both Kim Jong Un and Chinese leader Xi Jinping know that any deal would be very limited in scope and duration. Why would that be?

**One Capitalist Korea Is Enough**

For one, the last thing China wants is two capitalist Koreas. It entered the Korean War in 1950 precisely to prevent that from happening. Today, the last thing the Chinese Communist Party (CCP) needs is another example of why communism is unnecessary for China's continued development and economic growth. South Korea and Taiwan are already two examples too many.

And yet, China is also—supposedly—against North Korean nuclear testing. Is that true? Maybe, but perhaps only to a certain extent. More about that in a moment.

But at the same time, China is North Korea's most important trading partner. One would think that China would be able to establish a very basic understanding between itself and North Korea, namely, for Kim stop his nuclear testing "or else."

**China Has the Real Control**

And let's not kid ourselves—China's leverage over North Korea is absolutely real and operative. It provides the malnourished pariah of a nation with most of its food and fuel. Without China's continued assistance, North Korea would starve and freeze to death—in the dark.

With such a fundamentally skewed relationship, one would presume that China would be in a domi-

nant bargaining position to persuade—or force—North Korea's dictator to stop his nuclear program. But that hasn't happened.

Why not?

That simple fact begs another question: "Is North Korea really in charge of its nuclear policy?" Is Kim Jong Un the one calling all the shots in the nuclear negotiations with the United States, or even when it comes to testing bombs and launching missiles?

Or could it be that China has a more involved hand in North Korea's nuclear program and its policy toward the United States than widely understood?

**Is 'Stability' Really China's Goal?**

Some China experts continue to regard stability on the Korean Peninsula as China's primary interest with regard to North Korea. China fears, the thinking goes, that a North Korean regime collapse would lead hundreds of thousands of North Korean refugees to flood across the border into China.

That may be true—desperate, hungry North Koreans may well attempt to pour into China by waves if Kim Jong Un were to lose his leadership position. But really, would hundreds of thousands of hungry refugees be such a difficult problem for China to handle?

Not likely. Even a cursory glance at how efficiently the CCP deals with the millions of "problem" peoples within their borders would tell you how quickly they could dispatch weakened North Koreans on a rapid, industrial scale. They're quite prepared and experienced with such challenges.

The Chinese, after all, take their internal security very seriously. In fact, that budget is bigger than their external military budget. In 2017, China spent approximately \$161 billion on the People's Liberation Army, and spent \$196 billion on internal security forces. You know how it goes when you're an illegitimate government like the CCP—you've got people to suppress, torture, and imprison, such as millions of Uyghurs, Falun Gong adherents, and Christians, to name just a few. What are a few North Koreans? Priorities and all that.

No, the fear-of-refugees argument doesn't explain why China would allow the North Koreans to continue with their nuclear program.

**Who Benefits From North Korean Nukes?**

But when we ask, "Who benefits from North Korea's nuclear gamesmanship and who loses?" the answer becomes more apparent. It's no secret that the Chinese are no fan of President Donald Trump's protectionist trade policies toward China. They hurt the Chinese economy much more than they want the world to know.

The Chinese are also unhappy with Trump's enhanced relationship with Taiwan. Beijing seeks to bring to heel the so-called "renegade province" sooner rather than later. In fact, it's a key part of China's expansionist plans in the Asian-Pacific region and beyond. The ramp up in U.S. military and diplomatic relations threaten those plans.

Therefore, from China's perspective, the more difficult they can make life for the United States in Asia, the more likely Trump, Congress, and U.S. voters will be willing to expend American prestige, lives, and treasure defending Taiwan when that day comes, as it surely will. The North Korean nuclear negotiations are a powerful tool for China—not the



(Above) President Donald Trump and North Korean leader Kim Jong Un at the first U.S.–North Korea summit in Singapore on June 12, 2019. (Below) The front pages of Chinese newspapers showing images of Chinese leader Xi Jinping with North Korean leader Kim Jong Un on March 28, 2018.

North Koreans—to frustrate, manipulate, and otherwise stymie Trump's more aggressive policy toward China and its growing influence in the region.

**North Korea a Trap?**

There's a strange logic to this that makes some sense. It resembles those paper tube finger traps from China, where one person put a finger in one end as another person does the same at the other. As they try to remove their fingers, the paper tube is suddenly very snug around both.

The Chinese strategy may simply be for North Korea to have a similar effect on U.S. policy. Trapping American resolve and commitment to the region on the Korean Peninsula would leave the United States shorthanded in every respect as China increases its military and diplomatic advances on Taiwan, some 1,200 miles to the south.

As U.S. failure in North Korea unfolded—which China would ensure happened—American resolve in the face of failure in North Korea may well be the first of many dominoes to fall in Asia.

*James Gorrie is a writer based in Texas. He is the author of "The China Crisis."*

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



FRED DUFOUR/GETTY IMAGES



SAMIRA BOJADU/THE EPOCH TIMES

A new House bill calls for an unclassified U.S. interagency report to be compiled on how Beijing carries out its political influence operations in the United States.

NATIONAL SECURITY

# HOUSE BILL SEEKS TO COUNTER CHINA'S POLITICAL INFLUENCE

FRANK FANG

U.S. Rep. Chris Smith (R-N.J.) has introduced legislation to tackle China's harmful political influence in the United States.

"Beijing's influence operations are sophisticated and threatening. They include efforts to coerce and corrupt U.S. interests, institutions and individuals, while fostering attitudes and outcomes favorable to the Chinese Communist Party," Smith said in a March 18 statement from his office.

The new bill, named "Countering the Chinese Government and Communist Party's Political Influence Operations Act," calls for an unclassified U.S. interagency report to be compiled on how Beijing carries out its political influence operations in the United States.

If the bill is passed, the Secretary of State, together with the Director of National Intelligence and other federal departments and agencies, would draft the report and submit it to congressional committees.

The bill defines "political influence operations" as "coordinated and often concealed application of disinformation, press manipulation, economic coercion, targeted investments, corruption, or academic censorship."

"My bill would help ensure that Congress and the American public are fully informed of China's malign goals, and would help identify the key institutions, entities, and individuals that carry out these activities," Smith said in the statement.

The proposed bill, which would increase public awareness of China's agenda, is an indication that Western democracies are finally realizing China's "sinister moves" and taking measures against them. Vincent Wang, a professor of politics at Ithaca College in New York, said in a phone interview with The Epoch Times.

Wang added that the bill would help reveal "the severity of China's sharp power."

The bill also calls for requiring Confucius Institutes, as well as think tanks, academic programs, and nongovernmental organizations funded by Beijing, to register with the federal

government through the Foreign Agents Registration Act (FARA). More than 100 U.S. universities and colleges host these Beijing-funded education programs.

Since 2006, the Chinese regime has channeled more than \$158 million to fund Confucius Institutes, according to a report published in February by the Senate Permanent Subcommittee on Investigations, after an eight-month investigation. Senate investigators found that Beijing controls every aspect of the institutes, including funding, the hiring of staff, and programming.

The report also found that CI instructors must sign contracts in which they pledge that they won't damage the national interests of China, while certain subjects deemed taboo by the Chinese regime are banned from CI classrooms.

"There are serious and well-founded concerns about academic censorship and self-censorship at these institutes," Smith said.

FARA, passed into law in 1938, requires organizations and individuals to register with the Department of Justice (DOJ) if



KRIS CONNOR/GETTY IMAGES

Rep. Chris Smith (R-N.J.) on Capitol Hill on June 25, 2015.

they seek to influence U.S. officials or American public opinion on behalf of foreign governments. As part of registration requirements, organizations and individuals must disclose their annual budget and expenditures. The international arm of China's state-owned broadcaster, China Global Television Network (CGTN), recently registered as a foreign agent after the DOJ ordered it to do so in September 2018.

My bill would help ensure that Congress and the American public are fully informed of China's malign goals, and would help identify the key institutions, entities, and individuals that carry out these activities.

*Rep. Chris Smith*

By requiring Confucius Institutes to register under FARA, Wang believes the bill will have the effect of "restricting or lowering their activities," because these institutes would be directly considered an "extension of a foreign government and serve as a tool of a foreign government," rather than legitimate academic institutions.

We need to empower Chinese-Americans and visiting Chinese students with the knowledge that coercion and threats from Beijing are an unacceptable intrusion of their civil liberties and will not be tolerated.

*Rep. Chris Smith*

The bill also calls for greater cooperation and coordination with U.S. allies that are also targets of Beijing's political influence, such as Australia, Canada, New Zealand, Taiwan, and Mongolia.

Wang applauded the cooperation measures, saying that democratic governments can "share intelligence, expertise, and coordinate best practices," which symbolizes that "they are not just taking notice [of Chinese influence], but effectively beating it back."

The bill also proposed "secure outlets for reporting on intimidation and surveillance" incidents that Chinese-Americans, and members of the Chinese, Uyghur, and Tibetan diaspora may face. Practitioners of the banned spiritual movement Falun Gong and exiled Uyghurs have been targeted by Chinese operatives.

"We need to empower Chinese-Americans and visiting Chinese students with the knowledge that coercion and threats from Beijing are an unacceptable intrusion of their civil liberties and will not be tolerated," Smith said.

NATIONAL SECURITY

# SUPERMICRO BACKUP SERVER USED BY HILLARY CLINTON HIGHLIGHTS SECURITY RISKS OF CHINA SUPPLY CHAIN

ANNIE WU

A little-noticed detail in the FBI's investigation files related to former U.S. Secretary of State Hillary Clinton's email servers has highlighted the security risks inherent in today's tech supply chain.

Clinton's use of private email servers during her 2009–2013 tenure raised the question of whether classified information was improperly stored or transmitted.

President Donald Trump has previously suggested on Twitter that Clinton's emails were accessed by China. Several media also have cited anonymous sources that have said China had access to her emails.

But the brand of the particular server Clinton used to back up her emails became a telling detail after Bloomberg's explosive report published in October 2018 revealed that a malicious microchip was allegedly planted by Chinese spies into server motherboards manufactured in China.

In 2013, after Clinton left office, the IT service provider Clinton contracted to manage the email server, Platte River Networks (PRN), moved the server to a data center in Secaucus, New Jersey, called Equinix. There, PRN staff set up a backup system using Datto, a U.S. data backup company. Datto's backup server took multiple snapshots a day of the main email server which were then deleted every 60 days.

That Datto server was in turn manufactured by Supermicro, according to FBI files.

Supermicro is the tech company at the center of Bloomberg's story.

Twitter user @Joestradamus91 was among the first to notice and publicize this detail.

Citing anonymous U.S. officials and tech company insiders, the Bloomberg report claimed that a Chinese military unit designed malicious microchips with backdoor access, and was able to secretly implant them at Chinese factories that supplied Supermicro with

motherboards. Those compromised motherboards were then built into servers assembled at Supermicro.

The U.S.-based company, founded by a Taiwanese businessman in 1993, is a popular vendor of choice among tech companies. It designs servers according to clients' specifications, often offered at much cheaper prices than its competitors, according to Gary Miliefsky, a top cybersecurity expert and CEO of Cyber Defense Media Group. Most of Supermicro's components are made in China. Though Supermicro and its two clients mentioned in the Bloomberg article—Apple and Amazon—have all denied the allegations, cyber experts believe such attacks are plausible but difficult to trace and attribute to a culprit.

Yossi Applebaum, founder and CEO of cybersecurity firm Sepio Systems and a former Israeli intelligence officer, said in a previous interview with the Israeli edition of The Epoch Times that he had seen such hardware implants before, including in computer keyboards and printers.

If there's malicious hardware, it can take down an F-15 [stealth fighter jet] if they have a backdoor.

*Gary Miliefsky, CEO, Cyber Defense Media Group*

"In most cases, hardware manufacturers leave hardware connectors open on the motherboard, which enable access either to the processors or internet connections. This situation is like paradise to the attackers," Applebaum said.

In response to the Bloomberg report, Apple wrote a letter to Congress that said it hasn't detected "outbound traffic" that could suggest malware or malicious activity.

But Miliefsky noted that seemingly benign traffic could be exploited. A hypothetical example: Traffic could be going to a website that sells Apple products, but that IP address could have been set up by an attacker to transfer data to China.

Another example of a hard-to-detect attack is if it were designed to be triggered at a specific time in the future.

Datto has had security flaws before, such as in November 2017 when it detected vulnerabilities that allowed remote access to data, though the company said at the time that no client device was reported to have been affected.

Datto did not respond to a request for comment.

It isn't known whether or not Clinton's Supermicro-manufactured Datto server had vulnerabilities that could have been exploited by Chinese entities; Supermicro didn't respond to a request for comment. But Miliefsky said there



GORDONKOFF/SHUTTERSTOCK

is an inherent risk with using Chinese-manufactured products.

"Most hardware built in China now have a zero-day vulnerability," Miliefsky said in a phone interview, referring to an existing flaw that could be exploited by attackers without the developers' knowledge. By the time the developer notices the attack, the attackers have already done the damage.

"If there's malicious hardware, it can take down an F-15 [stealth fighter jet] if they have a backdoor," Miliefsky said.

Servers made by Supermicro bought by Apple and Amazon were hacked by Chinese spies, according to a 2018 Bloomberg report.

Given the Chinese regime's prolific cyberattacks, the fact that so much of today's tech hardware is manufactured and developed in China is a major concern, Applebaum said.

Miliefsky said that to ensure the safety of data, U.S. businesses and consumers should audit where critical tech components are made and what is in their codes.

"Supply chain management is one of the biggest topics in cybersecurity right now," he said.



## OPINION

# CHINA'S AMBITIOUS BLOCKCHAIN PLANS COULD CAST US DOLLAR OUT OF THE GAME

China's largest news portal, Sina.com, recently made this statement in a headline in its financial section: "For Americans, blockchain is a technology or a philosophical practice. But for Chinese, blockchain is an opportunity for China to change lanes and surpass competitors."

Undoubtedly, the United States is still in the leading position in blockchain technology. However, in terms of commercial application, it is still at the discussion stage in the United States.

Most U.S. blockchain experts have no idea that the Chinese Communist Party (CCP) has already highlighted the importance of blockchain development and application to such a level that it is treated as part of the "national strategy" and as a key step in the future battle between China and the United States for leadership position in the international arena.

The CCP's ultimate vision in the blockchain development and applications is to create an "international government" (that is, the so-called "community of common destiny" for mankind), powerful enough to influence every corner of the world. The near-term goal is to establish a digital currency system to compete with and eventually replace the dollar trading system, directly targeting the global financial dominance of the United States.

The National Interest magazine published an article on Aug. 24, 2018, warning that "U.S. technological and financial dominance is at stake" as China and Russia seek to develop blockchain technology.

## Blockchain Technology Jeopardizes the US Dollar System

A blockchain is a continuously growing list of records, called blocks, which are linked and secured using cryptography. Each block contains typically a hash pointer as a link to a previous block, a timestamp, and transaction data.

By design, blockchains are inherently resistant to modification of the data, and the data are recorded in a verifiable and permanent way.

Satoshi Nakamoto was the first person to propose the concept of blockchain in the 2008 Bitcoin White Paper, and created Bitcoin, the first type of cryptocurrency. Later, blockchain technology was used to create more cryptocurrencies and was gradually applied to other areas.

The blockchain-based cryptocurrency is characterized by decentralization; that is, a financial system that doesn't rely on a centralized regulatory system. There are many different types of cryptocurrencies, and cryptocurrency exchanges can be found in many countries.

Presently, the dollar is still the world's universal currency, and half of all global trade is denominated dollars. Dominating global finance, the United States can not only obtain information on financial transactions, monitor the flow of funds to terrorist

organizations or rogue states, but also use the dollar system to impose financial sanctions with ease on foreign companies or countries that violate certain regulations.

However, the dollar trading system, especially international remittances, requires a dedicated network of banks, which is not only time-consuming, but also involves high processing fees. The global peer-to-peer, cryptocurrency-based payment network can make up for these shortcomings.

At present, as cryptocurrency has some potential problems such as cybersecurity risks and being exploited by criminals, it has not been universally recognized and accepted by the mainstream. Moreover, no single private cryptocurrency can challenge the powerful and well-established dollar system.

In order to build this new global financial system, the CCP is promoting a blockchain financial system through the 'One Belt, One Road' initiative to countries along the route.

However, if a totalitarian regime with a large economy comes up with a plan to improve cryptocurrencies and works with a number of other countries to establish a cryptocurrency trading system, it will be a completely different story.

At present, Alipay, a subsidiary of China's internet giant Alibaba, has successfully used blockchain technology to create a new international remittance system outside the banking network, enabling fast, secure, and convenient remittance via mobile phones or computers. Alibaba is pushing the Alipay business globally through overseas mergers, acquisitions, and business cooperation, including the One Belt, One Road (OBOR) initiative, which is regarded by the CCP as its largest core project in the 21st century.

As early as 10 years ago, Zhou Xiaochuan, then-governor of People's Bank of China, published an article on March 23, 2009, on its website, proposing to create an international reserve currency (the so-called "super-sovereign currency") that is decoupled from any sovereign country. It's clear that the CCP had the ambition to challenge the status of the dollar and Zhou's proposal had attracted a lot of attention from the international society.

Now, it has become a serious threat as the CCP lays out a blockchain strategy in China and abroad.

## The CCP's Global Blockchain Strategy

According to China's National Intellectual Property Administration of China (CNIPA), the number of Chinese patent applications in 2018 was 1.4 million, an increase of 11.6 percent over the previous year. However, the segment of invention patents in blockchain technology continued to maintain an exponential growth trend, increasing by 115.6 percent year-over-year to 2,913 applications, and more than 100 times that of four years ago.

Among the companies with the largest number of applications in blockchain technology in 2018 were China Unicom, Alibaba, Tencent, Baidu, and JD.com. Some of these companies have also applied for multiple patents at the World Intellectual Property Organization (WIPO). Moreover, several of them had never applied for blockchain patents until 2018.

In contrast, in all other countries and regions, the total number of blockchain patent applications in 2018 is lower than in 2017.

Obviously, behind the huge increase in blockchain patent applications in China is the strong support from the Chinese authorities.

The development of blockchain technology has long been part of the CCP's development strategy. With the CCP's funding and policy support, various official organizations have been established to promote the development of blockchain. Many industry giants have joined the effort, and a large number of blockchain start-up companies have also come on stage.

According to data released by the news website SupChina in August 2018, from January 2016 to August 2018, the total investment in the blockchain development from various local governments in China reached approximately \$3.6 billion.

Among them, starting in April 2018, the Xiong'an Global Blockchain Innovation Fund, supported by the Chinese government, provided \$1.6 billion to China's blockchain startups. The sub-institutions of the Central Bank of China also launched a "Blockchain Registry Open Platform" (BRPOP), hoping to hire more blockchain experts.

It must be noted that government-sponsored development of blockchain in China clearly doesn't include private cryptocurrencies. Since 2017, the CCP has banned the sale of cryptocurrencies, and the restrictions on domestic cryptocurrency activities have become more and more stringent.

In April 2018, Russian news agency Sputnik quoted Zhang Hua, co-founder of the DAX Blockchain Group Limited, as saying that China's Central Bank is developing China's own digital currency, the encrypted renminbi, and therefore does not allow any other cryptocurrency to circulate in the country.

As early as January 2017, the Central Bank of China officially established the Digital Currency Research Institute, recognizing the inevitability of the emergence of digital currency

and the possibility that it will eventually replace paper currency. Since then, the Central Bank has published a series of feasibility reports on state-issued digital currency.

In 2018, Sina.com had a special column in its finance section that claimed that China's Central Bank had already formed a comprehensive chain structure, and was trying to solve the final technical challenge of currency digitization.

If we pay attention to the development priorities announced by the Chinese authorities every time, we will find that the blockchain and cryptocurrency are always included in the priority list in recent years. It is even more so for China's financial institutions, which claimed that cryptocurrency was the top priority in 2018.

However, such research is obviously limited to serving the Chinese authorities, rather than developing decentralized private cryptocurrencies.

The core of the communist totalitarian system is the never-ending pursuit to strengthen social control. It is only natural that the CCP doesn't welcome any private cryptocurrency free from the control of the central government. Instead, replacing paper currency with the state-issued digital currency developed by the government is what the Chinese authorities are happy to see, as it can take back the only degree of freedom left in private cash transactions and fully grasp and monitor all the capital flows in the entire society. This is what the CCP has always dreamed of.

In October 2018, Danny Deng, chairman of China's blockchain company Tai Cloud Corp., mentioned in a public speech that the future "mega-trend" is the issuance of cryptocurrency by the state, replacement of the interbank foreign exchange market with cryptocurrency transactions between countries, and establishment of a huge global "super liquid market."

Tai Cloud has been approved and is strongly supported by the Chinese government. It is the leading company in China responsible for promoting the research and popularization of blockchain. Deng participated in the Davos Forum as the head of China's blockchain delegation in 2019.

In order to build this new global financial system, the CCP is promoting a blockchain financial system through the OBOR strategy to countries along the route. In doing so, the CCP is testing the system, and at the same time laying the foundation to challenge the dollar system in the future.

In September 2016, at a discussion forum at Beijing University, titled "Blockchain and Digital Currency," Deng pointed out that blockchain will usher in "greater opportunities" in the OBOR initiative.

He specifically mentioned that

most of the OBOR projects are in developing countries in Asia, Africa, and Latin America where financial foundation is relatively weak, which provides a good opportunity for the introduction of China's blockchain technology.

In fact, in 2016, the same year when Deng delivered this speech, Tunisia in North Africa and Seghar in West Africa issued digital currency, becoming pioneer countries in the issuance of digital currency. Both countries have joined the OBOR.

The Mediterranean island of Malta, which has adopted a very loose policy on cryptocurrency, has become the center of cryptocurrency transactions in the world. Malta is also an OBOR country.

Deng didn't care to hide his goal in developing blockchain technology. "Using blockchain technology can give the U.S. hegemony a heavy blow," he once said.

Kazakhstan, a Central Asian country, is the gateway to the West in the OBOR economic circle. Tai Cloud also intends to popularize the blockchain financial system in Kazakhstan and establish a national digital currency trading platform.

In order to achieve this goal, Deng personally went to Astana, the capital city of Kazakhstan, and spoke about the achievements he made during his Kazakhstan trip in an interview with Japan's NHK TV. The Kazakh oil exporters who hate to be affected by the fluctuation of the dollar are very interested in the "vision" depicted by Deng and actively seek to cooperate with Tai Cloud.

The CCP's intense development of the blockchain financial system has alarmed the U.S. government.

Steve Yalick, intelligence analyst at the U.S. Department of Defense, told NHK TV that once the Chinese government establishes and dominates a financial system independent of the dollar, it will formulate its own blockchain standards and incorporate companies and countries into its own economic circle. It will be an awful situation because it will be a China-driven structure, in which all the rules are set by China.

## Blockchain and 'Community of Common Destiny'

The CCP has vigorously developed blockchain technology as part of its development strategy, not only for the establishment of a financial system that challenges the dollar system, but also for many other applications involving all aspects of social life.

In June 2018, the National Center for Mathematics and Interdisciplinary Sciences, Chinese Academy of Sciences, and Tai Cloud jointly announced the establishment of the "Big Data and Blockchain Laboratory."

On Jan. 12, 2019, the 2019 work



The Chinese regime has set its sights on replacing the U.S. dollar-backed global financial system through developing and exporting blockchain technology.

conference of China Group Companies Association (CGCA) blockchain submeeting was held in Beijing, Zhang Muhun, assistant to the CGCA president, claimed the blockchain submeeting was meant to "respond to the national strategy call," provide blockchain enterprises with policy information and the latest development of blockchain technology, promote resource sharing and collaboration among members, and facilitate the integration of new technologies such as big data, artificial intelligence, and blockchain.

Deng announced at the meeting that he planned to cooperate with the Ministry of Public Security to develop an identity chain, and, at the same time, promote the development of electronic contract filing.

Tai Cloud also officially announced that the company's "shared passport" developed through blockchain technology combines trusted identity verification with a comprehensive application platform. It is noteworthy that the technology had already been adopted by the Chinese authorities, and it's the ID card system of the Ministry of Public Security that connects with the Tai Cloud passport to use this technology and provide ID authentication.

In October 2018, Deng delivered a public speech, titled "Why blockchain will change the world." He claimed that the widespread use of blockchain technology could greatly enhance the development of artificial intelligence, big data, internet of things, patents,

storage and computing, and even gene editing. It has the potential to become the largest global business and social infrastructure ever, creating a 24-hour global digital government, digital medical, education, and other social and management systems.

In his speech, Deng also mentioned digital citizenship and digital identity, as well as the relatively sensitive technology of genetic passport created through DNA sequencing.

Deng concluded at the end of his speech that the development of blockchain technology will make it possible to create a so-called "community of common destiny."

The concept of "community of common destiny" first appeared in the CCP's 18th National Congress in 2012. It became one of the keywords in the 19th National Congress in 2017. What is its specific connotation? Different countries seem to have different understandings.

Regardless, the core idea of the "community of common destiny" is the same, that is, the future world will have a new political order, a new economic order, and a new technical system, including the corresponding judicial system and ideology system, and the country at the center of this system will be communist China. Behind the "community of common destiny," there is always the shadow of the communist totalitarianism and its ultimate goal—a world government.

This isn't just a pretty soap bubble that the CCP touted to put powder on its face. In fact, the CCP is already building the prototype of this "community of common destiny," that is the OBOR.

In August 2017, Chinese state-run media Xinhua published an interview with an obvious title, "The ultimate goal of the 'Belt and Road Initiative': building a community of common destiny."

For the CCP, catching up with, surpassing, and replacing the United States is a never-changing strategy for decades. In the fields of 5G, new energy sources, artificial intelligence, and big data, the CCP is determined to do and has already become the most powerful opponent of the United States. Blockchain and cryptocurrency are just another powerful tool in the wave of high-tech development that the CCP relies on to "surpass competitors at the curve."

By using blockchain technology to replace the dollar system, perhaps someday in the future, China and the United States will exchange positions. This is no doubt an irresistible temptation for the CCP.

Li Jie is a reporter for NTD, part of the Epoch Media Group.

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

ZEROTHESIGNAL/SHUTTERSTOCK



A global financial system based on blockchain technology would render banks obsolete.



JAMAKOV/SHUTTERSTOCK

SHE/HULK/SHUTTERSTOCK; PHOTO ILLUSTRATION BY THE EPOCH TIMES



SMONET.ORG



Barbora Balkova with (L-R) Pavel Porubiak of Human Rights Without Borders, Czech Minister of Culture Daniel Herman, and Canadian human rights lawyer David Matas, in Prague in 2017.

## HUMAN RIGHTS

# THE PANDA, NOW A SYMBOL OF CHINA'S DARK SECRET

MILAN KAJINEK

**P**RAGUE—One day, an artist from central Europe heard a news story about Chinese prisoners of conscience being used as living donors for organ transplants—without their consent. After her own research, she uncovered reports of abuse in China that inspired her to create a unique artistic project that has drawn international attention.

“When I heard about this issue in a Czech Radio broadcast in 2015, I started looking for more information,” says Czech artist Barbora Balkova, a graduate of the Academy of Fine Arts in Prague.

“The fact that some people are locked up in prison and then serve as a living organ bank was really overwhelming information for me. My first inclination was not to believe it, but then I started to learn about the details from sources at home and abroad, and that became a strong impetus for the panda project,” the artist said. “As soon as I heard about it, I knew I wanted to react.”

Balkova has traveled all over Europe with her exhibitions, which she lists on her website. Her work, among other things, is in reaction to both historical and contemporary events in the world that deeply influence society.

Wanting to attract attention and raise consciousness about China's large-scale system of involuntary organ harvesting, she decided to use the panda bear for her new project.

“I wanted to take their symbol of this protected animal and show the absurdity of how unimportant human life is for them, as compared to the strictly protected bear,” she said.

## Making the Bears

“For the production of panda bears, I used an imitation of human skin made of silicone.”

Silicone used as skin is a powerful visual medium used to tell the viewer that the artist is talking about living human sacrifices. “I’ve shown the pandas as a very positive and well-known Chinese symbol, but in a totally different context, one which the Chinese regime is trying to conceal.”

The fact that the bears’ bodies are made of imitation human skin indicates that something is not entirely right. The artist uses obvious cuttings and stitchings on each panda to symbolize the transplant surgery abuse.

The art project, called “Communism With a Panda’s Face,” contains 150 bears. Each one represents 1,000 human victims. The production of one bear takes 14 hours. Balkova spent a full 150 days to make the bears.

## Getting Attention

Her exhibition drew the attention of Chinese surgeon Enver Tohti, one of the few to give direct testimony on how he personally carried out an organ transplant from a prisoner in China who was still alive. He was commanded to do so by his chief physician, so he had hoped that everything was “legal” and “ethical.”

“When you live in a communist regime such as China, you can’t think independently. You have to follow orders,” Tohti said in his testimony to the British Parliament in 2015.

After spending years in England, he realized he had committed a crime. Then, like artist Barbora Balkova, he learned that the abuse of prisoners for transplants in China is widespread, and that his experience was only one of a thousand others. In 2014, he stepped out to publicly testify about what he had personally witnessed. He met with the artist and her pandas in Prague in 2017.

The exhibition also attracted the attention of Canadian lawyer David Matas, who lectured in

ALL PANDA PHOTOS COURTESY OF BARBORA BALKOVA



The exhibition of artist Barbora Balkova titled “Communism With a Panda’s Face.” Balkova uses obvious cuttings and stitchings on each panda to symbolize the transplant surgery abuse.

The exhibition comprises of

150

panda bears

EACH PANDA REPRESENTS

1,000 LIVES

lost to forced organ harvesting in China.

Prague in 2017 at a congress organized by the Faculty of Law of Charles University in Prague. Matas is one of the first investigators of abusive transplant surgery in China.

Through Tohti and Matas, the story of Balkova’s panda bears came to England. From there, it traveled through Ms. Yukari Werrell, the manager of the Japan Initiative at the International Coalition to End Transplant Abuse in China, to Japan.

In Japan, one Japanese nongovernmental initiative, Stop Medical Genocide (SMG), decided to use her panda bear in its logo.

The Japanese SMG initiative originated in the Chamber of Governors of Japan at the beginning of 2018. Since then, its work has been supported by 26 national and 28 prefectural councils. The chairman of the initiative is a Japanese journalist and human rights expert on China, Hataru Nomura.

“What is happening today in China seems to me to be a parallel to what was happening during the Second World War in Europe in Nazi Germany,” Balkova said. “I always wonder how it was possible that it was happening, and that the world did not stand up against it,” she said. “No

one wanted to believe it. Only after the concentration camps had opened were the shocking atrocities shown.”

The credibility of reports about state-supported organ removal from prisoners of conscience was confirmed in 2013 by the European Parliament and by the U.S. House of Representatives in 2016. Five reports or books have already been published: Bloody Harvest, The Slaughter, WOIPFG, B.H.S. An Update, and State Organs.

The most abused groups are, according to the conclusions of the investigative reports, Falun Gong practitioners (a peaceful meditation practice), the Uyghurs, the House Christians, and the Tibetans.

“I don’t know what further evidence will be needed to change things fundamentally, as a result of public pressure or diplomatic ties,” Balkova said.

“I would definitely be happy if my project could contribute to a wider awareness that hundreds of thousands of people are dying in China just so someone can profit from their organs,” she said.

The artist intends to continue creating the bears, as she says, until “organ harvesting in Chinese prisons definitively ends.”

DANIEL ROLAND/AP/GETTY IMAGES



Many EU member states are expressing concern over the Chinese regime’s aggressive investment and trade practices in the bloc.

## CHINESE INFLUENCE

## EU BUDGET CHIEF PROPOSES VETO ON CHINESE INVESTMENTS AS ROME GETS COZY WITH BEIJING

NICK GUTTERIDGE

**BRUSSELS**—Brussels’ budget chief has proposed an EU veto on future Chinese investments in Europe amid growing alarm among officials and leaders about Beijing’s financial influence on the continent.

European Commissioner for Budget Günther Oettinger floated the idea as some member states expressed extreme concern about G-7 member Italy striking a deal with China on funding from its One Belt, One Road initiative, Beijing’s ambitious infrastructure plan that spans continents.

Germany, in particular, spoke out strongly against Rome’s decision to forge ahead with the agreement, which came despite the European Commission branding Beijing a “systemic rival” to the EU.

Leaders from the 27 EU countries met on March 22 to discuss for the first time what the bloc’s strategic approach toward Beijing should be in the future, with deep splits about how open to investment they should be.

Countries including Germany, France, the Netherlands, and the UK have all expressed deep reservations about state-owned Chinese companies buying up shares in European infrastructure and technology companies.

However other member states, especially those in the south such as Italy, Greece, and Portugal, who suffered the most after the 2008 financial crash, are much more open to such investment.

## Strategic Infrastructure ‘in Chinese Hands’

On March 23, Italy signed a deal with China that includes \$7.9 billion investment in the ports of Genoa and Trieste, plus several other sectoral agreements covering energy, steel, and natural gas pipelines.

Rome became the first member of the G-7 to enter into such a pact, but followed in the footsteps of numerous other European nations including Poland, Greece, Portugal, and Hungary.

Oettinger told the Funk Media Group that in “Italy and other European countries, infrastructure of strategic importance like power networks, rapid rail lines, or harbors are no longer in European but in Chinese hands.”

“The expansion of transport links between Europe and Asia is in itself a good thing, as long as the autonomy and sovereignty of Europe is not endangered,” Oettinger said.

Berlin’s Foreign Minister Heiko Maas also issued a warning over the deal, telling Welt Am Sonntag: “Countries that believe they can do clever business with the Chinese will wonder when they suddenly wake up in dependency.”

Diplomats from several European countries expressed alarm over the move, which they fear will leave one of the continent’s major economies dangerously dependent on Beijing.

A diplomat from a Northern European state, speaking on condition of anonymity, said Italian premier Giuseppe Conte had been “conciliatory” during the meeting with other EU leaders in Brussels last week, playing down his country’s links with China.

However, the diplomat warned, “the south of Italy is poor and desperately in need of investment in its infrastructure. For as long as eurozone rules continue to limit their public spending, they’ll look for alternative sources of cash.

“The problem they’re going to have is it’s like going to a loan shark. Sure, it’s a short-term fix, but what happens when they come to collect?”

An ambassador for one EU country, speaking in Brussels on condition of anonymity, warned fellow capitals that they had to stop being “naive” about Chinese investment and quickly come to a common European position on the issue.

“It’s time for the EU, with 430 million citizens and a very unique social model on the global scale, to really come to a common position in the next 12 months on how we’ll move forward in the coming years,” the ambassador said.

“The only thing we’d like to bring across to China now is be aware—we’re starting to be less naive and more pragmatic and we’re not going to let this go on as if nothing has changed in this world economically.”

A diplomat from another EU country said many capitals were concerned the One Belt, One Road initiative was “the dark side of Chinese outreach” and that some member states were “a bit too credulous, a bit too open to Chinese investment and influence.”

“Some people who are not in it worry it’s an attempt to buy influence, neuter opinions, and extend Chinese tentacles into EU decision making,” the diplomat said.

“That reinforces the determination of the EU to have candid discussions about China. There’s a value in the EU collectively reflecting on some of these challenges.”

## HUMAN RIGHTS

## CZECH SENATE PASSES RESOLUTION CONDEMNING HUMAN RIGHTS ABUSES IN CHINA

FRANK FANG &amp; MILAN KAJINEK

The Czech Republic is the latest country to pass a resolution condemning gross human rights violations in China, drawing particular attention to the communist regime’s decades-long persecution of adherents of the spiritual discipline Falun Gong.

The resolution, passed by the Czech Senate on March 20, marked the culmination of four years of efforts by local practitioners of Falun Gong, who had collected thousands of signatures on a petition calling for an end to the genocide committed by the regime against their Chinese counterparts.

The resolution calls on the Chinese regime to stop its persecution of Falun Gong practitioners, Christians, Tibetans, and Uyghurs; to release all prisoners of conscience; and to abide by international human rights conventions.

The petition, signed by the more than 37,000 people, was submitted to the Senate Committee on Education, Science, Culture, Human Rights and Petitions, which endorsed the petition and introduced a draft resolution to the Senate for a vote.

“Staying silent means we agree to [the persecution],” Czech Sen. Marek Hilser, one of the chief architects of the resolution, said in Parliament on March 20.

“Step by step we have learned facts so horrific and terrifying that they are beyond what even our wildest imaginations could come up with.

Vaclav Chaloupek,  
Czech senator

Hilser added: “We, as a country, have experienced a communist totalitarian regime and know what political despotism is, having experienced political executions, incarcerations, and censorship.

“We know very well what human rights abuse and a lack of freedom are. “That’s why I think our country, having had this historical experience, should be sensitive when human rights are being violated and values are being trampled on elsewhere in the world.”

Falun Gong, also known as Falun Dafa, is a spiritual discipline involving meditation exercises and a set of teachings based on the principles of truthfulness, compassion, and tolerance.

The discipline became immensely popular in China during the 1990s, with around 70 million to 100 million people practicing by the end of the decade, according to official estimates cited by Western media outlets at the time.

But in July 1999, fearing that its popularity would undermine the Party’s authority, then-Party leader Jiang Zemin launched a nationwide campaign against the practice, mobilizing the country’s entire security apparatus to locate, arrest, and detain Falun Gong adherents.

Human rights researchers estimate that hundreds of thousands have since been detained in jails, prisons, labor camps, and brainwashing centers, where

they are often tortured physically and psychologically in an attempt to force them to give up their faith.

Czech Sen. Vaclav Chaloupek said, “Step by step, we have learned facts so horrific and terrifying that they are beyond what even our wildest imaginations could come up with.”

Veronika Sunova, the head of the Czech Falun Gong Association, said that the passing of the resolution marked a “unique step for the Czech Republic, bringing us back to where we belong, where our world views should be, and where our moral values are.”

## Organ Harvesting

In 2006, independent researchers uncovered evidence that the Chinese regime was harvesting organs from prisoners of conscience, and mostly targeting Falun Gong practitioners.

“The Chinese totalitarian regime really keeps hundreds of thousands of political prisoners in concentration camps. A person in there becomes just an organ carrier,” Czech Sen. Pavel Fischer said. “Organs are harvested from healthy, living persons to forward them on in the best quality possible.”

In 2016, an investigative report by Canadian human rights attorney David Matas, former Canadian Secretary of State for the Asia-Pacific region David Kilgour,

and investigative journalist Ethan Gutmann concluded that the Chinese regime had established an “industrial-scale, state-directed organ transplantation system, controlled through national policies and funding.” Most of the organs, the report said, are harvested from Falun Gong practitioners.

“The Czech resolution sends that message to both perpetrators and bystanders: We know, we are concerned, we think something should be done,” Matas said in an email to the Czech-language edition of The Epoch Times.

Kilgour, also in an email to The Epoch Times, said that the resolution is “another helpful democratic initiative, which will hopefully this year bring to an end an ongoing crime against humanity across China.”

In 2013 and in 2016, the European Parliament passed resolutions expressing deep concerns over the “systematic, state-sanctioned organ harvesting from non-consenting prisoners of conscience,” including a large number of Falun Gong practitioners.

In 2016, U.S. House of Representatives unanimously passed H.Res.343, which also called for an end to the Chinese regime’s practice of organ harvesting. Several U.S. state legislatures have passed similar resolutions, including Arizona, Georgia, and Missouri.



Veronika Sunova, head of the Czech Falun Gong Association, speaks at Wallenstein Palace, seat of the Czech Senate, in Prague on March 20, 2019.



# THE EPOCH TIMES

TRUTH *and* TRADITION

# A NEWSPAPER GEORGE WASHINGTON WOULD READ

The very fabric of America is under attack—our freedoms, our republic, and our constitutional rights have become contested terrain. The Epoch Times, a media committed to truthful and responsible journalism, is a rare bastion of hope and stability in these testing times.

**SUBSCRIBE TODAY**  
**ReadEpoch.com**