

### Destroying the World Order

Many people in the Free World have realized that the engagement policy with red China to induce transformation of its political system has not worked as expected. It is important to analyze the reasons further so that policy makers can design strategies that are more effective and will actually work.

The fundamental reason for this failure is that the Free World has overlooked or forgotten the nature of communism. China, despite its opening up and trading with the Free World, is a communist country and follows the Marxist doctrine “to dethrone God and destroy capitalism.”

There are at least three reasons why the Free World has been unable to change the Chinese Communist Party (CCP):

One, the CCP has a mission to displace capitalism; thus, it will never adopt capitalism.

Two, the CCP has its own value system; it despises the Free World's rule-based (or law-based) system, which was built on the foundation of spiritual pursuit, a high moral code, human rights, democracy, a constitution, and a separation of powers which, in the U.S. means a Congress that makes the law, an executive branch to enforce the law and an independent judiciary to judge whether the law has been applied correctly.

Three, the CCP is cognizant of the Free World's influence. It has been determined and is able to block it.

Unlike the capitalist or other systems, the communist history has been associated with thugs from its very beginning. From Lenin to Stalin, from Mao Zedong to Jiang Zemin, these communist rulers and their associates are ruthless thugs who ruled their countries with great terror, killing, and suppression. The communist practice and its ruffian leaders are mutually beneficial to each other.

Unable to realize the fundamental differences between communism and the Free World, the Free World has lived in a “China Fantasy” for decades, hoping it could induce the political transformation of red China as it did to the Soviet Union. However, the collapse of the Soviet Union was due to the Cold War weakening communism's power and the Russian people abandoning communism. The Free World's China policy, on the other hand, has strengthened the CCP, enabling it to become wealthy and to control its own political and social stability.

While the Free World hoped to convert the CCP from foe to friend, the CCP is clear that it is “more foe than friend.” On the surface, the CCP cooperates with the capitalist system, but behind the scenes, it “absorbs the nutrition of the ‘capitalist body’ from opening up to the world and develops Socialism with Chinese Characteristics.” {1}

In the meantime, the CCP, as its economic power and international influence grows, keeps breaking and destroying the world order and establishing a new order of its own. It uses the Chinese market, money, and other means to lure people and businesses into its world.

How should we respond to these temptations that Mephistopheles offers?

### I. The “China Fantasy”

On March 8, 1983, in his now famous Evil Empire speech, U.S. President Ronald Reagan spoke openly about communism.

“[A]s good Marxist-Leninists, the Soviet leaders have openly and publicly declared that the only morality they recognize is that which will further their cause, which is world revolution. I think I should point out I was only quoting Lenin, their guiding spirit, who said in 1920 that they repudiate all morality that proceeds from the supernatural ideas – that’s their name of religion – or ideas that are outside class conceptions. Morality is entirely subordinate to the interests of class war. And everything is moral that is necessary for the annihilation of the old, exploiting social order, and for uniting the proletariat. ...

“I believe we shall rise to the challenge. I believe that communism is another sad, bizarre chapter in human history whose last pages even now are being written. I believe this because the source of our strength in the quest for human freedom is not material, but spiritual. And because it knows no limitation, it must terrify and ultimately triumph over those who would enslave their fellow man.” {2}

Unfortunately, President Reagan’s view of Soviet communism and his dubbing it the “Evil Empire” did not carry over to the Free World’s understanding of communist China.

Starting from President Nixon, the U.S. switched to an engagement policy toward China with the hope that the U.S. could induce change in China.

Nixon argued in 1967, “The world cannot be safe until China changes. Thus, our aim, to the extent that we can influence events, should be to induce change. The way to do this is to persuade China that it must change.” {3} During his Presidency, the U.S. started formal diplomatic relations and opened trade with red China.

Since then, U.S. administrations have fallen in love with the engagement theory. “[T]he assumption that deepening commercial, diplomatic, and cultural ties would transform China’s internal development and external behavior has been a bedrock of U.S. strategy,” as Kurt Campbell, the former U.S. Assistant Secretary of State for East Asia and Pacific Affairs, pointed out. “Even those in U.S. policy circles who were skeptical of China’s intentions still shared the

underlying belief that U.S. power and hegemony could readily mold China to the United States' liking." {4}

Many heads of state expressed this same view.

Bill Clinton: The economic changes in China will help to "increase the spirit of liberty over time... I think it's inevitable, just as inevitably the Berlin Wall fell." {5}

George W. Bush: "The case for trade is not just monetary, but moral. Economic freedom creates habits of liberty. And habits of liberty create expectations of democracy... Trade freely with China, and time is on our side." {6}

Prime Minister Tony Blair: "[T]here is an unstoppable momentum 'toward democracy in China.'" {7}

This "China Fantasy" lasted for several decades. Even though the CCP openly massacred its students and people at Tiananmen in 1989, the U.S. just sanctioned it for about a year and then resumed trade. The U.S. conferred permanent most favored nation trade status to China in 1999, supported China to join the World Trade Organization (WTO) in 2001, lived with a huge trade deficit with China for decades, and helped China to become the "world's factory" and the number two economy in the world.

However, the expected change in China did not take place. China is still strong on state control, both economically and politically.

It is only recently that more and more people have started pointing out that this strategy did not work. Campbell said, "[T]he policies built on such expectations have failed," because "rather than embracing positive cycles of openness, Beijing responded to the forces of globalization by putting up walls and tightening state control, constricting, rather than reinforcing, the free flow of people, ideas, and commerce." {8}

A German government official admitted the same thing: "The hope was that closer economic ties would lead to an opening. Today it is clear this was a false hope. [The Chinese] tell us what we want to hear and then do the opposite." {9}

Why could the "China Fantasy" live for so long? To many people, the financial rewards were too enticing. As James Mann pointed out, "It seems that 'The Europeans and Asians now rushing to do business with China try to convince themselves, just as the Americans do, that China is changing, that their trade and investments are helping to bring political liberalization to China.'" {10}

Likewise, Australia's Hugh White explained, "China's ambition and the problems it poses for Australia have been unmistakably obvious for a decade, but most of us have been in denial about it. And we all know why. Opposing China would risk the economic relationship, and we cannot imagine a future for Australia without the opportunities that only China can offer. ... So we've tried to pretend that our problem would go away." {11}

## II. “More Foe Than Friends”

These days there have been many discussions acknowledging that the U.S.’ strategy toward China has failed, but there have been few in depth analyses as to why it failed. That “why” is very important for those who consider doing business in China and for policy makers who are trying to redesign an effective policy towards China.

Clearly, the “China Fantasy” was just that. It did not take into consideration three realities: the mission of communism, the differences in value systems, and the measures that the CCP takes to prevent its assimilation to the Free World.

### A. The Mission of Communism

First of all, when the CCP took control of mainland China in 1949, it established China as a communist country.

Despite its opening up to the Free World and, over the past few decades, performing certain market economy activities, the CCP continues claiming that China’s development path is Socialism with Chinese Characteristics. According to Marxist theory, socialism is the first stage of communism.

Since its opening up to the Free World, Beijing has been stressing the “Four Cardinal Principles” as its guiding principle. These are: adherence to the socialist road, adherence to the people’s democratic dictatorship, adherence to the leadership of the CCP, and adherence to Marxism-Leninism and Mao Zedong Thought. {12}

Marx has clearly stated, “My objective in life is to dethrone God and destroy capitalism.”

The Manifesto of the Communist Party also made this clear, “The Communists’ disdain to conceal their views and aims. They openly declare that their ends can be attained only by the forcible overthrow of all existing social conditions. Let the ruling classes tremble at a Communistic revolution. The proletarians have nothing to lose but their chains. They have a world to win.” {13}

The communists believe that the proletariats are the “gravediggers” of the bourgeoisie. When the communists are not powerful enough to rival the capitalists, they maintain a low profile; when they feel their time has come, they do not hesitate to dig the grave.

The CCP maintained a low-profile during its earlier period of opening up and reform. It defined the core of its path of Socialism with Chinese Characteristics as: “Strengthening China’s socialist power by widely participating in international systems, by absorbing the nutrition of the ‘capitalist body’ (that comes) from opening up to the world, and by developing Socialism with Chinese Characteristics through cooperation with the capitalist system.” {14}

When, in 2008, the U.S. and the rest of the Free World suffered a financial crisis but China's economy remained largely intact, the CCP felt that its time had come. It repeatedly talked about the superiority of China's socialist system and promoted the "China Model" to the world.

It declared the end of Francis Fukuyama's "end of history" theory {15} and proudly stated, "the history of capitalism has not yet ended, but it is getting closer to its end; the history of socialism has not ended either – it not only survives strongly in a crisis, but more and more awakening people in the world also recognized it." {16}

Undoubtedly, the CCP theorists have a clear mission for themselves: to displace capitalism. How can the capitalists expect that they can easily convert red China into a capitalist country?

### **B. The Differences in Value Systems**

The Free World countries and the CCP have totally different value systems.

Modern governance and the capitalist system have a huge moral foundation. John Adams stated, "Our Constitution was made only for a moral and religious people. It is wholly inadequate to the government of any other." {17}

Adam Smith is well known for his book *The Wealth of Nations*, which laid the foundation for classical capitalist economics. He also devoted himself to moral study and wrote the book *The Theory of Moral Sentiments*.

An Economist article stated, "Whether you agree with its values or not, capitalism is a system positively bulging with moral content." {18}

In contrast, the Communist Party denies religious teachings, ignores values, destroys human morality, and wants to displace capitalism and its social order. Thus, China and the Free World are irreconcilable on ideological grounds and follow different value systems. The differences are so substantial that they seem to come from two totally different worlds:

The Free World believes in God; the CCP claims "there are no supreme saviors" {19} and instead treats itself as God;

The Free World values human rights; the CCP believes that there are many legitimate reasons to justify the sacrifice or taking away of its citizens' lives;

The Free World respects democracy, the separation of powers, constitutional restraints on governmental control, and a market-driven economy; the CCP believes that "Big Brother" should monitor and control everything;

The Free World believes in the golden rule and the law of retribution; the CCP ignores them and instead, it makes empty promises, destroys the environment for the entire next generation, and tries to grab all benefits to itself while leaving nothing for others;

The Free World has established and bound itself to the current international order and economic rules, based on human rights, the spirit of the contract, mutual respect, and mutual

benefits; the CCP ignores them for its convenience, since it does not recognize the underlying foundation;

The Free World follows the rule of law; the CCP holds that it defines the law.

While the Free World misread the CCP and wishfully thought “that China would soon be transformed from foe to friend,” {20} Beijing has always been clear in its mind: “Conflicting interests between China and the U.S. center at the essential political areas, while their complementary interests are at non-essential political areas. This means that China and the U.S. are contradictory in their core interests. Therefore, the nature of strategic relations between each other is more contradiction than friendship. ... Said simply, it is ‘more foes than friends.’” {21}

### **C. The CCP's Recognition and Prevention of Its Assimilation to the Free World**

Different from the Free World, the CCP holds one principle: communism is above all. It follows one rule: to survive and thrive at any cost and using any means.

Therefore, it will do anything to keep itself in power. According to its own moral code, any and every measure it takes to achieve that goal is justified.

Therefore, in 1989, Beijing dared, in front of the whole world, to use tanks and guns to kill its own people in order to keep the regime in power and keep it from having to change.

Also therefore, Beijing is extremely concerned about the fall of the Soviet Union. It has studied assiduously, worked diligently, and tried very hard to avoid the same ending.

Former Australia Prime Minister Kevin Rudd pointed out, “Many scholars failed to pay attention to the internal debates within the Party in the late 1990s, where internal consideration was indeed given to the long-term transformation of the Communist Party into a Western-style social democratic party as part of a more pluralist political system.” “China had concluded this debate, there would be no systemic change, and China would continue to be a one-party state.” {22}

In June 2006, China's Central Television (CCTV) released an eight-episode TV documentary series called, “Preparing for Danger in Times of Safety – Historic Lessons Learned from the Demise of Soviet Communism.” It stated, “There are multiple factors that contributed to the disintegration of the Soviet Union, a very important one being Khrushchev throwing away Stalin's knife and Gorbachev's open betrayal of Marxism-Leninism.” {23} The big lesson that the CCP learned is that, while it opens the market to the Free World, it should never loosen its control over ideology or let the Free World change its ideology.

In 2013, an internal Communist Party memo known as Document No. 9 explicitly warned against “Western constitutional democracy” and other “universal values” as stalking-horses meant to weaken, destabilize, and even break up China. {24} It called for “paying close attention to work in the ideological sphere” and listed the “following false ideological trends, positions, and activities which communism must avoid at all cost:

Promoting Western constitutional democracy: An attempt to undermine the current leadership and the socialism with Chinese characteristics system of governance.

Promoting “universal values” in an attempt to weaken the theoretical foundations of the Party's leadership.

Promoting civil society in an attempt to dismantle the ruling party's social foundation.

Promoting Neoliberalism, attempting to change China's Basic Economic System.

Promoting the West's idea of journalism, challenging China's principle that the media and publishing system should be subject to Party discipline.

Promoting historical nihilism, trying to undermine the history of the CCP and of New China.

Questioning Reform and Opening and the socialist nature of socialism with Chinese characteristics.” {25}

So when Beijing opened its doors to the Free World, it opened only the half that would help its own economic development and trade so that it could absorb the nutrition of the “capitalist body.” It kept the other half, political and ideological exchange, closed. In fact, even the door to economic development was only half opened – China has built a state capitalist model that includes a monster of State Owned Enterprises (SOEs) that dominate its “market” economy.

### **D. Communism and “Bloodthirsty Thugs”**

Some people have pointed out that, looking back at communist history, communist practices, from the very beginning, have been associated with thugs who enjoyed violence and sinister manipulations.

The Paris Commune that Marx described as an example of the “dictatorship of the proletariat” was a time of red and meaningless terror and a time when sheer lust, stealing, and burning took possession of the people. The American Ambassador in Paris during the Commune, Elihu Washburne, described in his personal diary the Communards as “brigands,” “assassins,” and “scoundrels;” “I have no time now to express my detestation. ... [T]hey threaten to destroy Paris and bury everybody in its ruins before they will surrender.” {26} Anatole France also described the Commune as “A committee of assassins, a band of hooligans [fripouillards], a government of crime and madness.” {27}

The Soviet Union was keen on ruthless terror and suppression. Lenin believed “The purpose of terror is to terrify.” Thus, in the Soviet Union, “the revolution could succeed only if it could terrify the masses into doing its bidding, and to that end terror was applied. ... The vision of a decent society merged with a pride in ruthless logic, and ruthless politics. It created a culture in which mercy was a counter-revolutionary weakness. ... Stalin, who acted as a thug to perfection, ... believed that the party could not survive without ruthless suppression in order to liberate.” {28}

In China, the CCP leaders are also ruthless thugs. “A growing number of historians – both in China and abroad – have begun to unpick the myth” about the CCP's first-generation leader Mao Zedong. Jung Chang and John Halliday wrote a scathing retelling of Mao's life and actions with the thesis that Mao and his followers were bloodthirsty thugs who bullied their way into power through anti-civilian violence, sinister manipulation and dumb luck.” {29} A pro-Mao article even admitted that Mao “actually did not understand Marxism and did not read many of

Marx's works either." {30}

The CCP's second-generation leader Deng Xiaoping dared to conduct the Tiananmen Square Massacre in front of the world.

The next CCP leader Jiang Zemin overlooked officials' corruption in exchange for their loyalty and organized state-level live organ harvesting against political dissidents, especially tens of thousands, if not more, of the practitioners of Falun Gong, a Buddhist school mind-body exercise. Former Canadian MP David Kilgour, who was also Secretary of State for the Asia-Pacific, and human rights lawyer David Matas, the co-authors of Bloody Harvest, called the organ harvesting "a form of evil yet to be seen on this planet." {31}

It is an interesting topic why many of the communist leaders are ruthless thugs. We leave it to the reader to come up his own conclusion: whether the evil communism selected those "bloodthirsty thugs," or those thugs identified with the communist "class struggle" philosophy and the rejection of the divine and man's moral code, or whether it was a mutual selection by each other, or those who used-to-be rational people got molded into thugs after joining the party.

In any case, the evil communist practice and the "thugs" are mutually beneficial to each other. The communist practice, due to its anti-divine, anti-moral, and anti-traditional culture nature, needs someone with a ruthless heart to maintain its existence in the human world. The thugs, who rule the country with great terror, killing, and suppression, regardless of whether they fully understand the communist theory, carry the communist flag and will continue to hold onto it because they know very well that if they switch from communism to a righteous ideology and follow a good moral code, people who have lived under their terror and lies, will find freedom and regain their conscience, and therefore will, for sure, abandon them.

### **E. Beijing Presents "Potemkin Villages" to the Free World**

Despite its mission and different ideology from the Free World, the CCP is realistic and practical. It recognizes that, at the current time, the capitalist ideology dominates the world and the Free World controls the discourse power over international affairs. It needs to talk the language that the Free World uses and deliver the false words that the Free World wants to hear.

Thus, all these years, what the CCP has been showing the Free World is its Potemkin villages:

When bidding to be the host city of the Olympic Games, Beijing talked about "greening" the city. To achieve that "greening," wherever there were buildings along roads the inspection officials would take, Beijing painted the front of the buildings green.

Beijing calls for the "rule of law," but that is only a trick of mistranslating the term "法治," an abbreviation of "社会主义法治," which means "socialist legal system." The full term shows that, in China, the legal structure is entirely under the party's supervision.

Beijing claims it is building a “market economy,” but it makes the Party Secretary the Chairman of the Board of all new companies and it allows princelings (the children of high-ranking officials) to build up mega companies, to ensure the party still controls the market.

Beijing offers its citizens an “Internet,” but that “Internet” has a Great Firewall that blocks out all information the government does not want people to see. In addition, it hires a large number of government monitors who watch and delete “negative” postings every day. In January 2015, the government even blocked many of the VPNs that citizens had used to circumvent the Great Firewall.

Beijing adopted the “韬光养晦 (keep a low profile)” foreign relations policy, but that term also translates as “hide one's capacity and bide one's time.” Recently, when the CCP felt that its time had come and it no longer had to hide its intentions or capabilities, it instead started to change the world order in an open and daring manner.

On May 2, 2018, Senator Marco Rubio wrote an article for the Washington Post in which he made an apt observation about China's “Potemkin Villages.” “China has offered an economic grand bargain with two contradictory faces. One face outwardly offers soaring and seductive promises of an emerging global economic order that will become more open and equitable as nations increase trade and commerce with China.” President Xi “gushed at how ‘mankind has become a close-knit community of shared future.’ ‘China is committed to a fundamental policy of opening-up and pursues a win-win opening-up strategy.’” “The other face speaks inwardly to China's ultimate geopolitical intentions. ... ‘to fight the bloody battle against our enemies’ – including any nation that obstructs the ‘Chinese dream of national rejuvenation’ – ‘with a strong determination to take our place in the world.’” “Benefiting enormously from a more open global economy to drive its own industries, the Chinese government and Communist Party have only tightened their grip on power, brutally suppressing dissent at home and pursuing policies abroad that are a far cry from the responsible global stakeholder that Xi describes.” {32}

Beijing is a skilled makeup artist. It knows too well what the Free World wants to see and wants to hear. For far too long, the Free World has enjoyed the illusion that the CCP created. Now, when the CCP takes off its mask and reveals its true self, the Free World is shocked. This is the process of waking up from the “China Fantasy.”

### III. Destroying the World Order

The communists' mission is to displace capitalism, so once China had decades of rapid economic growth and became the world's number two economy, the CCP could no longer hold off and continue to “hide one's capacity and bide one's time.” It started touting “China's rise,” and became more aggressive in its interaction with the Free World.

### A. Destroying the World Order

The CCP has two reasons to destroy the current world order. First, the current order is largely based on the Free World's value system and capitalist theory, but not on communist theory. Second, in the CCP's view, there can be no superior power above itself. Therefore, it will not submit itself to any rules where it was not the creator but is only a follower.

As a result, the CCP keeps violating, breaking with, and destroying the world order. This behavior is from the CCP's nature and we should not expect the CCP to change its nature.

Recently many people discussed how China's aggression and bad practices have openly violated the world's established rules.

An AEI article stated, "Subsidies-driven industrial policy and theft of US technology have been cornerstones of Chinese economic strategy since 'opening up' began in 1979." {33}

Bill Walton, the host of "The Bill Walton Show" and a trustee of the Heritage Foundation, stated, "China is plowing forward with an agenda of economic aggression, empirical ambitions, and a complete disregard for international law and customs." {34}

The Whitehouse report, "How China's Economic Aggression Threatens the Technologies and Intellectual Property of the United States and the World," {35} listed the following CCP practices:

- Physical theft and cyber-enabled theft of technologies and IP
- Coercive and intrusive regulatory gambits to force technology and IP transfer
- Economic coercion to force technology and IP transfer
- Information harvesting
- Technology-seeking, state-financed foreign direct investment

The U.S.' communication to the WTO General Council on July 16, 2018, pointed out that the international trading system is "expressly based on the principles of non-discrimination, market access, reciprocity, fairness and transparency. However, China today maintains a state-led, trade-disruptive economic model that is not based on those fundamental principles and that imposes substantial costs on and presents severe challenges to WTO Members." {36}

China's rule-breaking behavior does not only happen in the economic arena. From security to cyber space, from natural resources to governance, its violations are everywhere.

The world is concerned with the threat of nuclear weapons to human beings, but China has supplied nuclear technology to North Korea and Iran, in spite of the fact that it signed the Treaty on the Non-Proliferation of Nuclear Weapons.

Some Chinese Generals have even threatened the world openly with nuclear war. Major General and Dean of China's (PLA) National Defense University Zhu Chenghu stated that China was willing to have a nuclear war with the U. S. at the cost of losing 300 million lives of its own people and ruining the whole economy on its east coast. Chi Haotian, the former Defense

Minister stated, “We’d rather have the whole world, or even the entire globe, share life and death with us (the CCP) than step down from the stage of history!!!” {37}

The Philippines and China disputed over island sovereignty in the South China Sea. The Philippines brought the case to the International Tribunal, but Beijing announced that it would ignore the arbitration and continued its island building on Scarborough Shoal and other islands.

Beijing conducts open stealing through cyber intrusion into the governments and companies of the Free World. In 2015, China was behind the identity theft of 22 million U.S. government employees and contractors. It stole so much of Lockheed Martin’s F-35 design that China’s stealth fighter jet J-31 bears a remarkable resemblance to the U.S. F-35.

For rapid economic growth, Beijing has overly exploited its natural resources and ruined its ecosystems. It built the Three Gorges dam to deliver electricity, but left the people along the Yangtze River to suffer drought and severe flooding every year. It is secretly testing an underground pipe to transport water from the Brahmaputra River to the Xinjiang desert. It also plans to build several dams on the upper part of the Mekong River, completely ignoring the water needs and safety concerns of India, Vietnam, Laos, and other countries along the lower part of these rivers.

When it took Hong Kong back in 1997, the CCP promised the world a “One Country Two Systems” approach for at least 50 years. In less than 20 years, China’s National People’s Congress started “re-interpreting” the Hong Kong Basic Law, redefined what is allowed and what is not, and imposed a requirement of loyalty to Beijing on the Hong Kong people.

The United Nations Human Rights Council used to be a place to defend people’s rights against irresponsible regimes. China and Russia have gone behind the scenes to defund and roll back human rights work and to prevent anyone from speaking on the subject on the grounds that “the council was not the proper forum for discussing human rights.” {38} Beijing pays hefty amounts to African countries to secure enough votes to block any criticism. The United States even announced, on June 19, 2018, that it would leave the Human Rights Council. {39}

### **B. Creating a New Order**

While the CCP attempts to destroy the world order, it also works on creating a new order of its own.

Beijing’s “One Belt, One Road” (OBOR) initiative is a showcase of what the new order will look like. The major investment bank, the Asia Infrastructure Investment Bank, is headquartered in Beijing with China providing the primarily funds. Three OBOR commercial arbitration courts are all located in China: Beijing, Xi’an, and Shenzhen. Projects that receive OBOR funding buy supplies from China and hire Chinese workers. In the end, the recipient countries may find themselves in a huge debt trap and therefore will cave in even more to China. For example, Sri Lanka was so in debt to China that it handed over its Hambantota port on a 99-year lease. {40}

In the CCP’s new world order, there is no “win-win” but rather a “winner-take-all” scenario, with

China being the “winner.” If there is ever a “win-win,” as German officials joked darkly, “that the ‘win-win’ relationship has a new meaning: China wins twice.” {41}

Beijing has been building its own new world order for many years.

The CCP has created a parasitical system so that its party units can live off of companies, institutions, and government agencies. It has established party committees or party branches, in each and every government owned entity, with the party head also being the highest official of the entity. Thus, the party unit controls the entity. The party unit does not even need to have its own budget. It appropriates money from the entity's budget to pay for all its activities.

On June 15, this year, the China Securities Regulatory Commission required that publicly traded companies must include party development work in the company's articles of incorporation. {42} The CCP didn't leave the foreign companies alone. It has established party branches in 70 percent of those companies' joint ventures and subsidiaries in China. It recently demanded that its party branch representative be a member of the board of directors. A CCP member in L'Oreal (China) posted a note on his desk: “If you have a problem, come to a party member (to seek help).” {43}

When China enticed foreign investments to come in, it promised the investors many wonderful things including free exit. Yet when China's economy ran out of steam a few years ago, Beijing changed the rule by imposing tight foreign currency control to block companies from taking money out of China. Li Ka-shing, a renowned Hong Kong real estate tycoon started selling his Chinese properties in 2015. Outlook Magazine, a subsidiary under Xinhua News Agency, published an article titled, “Don't Let Li Ka-shing Escape.” {44} In 2016, Japan had to send a 230-person economic delegation to China to request China to allow its companies to convert their Renminbi into Yen and to take them out of China. {45}

Beijing built the “Great Firewall” to impose strict censorship over the Internet. It keeps Google, Facebook, Twitter, and other large Internet companies outside the Chinese market. Instead, it has built China's own Internet and social media companies such as Baidu, Tencent (owner of WeChat), Sina (owner of Weibo), creating a completely different landscape from the rest of the world.

The CCP promotes patriotism to unite and mobilize the Chinese people. It establishes a strong Internet bullying atmosphere against anyone who does not support the CCP's China. Chinese netizens reported that several Taiwan singers and movie stars were Taiwan separatists and therefore boycotted them in the mainland. A 16-year Taiwan girl pop star Chou Tzu-yu was forced to apologize to the Chinese people for holding a Republic of China flag. {46} Even Lenovo could not escape such a bully. It was called “traitor” recently when netizens found out that in 2016, it voted for Qualcomm's technology but not Huawei's for a telecom 5G standard. {47}

The CCP expands that bully strategy to foreign companies to get them to comply with its political rules. Beijing organized a nationwide boycott against Korean retail company Lotte to prevent Korea from deploying THAAD, forced Daimler to issue a public apology for quoting the

Dalai Lama on an Instagram, and demanded that the Marriott and many airline companies list Taiwan as a part of China, which the White House called, “Orwellian nonsense.”

Beijing recently developed a social credit system to score people's social credits based on their social, political, and economic behavior. It sucked foreign companies into this system by imposing an 18-digit “unified social credit code” for all companies with a Chinese business license. It planned, shortly thereafter, to extend the tracking over non-profits, non-government organizations, trade unions, and social organizations. Australian scholar Samantha Hoffman observed that it had the “potential to interfere directly in the sovereignty of other nations” and that, “Companies don't have a choice but to comply if they want to continue doing business in China.” {48}

Kurt Campbell said that the CCP is trying to “create a modern maritime sphere of influence” in the South China Sea. “China has deftly used coast guard vessels, legal warfare, and economic coercion to advance its sovereignty claims. In some cases, it has simply seized contested territory or militarized artificial islands.” {49}

When U.S. warships went near the islands that Beijing seized and artificially built out, People's Daily suggested having a fight with the U.S. to define its new territory. “Without a fierce struggle, it is hard to find a new balance. Having a fight between China and the U.S. could be a healthy move for the relationship between the two countries.” {50}

Beijing has been actively increasing its international influence and international discourse power. The Prospect Magazine pointed out that the portfolio of China-dominated international organizations is growing rapidly, including the Shanghai Cooperation Organization, the Boao Forum, the China-EU Summit, and the China-Africa Cooperation Summit. China seeks to build the Regional Comprehensive Economic Partnership as a rival to the Trans-Pacific Partnership. {51} It also built the Xiangshan Forum to counter the inter-government security forum Shangri-La Dialogue over which Beijing does not have good control. {52}

In the past few years, Beijing has clearly not been shy in showing its desire to be the world's number one power.

One may argue that it is okay for a country to dream or become number one in the world. In the 20th century, the U.S. moved up to the world leader position. What would be wrong for Beijing to become the leader of the 21st century? However, if the CCP indeed were to take over the world, what would it offer to the world? The advanced technology that it steals from other countries or coerces foreign companies to hand over? A ban on all religions? Diminishing culture and morality? Individual liberty that is suppressed or that the government can take away at any time?

Sadly, the CCP has found many effective ways, such as offering money or other benefits, to lure people, companies, or countries to join its world. When the CCP asked Cisco and other high-tech companies to help it build its “Great Firewall” and help it gather data to prosecute its people, when the CCP asked the Nobel committee not to give awards to Chinese political dissidents, when the CCP told the Vatican to appoint only bishops that the CCP liked, when

Google removed “Don’t Be Evil” from its Code of Conduct, planned to develop a censored search engine for China and was identified in print as “ready to strike a Faustian Bargain again with the Chinese state,” {53} and when the CCP killed political dissidents to offer their organs for transplant, Mephistopheles was tempting us.

### What should we do?

The United States was able to induce the collapse of communism in Russia in 1990. That success was mainly due to the Cold War that depleted the Soviet Union’s energy and to the engagement with the Russian people who abandoned communism. The China policy that the U.S. adopted was a completely different strategy. It was solely based on economic engagement, letting the CCP manage the changes on its own. From the start, this strategy lacked the empirical evidence for success and it has clearly failed in practice.

As the “gravedigger” of capitalism, the CCP has always been cognizant of the Free World’s intention and prevents any ideology change. Even when it opens the country for economic reform and integration with the world, it puts a tight lid on political reform and resists the influence of the Free World’s ideology. Instead, it quietly works on changing the Free World through enticement, bullying, subterfuge, obfuscation, and infiltration so it can replace the world order with its communist order.

The U.S. has started to awaken to Beijing’s aggression and mal-practices. President Trump stated at the World Economic Forum on January 26, 2018, “We cannot have free and open trade if some countries exploit the system at the expense of others.” “The United States will no longer turn a blind eye to unfair economic practices, including massive intellectual property theft, industrial subsidies, and pervasive state-led economic planning. These and other predatory behaviors are distorting the global markets and harming businesses and workers, not just in the U.S., but around the globe.” {54}

It is a good thing that the U.S. has become aware of communism’s erosion of the Free World’s values in the area of trade, but that is not the only area to consider. From education to religion, from the media to politics, on many fronts, Mephistopheles is in a battle for man’s soul. Will we be able to fend off the temptations offered and win the battle?

In the following parts, we will explore how the CCP attempts to take over man’s soul and infiltrate the Free World.

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