



Chinese Media Digest

中国传媒摘

The Chinese Media Digest, launched in November 2014, provides critical analysis of news articles, blogs, and official speeches published in Chinese-language news media.

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Former People's Liberation Army Air Force Pilot Cites Improved Radar Capabilities in Dismissing F-22 Superiority over J-11

In a recent televised interview, former People's Liberation Army (PLA) Air Force test pilot Xu Yongling refuted claims made by a high-level U.S. Air Force official that U.S. F-22 fighters far outmatch Chinese J-11 fighters. Details of the interview were reported by the Chinese Communist Party (CCP) newspaper *People's Daily*. Xu assesses the loss ratio¹ of F-22 fighters to J-11 fighters in a conflict would be about 1:2 or 1:3. That compares with the U.S. Air Force official's estimate—originally cited in international affairs publication *The National Interest*—that the loss ratio of F-22 fighters to J-11 fighters could be as high as 30:1.² Xu argues that, in order to accurately compare the performance strength of the two aircraft, one must consider many factors, including performance in a head-to-head fight; aircraft operational effectiveness on the battlefield and the aircraft's ability to control air space; and the loss ratio, accounting for the aircraft's ability to hide from its adversaries. By analyzing all of these factors, he concludes the J-11 is more comparable to the F-22 in real combat conditions.

Xu also contends China's latest advances in radar technology have enhanced China's ability to track the F-22 and other foreign stealth fighters. He said, "The myth that the F-22 cannot be tracked has now been shattered." The *People's Daily* article cited the new phased array air surveillance radar unveiled at the November Zhuhai Air Show, China's largest stage for showing off its latest military equipment, as demonstrating China's increasing aircraft detection capabilities. According to unnamed Chinese military experts, this new technology enables the PLA to monitor F-22s flying to South Korea.

- 专家：F-22 战机与我军歼 11 对抗战损比或 1:2 左右 (Expert: Loss ratio of F-22 Fighters to Chinese Military's J-11s in a Conflict Might be About 1:2)
People's Daily, November 25, 2014
<http://military.people.com.cn/n/2014/1125/c1011-26089940.html>

¹ An aircraft's loss ratio is defined as the aircraft lost in comparison to a foreign aircraft in a head-to-head fight under normal conditions.

² Dave Majumdar, "China vs. America in the Sky: A Stealth-Fighter Showdown is Brewing," *National Interest*, November 14, 2014. <http://nationalinterest.org/feature/china-vs-america-the-sky-stealth-fighter-showdown-brewing-11676>.

PLA Daily Lauds Disaster Relief Cooperation between People's Liberation Army and People's Armed Police

On November 23, a 6.3 magnitude earthquake hit near Kangding, a Tibetan county in southwest China's Sichuan province. An article in the *PLA Daily*, published the day following the quake, highlighted a high level of cooperation between the PLA and People's Armed Police (PAP) on disaster relief efforts, potentially setting an important precedent for future cooperation between the police and military.

According to the article, PLA-PAP cooperation was a success. Within a few hours of the quake, 700 officers, militia, and army reservists arrived from the PLA's base in Sichuan, along with 900 personnel from PAP, to begin relief work in Kangding and surrounding villages. By the following day, PLA and PAP personnel had managed to rescue and treat 377 victims and assist 5,700 refugees. They also moved quickly to provide food and shelter, set up field hospitals, and clear landslide debris from buildings and roads.

China's military forces apparently learned important lessons from the government's ineffective response to the devastating 7.9 magnitude Wenchuan earthquake in Sichuan in 2008, which caused over 87,000 casualties and left 4.8 million people homeless.³ The PLA and PAP's rapid response this time around suggests both forces are now better equipped, trained, and deployment-ready. Moreover, the robust cooperation between the two forces suggests the two forces have increased interoperability.

- 解放军和武警部队全力展开康定地震救灾 (People's Liberation Army and the People's Armed Police Jointly Engage in Kangding Earthquake Disaster Relief)
PLA Daily via Xinhua, November 24, 2014
http://news.xinhuanet.com/mil/2014-11/24/c_127243581.htm

POLITICS AND LAW

***Phoenix Weekly* Reveals Scale of Xu Caihou's Corruption Only to Be Censored**

On November 20, *Phoenix Weekly* published one of the first in-depth reports on the Central Commission for Discipline Inspection's ongoing corruption investigation into Xu Caihou, a former member of the CCP Politburo and former vice chairman of the Central Military Commission (CMC) under President Hu Jintao. In late June, Xu became the highest ranking PLA official to be purged from the CCP in nearly three decades.

The report detailed the enormous scale of assets confiscated from Xu's property. A dozen military trucks were needed to haul away "more than a ton" of cash, hundreds of kilograms of precious woods, gems, and rare jade, as well as ancient paintings and antiques. Although the report was initially carried by several Chinese news outlets, the article since has been censored within China

³ James Daniell, "Sichuan 2008: A Disaster on an Immense Scale," BBC News, May 8, 2013.
<http://www.bbc.com/news/science-environment-22398684>.

and removed from the *Phoenix Weekly* website. Directives were issued by government authorities to media outlets to “unify” their reporting on Xu.⁴

According to a high-level source at the General Logistics Department of the CMC referenced in the report, the slow pace of Xu’s investigation and subsequent expulsion from the CPC was due to disagreements between factions within the government. Members of the CMC support Xu, whereas members of the CCP Central Committee have an interest in bringing down corrupt officials at the highest levels. Only after being confronted with the detailed list of confiscated items did Xu “admit defeat,” according to the report.

- 徐才厚被抄家内幕：豪宅搜出 1 吨多重现金 (Inside Look into Seizure of Xu Caihou’s Mansion: More than 1 Ton of Cash Confiscated)
Phoenix Weekly, November 20, 2014
<http://chinadigitaltimes.net/chinese/2014/11/凤凰周刊 | 国贼徐才厚查抄内幕/>

Female University Student Compensated in Landmark Gender Discrimination Case

A female student, surnamed Guo, recently sued a vocational school for advertising a clerk position limited to male candidates only. The student, based in the city of Hangzhou in Zhejiang province, sought more than \$8,100 in damages in the Hangzhou Xihu District Court in November. After reviewing the case, the court found the school in violation of equal employment rights and awarded Guo about \$325 in compensation for “mental damages.” Though the plaintiff’s award was minimal, this case is especially significant as it marked the first instance of successful judgment against employment gender discrimination in China. Previously, a case had been heard in Beijing, but was eventually settled in mediation. Given the long history of male exceptionalism in Chinese society, this case provides a foundation from which the country’s gender equality--in the workplace and elsewhere--can move forward.

- 女大学生状告用人单位性别歧视 法院：女生获赔精神损失 2000 元 (Female University Student Sues for Gender Discrimination, Judge Awards Her RMB 2,000)
Zhejiang News, November 14, 2014
<http://zjnews.zjol.com.cn/system/2014/11/14/020357961.shtml>

⁴ Anne Henochowitz, “Minitrue: Reporting on the Xu Caihou Case,” *China Digital Times*, November 20, 2014.
<http://chinadigitaltimes.net/2014/11/minitrue-reporting-xu-caihou-case/>.

Progress Report from Ministry of Finance Proposes No Bailouts for Local Governments

In a progress report on economic reform, a Ministry of Finance (MOF) task force charged with “strengthening local government debt management and establishing a policy system for effectively preventing financial crises” indicated that central authorities will not continue to bail out indebted local governments. The task force report builds on State Council Document No. 43, published in October 2014, which asserts that local governments must be responsible for repaying their loans without central government aid, in order to strengthen budgetary restrictions and prevent moral hazard.

In September, China’s budget law was revised, allowing local governments to issue their own debt for the first time in two decades. However, the revised law is very cautious. Only provincial-level governments can borrow, under the precondition that they solicit approval from the State Council and exclusively issue government bonds.

Some finance experts believe that the central government should assume greater responsibility for helping local governments repay their debt. For example, the central government’s \$586 billion stimulus injection in 2008 exacerbated the risk of local debt accumulation by forcing local governments to raise most of the funding. Chen Zhiyong, dean of the School of Finance and Taxation at Zhongnan University of Economics and Law and a member of the MOF task force, believes that the proposed regulations governing local government borrowing are too strict, especially considering that township- and county-level governments account for the majority of investment in urban infrastructure. Chen further argues that the central government needs to devise a coherent, clear system for handling local government bankruptcy. Government bankruptcy does not mean that the government disappears, but rather that existing assets undergo account settlement, and that the government looks into how to settle remaining debts.

The task force report recommended drafting a local government bond law that spells out detailed provisions for local government borrowing, including approval procedures, use of funds, scope of issuance, bond market distribution, and the jurisdiction of supervisory bodies. The report also calls for a local government bankruptcy law to assign legal responsibility to local governments for repaying their debt. In the event that a local government does not repay, the law would permit that entity to declare bankruptcy, stipulate procedures for debt reorganization and settlement, and determine the responsibility of higher or central authorities.

- 财政部改革报告首次提出：应允许地方政府破产 (Ministry of Finance Reform Report for the First Time Recommends Allowing Local Governments to Go Bankrupt)
21st Century Business Herald, November 13, 2014
<http://news.qq.com/a/20141113/042120.htm>

China's Response to the "Low Oil Price" Era

In November, China's State Council released its Energy Development Strategy for 2014-2020. The document includes plans to increase China's domestic energy production, especially in the offshore oil and onshore shale gas segments.⁵ A central premise of the plan is that China must reduce its oil import dependence to avoid supply disruptions and high energy bills. In late November, however, the global oil price hit a four-year low. In a November 29 op-ed in *China Economic Net*, the popular economics blogger Wang Zhenfeng asks: "How should China respond to the 'low oil price' era"?

Wang identifies several factors that have contributed to the price drop:

- The decision of the Organization of Petroleum Exporting Countries (OPEC) to sustain current levels of production, in spite of the global supply glut;
- The U.S. shale oil production boom that is reducing U.S. oil imports; and
- The weak recovery of the global economy. The U.S. economy has recovered slightly, yet the U.S. Federal Reserve's consequent decision to scale back its quantitative easing program has hurt economic growth in other markets by reducing liquidity and strengthening the U.S. dollar vis-à-vis other currencies.

The article goes on to suggest that the United States helped orchestrate the price decline in order to accrue diplomatic leverage. Countries that have poor diplomatic relations with the United States – namely, Russia, Iran, and Venezuela – depend on a high oil price to balance their fiscal budgets and maintain economic stability. The author suggests that Russia, already hard-hit by Western sanctions, could slip into deep recession if the oil price remains low.

With respect to China, Wang views the low oil price as a net benefit. Preliminary estimates show that China could save up to \$20 billion from importing cheaper oil. A low oil price also reduces inflationary pressures in the broader economy. In the oil industry itself, companies that explore and refine oil will suffer, but downstream petrochemical industries will profit.

Wang warns, however, that a low oil price could also relax pressure on Chinese industries to cut back on wasteful energy use. The low oil price should, on the contrary, be viewed as a window of opportunity to carry out structural reforms that optimize China's energy efficiency, reduce reliance on fossil fuels, and accelerate the buildup of strategic petroleum reserves.

- 王振峰：欧佩克不减产 中国如何应对低油价时代？ (Wang Zhenfeng: OPEC Does Not Lower Production: How Should China Respond to the "Low Oil Price" Era?)
China Economic Net, November 29, 2014
http://views.ce.cn/view/ent/201411/29/t20141129_4010787.shtml

⁵ Angela Meng and Bloomberg, "More Nuclear Plants and Renewable Energy under New Development Plan," *South China Morning Post*, November 19, 2014. <http://www.scmp.com/news/china/article/1643831/more-nuclear-plants-and-renewable-energy-under-new-development-plan>.

Difficulties Persist in Resuming Six-Party Talks despite North Korea's Signal

Russian Foreign Minister Sergei Lavrov met on November 20, 2014 with Choe Ryong-hae, North Korean leader Kim Jong-un's special envoy and a member of the Politburo of the Workers' Party of Korea. After the meeting, Lavrov announced North Korea is ready to resume the six-party nuclear talks (Six Party Talks) "without conditions." Negotiations were suspended in 2009.

Despite North Korea's purported willingness to restart negotiations, it is unlikely they will resume in the near future, according to an analysis published in the *People's Daily*. For one, the United States and other countries will do so only if North Korea takes meaningful steps towards denuclearization and fulfills its obligations under the Joint Statement of the Fourth Round of the Six-Party Talks. These include abandoning all nuclear weapons and existing nuclear programs and returning to the Treaty on the Non-Proliferation of Nuclear Weapons. The United States would in turn provide light-water reactors to North Korea after dismantlement.

Another factor that complicates resumption of talks is that South Korea does not trust North Korea's verbal commitment, but rather wants to see concrete action taken on North Korea's part to denuclearize. The *People's Daily* analysis also highlights that, due to the crisis in Ukraine, the United States and Russia may find it challenging to effectively resume bilateral talks on North Korea's nuclear issue. Finally, a prerequisite for resolving the nuclear issue is mending U.S.-North Korea relations. Although North Korea claims it will denuclearize, it will only do so if the United States lifts its economic sanctions.

- 美若不消除对朝威胁朝不会放弃核武 六方会谈难恢复 (If the United States Continues to Make Threats, North Korea Will Not Denuclearize; Resumption of Six Party Talks Encounters Difficulties)

People's Daily, November 24, 2014

<http://military.people.com.cn/n/2014/1124/c1011-26082041.html>