

BACKGROUNDER

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China's Public Opinion Warfare: How Our Culture Industry Learned to Stop Worrying and Love the PRC

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Abstract

"We cannot have a society in which some dictator some place can start imposing censorship here in the United States," said President Barack Obama on December 19, referring to Sony's North Korea fiasco. That is exactly what is happening, however, and with a far more important global actor, the People's Republic of China (PRC), which is censoring not just our movies, but also our universities. Efforts to influence, if not corrupt, our culture-making industries and indoctrinate the American people in a favorable view of the PRC regime may pose a threat to our long-term national security. The U.S. Congress is right to ask the Government Accountability Office to look into the matter, and its probe should be expanded beyond the GAO.

On December 19, 2014, President Barack Obama took Sony Pictures to task for bowing to North Korean threats and withholding the release of the movie *The Interview*. Among other things, the President said:

We cannot have a society in which some dictator some place can start imposing censorship here in the United States. Because if somebody is able to intimidate folks out of releasing a satirical movie, imagine what they start doing when they start seeing a documentary they don't like, or news reports that they don't like.

Or, even worse, imagine if producers and distributors and others start engaging in self-censorship because they don't want to offend the sensibilities of somebody whose sensibilities probably

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KEY POINTS

- Chinese government-supported Confucius Institutes, set up ostensibly to teach Chinese language and culture, also fund other China research at the universities that host them. In the United States, there are some 97 units at universities and close to 400 "Confucius classrooms" in K-12 schools.
- Many universities are coming around to the view that collaboration with Confucius Institutes is not worth the risk to their academic freedom.
- The U.S. Congress has finally decided to launch an investigation through the Government Accountability Office. Because the evidence is ample that this association may pose national security risks, the government should expand its probe.
- The film industry must also reflect on whether it is collaborating with a regime that represses its own people.
- By addressing these issues now, Americans can help those in China who share U.S. values on freedom and democracy. First and foremost, however, we should act out of concern for our own sovereignty.

need to be offended. That's not who we are. That's not what America is about.¹

Mr. Obama complained that Sony had not spoken with him before pulling *The Interview*, but such censoring is already taking place in the United States on a more insidious level, and it is perpetrated by a country of much greater importance: the People's Republic of China (PRC). In order to see why, Americans need to understand China's allure to U.S. corporations.

In October 2014, the PRC became the world's biggest economy in terms of purchasing power parity (PPP), bumping the U.S. from that position for the first time since 1873.² Since the beginning of economic reform in 1978, the PRC's real per capita GDP has been growing at an average annual rate of 8 percent.³ Given this level of growth and a population of 1.4 billion people, it was only a matter of time before China passed the United States as the world's overall largest economy.

On a per capita basis, China's GDP is still well behind that of the United States (\$6,807 vs. \$53,143).⁴ China, however, achieved this milestone five years ahead of schedule,⁵ and the International Monetary Fund now estimates that before 2020, China's economy will be 20 percent larger than that of the United States.⁶

It is therefore to no one's surprise that China presents an enticing allure to U.S. businesses. Two-way trade between these two countries amounted to \$562.4 billion in 2013—almost 15 percent of America's international trade. Only Canada, with whom

the U.S. shares a 5,525-mile border, edges out China, but just barely, with a bilateral trade of \$632 billion.⁷ The cliché that deodorant makers look at China and see "two billion armpits" is all too true.

This is the case not just for manufacturers, but for most trades, and America's culture-making industries are not exempt. As business with China has taken off in the past few decades, there has been a surge in demand for learning about China. Universities and film studios, for example, today depend more than ever on Chinese money.

Challenging Partner

As a trade partner, China presents problems that Canada does not. Though there is a rough consensus in Washington that trade is good for America and that growing exposure to international markets will push China further in the direction of open markets, the authoritarian nature of China's regime and its objectives⁸ gives many Americans pause. Consequently, the United States has implemented a series of export control regimes designed to limit manufactured goods that are explicitly military or dual use.⁹ This problem, however, is not limited to military affairs; the PRC poses a similar problem in culture-making industries.

Without question, rapid economic growth has given greater economic opportunity to hundreds of millions of Chinese people, but predictions that such growth would lead to greater political opening have not panned out. On the contrary, hopes that new President Xi Jinping would curb the state's power and introduce rule of law were dashed once

- Steve Benen, "Obama on Sony: 'Yes, I Think They Made a Mistake'," MSNBC, December 19, 2014, http://www.msnbc.com/rachel-maddow-show/obama-sony-yes-i-think-they-made-mistake (accessed January 13, 2015).
- 2. William Wilson, "China Is Now the World's Largest Economy," The Daily Signal, October 9, 2014, http://dailysignal.com/2014/10/09/china-now-worlds-largest-economy/.
- 3. Xiaodong Zhu, "Understanding China's Growth Past, Present, and Future," *Journal of Economic Perspectives*, Fall 2012, http://homes.chass.utoronto.ca/~xzhu/paper/JEP2012.pdf (accessed January 5, 2015).
- 4. World Bank, "GDP per Capita Data 2013," http://data.worldbank.org/indicator/NY.GDP.PCAP.CD (accessed January 5, 2015).
- 5. Chris Giles, "China Poised to Pass U.S. as World's Leading Economic Power This Year," *The Financial Times*, April 30, 2014, http://www.ft.com/intl/cms/s/0/d79ffff8-cfb7-11e3-9b2b-00144feabdc0.html#axzz3HLxmDalz (accessed January 5, 2015).
- 6. Wilson, "China Is Now the World's Largest Economy."
- U.S. Census Bureau, "Top Trading Partners—December 2013," https://www.census.gov/foreign-trade/statistics/highlights/top/top1312yr.html (accessed January 5, 2015).
- Concerns include potential re-exportation by China to nuclear proliferators such as Iran, Pakistan, and North Korea; China's belligerent behavior toward America's regional allies such as Taiwan, Japan, and the Philippines; and China's attempt to undermine a historic central global American interest in the freedom of the seas.
- Dean Cheng, "Export Controls and the Hard Case of China," Heritage Foundation Backgrounder No. 2501, December 13, 2010, http://www.heritage.org/research/reports/2010/12/export-controls-and-the-hard-case-of-china.

again by the Communist Party Central Committee in October 2014. In fact, "intolerance of dissent and secretive purges have intensified." As *The Washington Post* noted, though China's own constitution guarantees freedom of expression, the government recently imprisoned a Tibetan abbot and an 81-year-old writer who criticized Mao Zedong. Meanwhile, Nobel Peace Laureate Liu Xiaobo was rewarded by his government with an 11-year prison sentence, while his wife has been confined to house arrest.

China's internal crackdown is mirrored by its actions toward the people of Hong Kong, whose democratic rights, guaranteed by treaty, are being denied. Even America's always diplomatic Department of State continues to identify China as an authoritarian state where "repression and coercion ... were routine" in 2013.

The PRC has an interest in obscuring these facts and creating a more favorable narrative. Just as its broader strategic objectives justify concerns about trade in arms and dual-use items, trade in instruments of culture also raises troubling problems. For instance, when universities do not stay true to their core mission of the free pursuit of facts, they indoctrinate rather than educate, while films and other cultural works that purposely conceal the truth can be called neither art nor entertainment, but rather should be labeled propaganda.

China and U.S. Academia

China funds America's universities in a number of different ways. For example, tuition payments allow the PRC to fund these institutions directly. In the 2012–2013 school year, "Chinese student enrollments in American universities increased by 21 percent in total to almost 235,000 students, and increased by 26 percent at the undergraduate

level."¹² China had by far the highest number of foreign students in the U.S.: 28.7 percent of the total foreign student population was from the PRC. By comparison, India provided 11.8 percent of foreign students, a decrease of 3.5 percent from the 2011–2012 school year.¹³ Because most of China's students are ineligible for financial aid and pay full tuition, they represent an important source of income for America's colleges and universities.

Another way that universities get money from China is through donations. Between 2007 and November 2013, mainland Chinese accounted for about \$60 million in donations to U.S. universities, and the figure is a lot higher if Hong Kong donors are included.¹⁴

Finally, there are the Confucius Institutes, Chinese government–supported centers that are set up at universities and K–12 schools around the world ostensibly to teach Chinese language and culture but that also fund other China research at the universities that host them. In the United States, there are some 97 units at universities and close to 400 "Confucius classrooms" in K–12 schools.¹⁵

Of these three funding methods, tuition is the least controversial. People-to-people exchange between two countries is almost always welcome, especially between two states whose occasional tensions can be eased by greater mutual understanding. There are some fears about espionage, especially the industrial kind, but in the age of computers, physical presence in the United States is not necessary for effective espionage.

Donations, too, are relatively uncontroversial, especially since China gives relatively little if considered separately from Hong Kong, whose donors are more generous. There have been a couple of big donors; for example, SOHO China founders Zhang

- Editorial, "Little Confidence," The Washington Post, October 27, 2014, http://www.washingtonpost.com/opinions/chinas-crackdown-on-dissent-shows-how-nervous-its-leaders-are/2014/10/26/52a596d6-5b90-11e4-8264-deed989ae9a2_story.html (accessed January 5, 2015).
- U.S. Department of State, "China," in Country Reports on Human Rights Practices for 2013, http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/#wrapper (accessed January 5, 2015).
- 12. Press release, "Open Doors 2013: International Students in the United States and Study Abroad by American Students Are at an All-Time High," Institute of International Education, November 11, 2013, http://www.iie.org/Who-We-Are/News-and-Events/Press-Center/Press-releases/2013/2013-11-11-Open-Doors-Data (accessed January 5, 2015).
- 13. Ibid
- 14. Wei Gu, "Chinese Cash Slow to Follow Students to America," *The Wall Street Journal*, September 22, 2014, http://online.wsj.com/articles/chinese-cash-slow-to-follow-students-to-america-1411408182 (accessed January 5, 2015).
- 15. David Feith, "China's Beachhead in American Schools," *The Wall Street Journal*, May 26, 2014, http://online.wsj.com/articles/david-feith-chinas-beachhead-in-u-s-schools-1401124980 (accessed January 5, 2015).

Xin and Pan Shiyi gave Harvard \$15 million in July 2014, and Zhang Lei of Hillside Capital Group gave the Yale School of Management \$8,888,888 (the number 8 is considered to be lucky in China), the largest donation the school has ever received from an alumnus. Despite fears that these are attempts to buy influence, the fact remains that China accounted for just 3.5 percent of total foreign donation, compared to a foreign student ratio of close to 29 percent, so Chinese donations are well underrepresented, which in turn undermines the idea that China may be trying to buy influence through tuition or donations.

The Confucius Institutes, on the other hand, have been far more controversial. Many academics and other observers have criticized these institutions as cultural Trojan Horses—and for good reason.

The Confucius Institutes

Supporters of the Confucius Institutes depict them as "a bridge to help Chinese people and foreigners know more about each other"—institutions that are "no more different than the Goethe Institute, the British Council and the French Alliance."

The Chinese entity that runs the institutes—the Chinese Language International, known by its Chinese acronym "Hanban"—describes itself as "a public institution affiliated with the Chinese Ministry of Education" that "is committed to providing Chinese language and cultural teaching resources and services worldwide" and "goes all out in meeting the demands of foreign Chinese learners and contributing to the development of multiculturalism and the building of a harmonious world."

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In order to achieve these goals, the institutes give cash-hungry universities \$1 million to get up and running before kicking in additional funding that ranges from \$100,000 to more than \$200,000 a year. Hanban also sends a director to oversee the institute in tandem with an American director appointed by the university. To critics, however, the list of complaints far outweighs any benefits. Specifically:

- 1. The Confucius Institutes attempt to stifle free and open debate on China precisely in the places where it should be prized the most—America's schools and universities.
- **2.** Hanban/Confucius Institutes misrepresent themselves when they stress the link to the PRC's Education Ministry. Hanban reports directly to political apparatchiks in the Politburo, not to educators in the Ministry (who are, as likely as not, members of the Chinese Communist Party in any case).
- **3.** The agreements between universities and Hanban that establish the Confucius Institutes include nondisclosure clauses that make the entire enterprise opaque.
- **4.** The Confucius Institutes have been set up as bases of industrial espionage and to pursue Chinese students and other Chinese nationals who stray from the party line here in the United States.
- 5. By adhering to Chinese law and barring the hiring of people whose activities are illegal in Chinafor example, adherents of the Falun Gong religion—the Confucius Institutes break U.S. labor and employment laws.

A quick analysis of these criticisms reveals that each has merit.

Stifling Debate

A strong argument can be made that by agreeing to set up Confucius Institutes, the U.S. is allowing a foreign government to influence, and in some cases dictate, what American students learn. This was the conclusion reached last June by the American Association of University Professors (AAUP), which called on the U.S. and Canada to cease their involvement with the institutes unless the

Agreement between the university and Hanban is renegotiated so that (1) the university has unilateral control, consistent with principles articu-

^{16.} Wei Gu, "Chinese Cash Slow to Follow Students to America."

^{17.} Editorial, "China Voice: Rejecting Confucius Institutes Not Helpful to Understand China," *People's Daily*, September 28, 2014, http://news.xinhuanet.com/english/indepth/2014-09/28/c_133679342.htm (accessed January 5, 2015).

^{18.} Hanban, "About Us," http://english.hanban.org/node_7719.htm (accessed January 5, 2015).

lated in the AAUP's *Statement on Government of Colleges and Universities*, ¹⁹ over all academic matters, including recruitment of teachers, determination of curriculum, and choice of texts; (2) the university affords Confucius Institute teachers the same academic freedom rights, as defined in the 1940 *Statement of Principles on Academic Freedom and Tenure*, ²⁰ that it affords all other faculty in the university; and (3) the university-Hanban agreement is made available to all members of the university community. More generally, these conditions should apply to any partner-ships or collaborations with foreign governments or foreign government-related agencies. ²¹

Such reform was needed because, argues the AAUP, "North American universities permit Confucius Institutes to advance a state agenda in the recruitment and control of academic staff, in the choice of curriculum, and in the restriction of debate."

The list of topics that are subject to this restriction is long and equals those on which discussion is restricted to official talking points in China itself: Taiwan, Tibet, and Tiananmen (the "Three Ts"), as well as Xinjiang, Falun Gong, Occupy Central, the imprisoned Nobel Peace Prize winner Liu Xiaobo, and many other subjects. This censoring happens both overtly and in more nuanced forms: for example, when American academics self-censor, lest they offend their guests. It also includes working to bar campus appearances by figures that China's Communist leaders oppose, such as the Dalai Lama or any official from Taiwan.

Three incidents serve to illustrate the censorship that tends to follow the establishment of Confucius Institutes:

 Stanford University. After the school's institute was funded with a \$4 million endowment, Hanban demanded that the professor that would be hired not be allowed to discuss Tibet. Stanford stood its ground and said no, but it did end up using the money to endow a chair in classical Chinese poetry, where the Tibet question would be moot.²²

- North Carolina State. In 2009, in one of the most egregious cases that have been made public, the Confucius Institute at North Carolina State prevented the university from hosting Tibet's Dalai Lama. The institute's director, Bailian Li, told provost Warwick Arden that the visit could disrupt "some of the strong relationships we were developing with China." NCS cancelled the visit ostensibly due to a shortage of "time and resources," but Arden admitted to Bloomberg that pressure had worked, saying, "I don't want to say we didn't think about whether there were implications."
- University of Waterloo in Ontario. In 2008, Confucius Institute Director Yan Li, a former reporter with the official news agency Xinhua, instigated a student campaign to protest Canadian media's reporting of Chinese repression of protests in Tibet. The campaign against TV stations, newspapers, and digital outlets actually succeeded in getting a TV station to apologize for its coverage.²⁴

Such overt censorship is troubling; self-censorship is worse. As Princeton University Professor Emeritus of East Asian Studies Perry Link wrote recently, the idea that writing down stipulations in the contract with Hanban would fix the problem does not take account of how self-censorship works:

Let's do a thought experiment: You are the American director of a Confucius Institute.... On your own, it occurs to you that the twenty-fifth anni-

^{19.} American Association of University Professors, "Statement on Government of Colleges and Universities," adopted by Council of the AAUP in October 1966, http://www.aaup.org/report/1966-statement-government-colleges-and-universities (accessed January 5, 2015).

^{20.} American Association of University Professors, "1940 Statement of Principles on Academic Freedom and Tenure," http://www.aaup.org/report/1940-statement-principles-academic-freedom-and-tenure (accessed January 5, 2015).

^{21.} American Association of University Professors, "On Partnerships with Foreign Governments: The Case of Confucius Institutes," June 2014, http://www.aaup.org/report/confucius-institutes (accessed January 5, 2015).

^{22.} Daniel Golden, "China Says No Talking Tibet as Confucius Funds U.S. Universities," Bloomberg, November 1, 2011, http://www.bloomberg.com/news/2011-11-01/china-says-no-talking-tibet-as-confucius-funds-u-s-universities.html (accessed January 5, 2015).

^{23.} Ibid

^{24.} Marshall Sahlins, "China U.," The Nation, October 29, 2013, http://www.thenation.com/article/176888/china-u (accessed January 5, 2015).

versary of the June Fourth massacre is approaching. You know that it was indeed a massacre, because you are old enough to remember seeing the videotapes that showed the fire and the blood. So what now? Do you propose a Confucius Institute event to remember the massacre? Of course not. The notion is out of place, indeed far-fetched. So June Fourth passes silently at your CI. Now let's ask these questions: did anyone overstep a line in prohibiting you from doing something? No. Was any "stated commitment" violated? No. Did you yourself do anything wrong? No. 25

Communist Party officials admit in their most candid moments what the institutes really are about. As the Politburo's top propaganda official, Li Changchun, boasted in 2009, the Confucius Institutes "are an important part of China's overseas propaganda setup." ²⁶

Misrepresentations

On its website, Hanban describes itself as "a public institution affiliated with the Chinese Ministry of Education"; compares the Confucius Institutes to the "British Council, Germany's Goethe Institute, Spain's Cervantes Institutes and the Alliance Francaise"; and stresses only its role in Chinese language and cultural instruction, which also fulfill the roles of "bridges" or "platforms" for cultural exchanges.²⁷ On all of these fronts, the reality is somewhat different.

Hanban is governed by a council that is chaired by a member of the Chinese Communist Party's ruling Politburo, Vice Premier Liu Yandong.²⁸ The party's highest ranked female member, Madame Liu is a former head of the United Front Works Department, which conducts "covert action by attempting to influence organizations in other countries in support of Chinese foreign policy objectives" and also "conducts clandestine intelligence operations."²⁹ In addition to Madame Liu,

[The Hanban governing council also includes] members from twelve state ministries and commissions, including Foreign Affairs, Education, Finance and Culture, the State Council Information Office, the National Development and Reform Commission, and the State Press and Publications Administration. Simply put, Hanban is an instrument of the party state operating as an international pedagogical organization.³⁰

Hanban's dissembling, however, has had the intended effect, and some educators in the United States, even at the highest level, have adopted the view that the Confucius Institutes are merely Education Ministry creatures. For instance, in 2013, the American chairman of the faculty board that monitored the institute at the University of Chicago said wrongly that it was "under the direction and auspices of the Ministry of Education." ³¹

Confucius Institutes around the country also propagate this falsehood to all Americans. For example, the Confucius Institute of the State of Washington, the first state-wide institute, which was set up by Hanban, the University of Washington, and Seattle Public Schools, repeats on its website the mantras that it was "established under an agreement by the Ministry of Education of China (Hanban)." Even large newspapers have failed to question the information provided by the PRC. 33

- Robert Kapp et al., "The Debate Over Confucius Institutes: A ChinaFile Conversation," ChinaFile, June 23, 2014, http://www.chinafile.com/conversation/debate-over-confucius-institutes (January 5, 2015).
- Editorial, "Beijing's Propaganda Lessons," The Wall Street Journal, August 7, 2014, http://online.wsj.com/articles/beijings-propaganda-lessons-1407430440 (accessed January 5, 2015).
- 27. Hanban, "What Is Confucius Institute?" July 2, 2010, http://english.hanban.org/article/2010-07/02/content_153912.htm (accessed January 5, 2015).
- 28. MyEChinese, "Confucius Institutes Develop Information Technology to Help With the Promotion and Introduction of the 'MOOC' Model," http://www.myechinese.org/app/en/?p=236 (accessed January 5, 2015).
- 29. Nicholas Eftimiades, Chinese Intelligence Operations (CreateSpace Independent Publishing Platform, 1994).
- 30. Sahlins, "China U."
- 31. Ibid.
- 32. Confucius Institute of the State of Washington, Web site, http://confucius.washington.edu/programs/ (accessed January 5, 2015).
- 33. Sam Dillon, "Foreign Languages Fade in Class—Except Chinese," *The New York Times*, January 20, 2010, http://www.nytimes.com/2010/01/21/education/21chinese.html (accessed January 5, 2015).

Nor are the activities of the institutes any longer limited to instruction on language and culture or to facilitating cultural exchanges. For example, the institutes have brought Chinese diplomats to campus to lecture American students "about the evils of Tibet's Dalai Lama." They also fund considerable research on Chinese economic development. Further, these institutes have assumed a large role throughout their universities, teaching courses in the regular curriculum at the undergraduate colleges. Even more controversial, however, is the fact that any research proposals that use Hanban funds must be approved by Beijing.

Secrecy

Most of the contracts that American universities sign with Hanban include a nondisclosure clause that is inimical to the principles of academic free inquiry as it is traditionally practiced in the United States. The clause, which University of Chicago Professor Marshall Sahlins had translated from the Chinese, reads in part as follows:

The two parties to the agreement will regard this agreement as a secret document, and without written approval from the other party, no party shall ever publicize, reveal, or make public, or allow other persons to publicize, reveal, or make public materials or information obtained or learned concerning the other party, except if publicizing, revealing, or making it public is necessary for one party to the agreement to carry out its duties under the agreement.³⁷

The contracts, moreover, stipulate that the institutes must abide by the laws of the host country as well as the laws of China, making "unacceptable concessions to the political aims and practices of the government of China." Because China suppresses many freedoms that are guaranteed in the U.S. Constitution, such as freedom of speech and assembly, many academics wonder whether the contracts can be legal in the U.S. 39

Espionage Activity

The charge that the institutes are launching pads for military, political, and industrial espionage, as well as means by which to track Chinese in the West, has been raised by many China observers. As documented in a now declassified intelligence report, ⁴⁰ Canada's intelligence services suspect that espionage is the reason China insists on housing the institutes where key research takes place. ⁴¹ These suspicions are shared by U.S. intelligence, ⁴² as well as by former government officials who can speak more freely once they are out of office:

Nominally, [the institutes] are just Chinese studies ... but informally they become a vehicle that the Chinese government uses to basically intimidate the academic institutions to run according to their guise and also as a vehicle for infiltration and spying into the campuses to find out what's going on hostile to their interest.⁴³

The fact that Huawei Technologies Vice President Zheng Baoyong was chosen to sit on the board of the

- 34. Editorial, "Beijing's Propaganda Lessons."
- 35. Sahlins, "China U."
- 36. Ibid.
- 37. Ibid.
- 38. American Association of University Professors, "On Partnerships with Foreign Governments: The Case of Confucius Institutes."
- 39. Sahlins, "China U."
- 40. Editorial, "Has BCIT Sold Out to Chinese Propaganda?" *The Vancouver Sun*, April 2, 2008, http://www.canada.com/vancouversun/news/westcoastnews/story.html?id=179b4e77-f0cf-4608-a8b7-a9943116f489 (accessed January 5, 2015).
- 41. Marc Montgomery, "Confucius Institutes: Controversy Continues as Toronto Rejects Their Proposal," Radio Canada International, October 30, 2014, http://www.rcinet.ca/en/2014/10/30/confucius-institutes-controversy-continues-as-toronto-rejects-confucius-institutes/ (accessed on January 5, 2015).
- 42. Editorial, "Confronting Confucius," *The Tribune Review*, November 25, 2007, http://triblive.com/x/pittsburghtrib/opinion/columnists/datelinedc/s_539659.html#axzz2mc7sj0Vp (accessed January 5, 2015).
- 43. Editorial, "Has BCIT Sold Out to Chinese Propaganda?"

institute at the University of Texas at Dallas, one of the centers of the U.S. telecommunications corridor, has only increased suspicions that the institutes act as forward bases for stealing intellectual property.⁴⁴ At least one former Chinese intelligence official who defected to the West has also affirmed that the institutes were set up as spy centers.⁴⁵

Breaking Labor Laws

Clauses in the Hanban contract such as the stipulation that "applicants shall declare to abide by Chinese laws" cause many Americans and Canadians to question the legality of such contracts. ⁴⁶ Chinese law, for example, forbids belonging to several religions, whereas American and Canadian citizens enjoy both freedom of religion and labor laws that bar discrimination on the basis of faith. In 2013, McMaster University in Canada terminated its contract with Hanban after a teacher at the institute who kept her adherence to Falun Gong hidden filed a complaint with the Human Rights Tribunal of Ontario. ⁴⁷

In at least one case, a hiring notice for Confucius Institutes educators in China stipulated that candidates "will be assessed to ensure they meet political requirements." As Professor Stephen W. Mosher put it in his testimony to the House Foreign Affairs Committee's Subcommittee on Oversight and Investigations in 2012, such discrimination against those "who have tried to exercise their rights to freedom of conscience, assembly, speech, and association violates anti-discrimination laws and international standards of human rights."

The Dream Factory and the Middle Kingdom

Nor is academia the only means through which China tries to influence U.S. thinking. The academy may teach America's next leaders, but Hollywood reaches far deeper into the culture. It is therefore important to understand how China is attempting to influence and perhaps even transform American culture.

Hollywood and academia are obviously very different, but concerns rising out of their interactions with China are very similar. With regard to the film industry, there are increasing concerns that authorities in China are now able to censor American movies either outright or by inducing self-censorship. In some instances, Chinese censors are now being given the opportunity to influence movies as they are being made, or even before, either by visiting the set or by receiving scripts in advance, getting an opportunity to veto material the PRC considers objectionable or inflammatory.

The result is that, just as with the Confucius Institutes, many Hollywood movies now show American audiences a version of China and its government that is far removed from reality—one expunged of the suppression of basic freedoms, corruption at high levels, the questionable wealth of the princeling class, the bullying of Hong Kong, and the threatening behavior against China's neighbors. America, meanwhile, gets the reverse of the rosy portrayal in some movies shown to Chinese audiences. Some American studios, in a bid to please Chinese authorities, go out of their way to portray the U.S. as corrupt, decadent, or downright evil in Chinese versions of movies.

To be sure, movies sometimes are made more wholesome for Chinese audiences. This leads to paradoxical outcomes. For example, a line in the movie *Life of Pi* that the censors rightly considered antireligious (the line was "religion is darkness") was excised from the film shown to Chinese audiences.

^{44.} Ibid

^{45.} Steven W. Mosher, "Confucius Institutes: Trojan Horses with Chinese Characteristics," testimony presented to the Subcommittee on Oversight and Investigations, Committee on Foreign Affairs, U.S. House of Representatives, March 28, 2012, http://archives.republicans.foreignaffairs.house.gov/112/HHRG-112-FA17-WState-MosherS-20120328.pdf (accessed January 6, 2015).

^{46.} Sahlins, "China U."

^{47.} Ibid.

^{48.} Omid Ghoreishi, "Concerned Parents, Activists Protest Against Confucius Institutes in Toronto Schools," *The Epoch Times*, June 12, 2014. http://www.theepochtimes.com/n3/730001-concerned-parents-activists-protest-against-confucius-institutes-in-toronto-schools/(accessed December 10, 2014).

^{49.} Mosher, "Confucius Institutes: Trojan Horses with Chinese Characteristics."

Authorities in the officially secular and Communist People's Republic of China had worried that it might insult the devout.⁵⁰

Most of the time, however, there is an unwritten expectation that the version of a film approved by the Chinese censors is the version that will be shown around the world, lest the Chinese pirate the movie overseas and show it domestically. Also, as with the Confucius Institutes, the entire process is opaque. Studios seek quiet assurances from the board in charge of the censorship, the State Administration of Radio, Film and Television (SARFT), which does not publicly disclose its guidelines.

Again, as with the Confucius Institutes, the party is not far behind. The SARFT board includes such groups as the Communist Youth League. In fact, the board itself is headed by Cai Fuchao, until recently a member of the Communist Party Central Committee, whose work history includes policing the Web for banned materials and rounding up banned books.⁵³

Why are studios submitting to such censorship and risking having their movies pirated to boot? As with the attraction of the Confucius Institutes, the reason is money. China now has become the second-largest movie market in the world after the United States. Chinese box office receipts in 2013 grew 27 percent to \$3.6 billion, and about one-third of that went to American and Canadian studios;⁵⁴ the year before, receipts had grown 31 percent, and the potential for further growth is huge. While China has only 18,000 screens, small in a country of 1.4 billion people, compared with 40,000 screens in the U.S., a

country with around 320 million people,⁵⁵ 5,100 of those screens were added in 2013,⁵⁶ a sign of China's growing middle class.

More important, China has become a huge source of funding for Hollywood studios. Chinese direct investment in America's entertainment industry had grown to \$2.7 billion in the second quarter of 2014.⁵⁷ A PwC study estimates that Chinese box office expenditures will almost double by 2018.⁵⁸

That China censors American movies, and that Hollywood is complicit, is demonstrated with a quick review of the record.

Censorship

Censorship can be imposed in a multitude of ways. For example, Chinese censors can be invited to visit a movie set, as was the case during the filming of Disney and Marvel's *Iron Man 3*, when they were "asked to advise on creative decisions." ⁵⁹

Universal Pictures, on the other hand, submitted the script for its fantasy *The Mummy: Tomb of the Dragon Emperor* to the Chinese censorship board in 2007 and got it preapproved with minor tweaks: The name of a Chinese emperor in the plot had to be fictionalized, and there was a demand that he not be made to look like Mao Zedong. But when the censors saw the final film, they realized there was a problem that had not become apparent in the written script when they saw that "white westerners were saving China." Because they had preapproved it, they allowed Universal to show *The Mummy* in Chinese theaters, but only after a costly delay.⁶⁰

The same fate befell The Karate Kid, made by

- 51. Ibid.
- 52. Ibid.
- 53. Ibid.

- 56. Katie Hunt, "Hollywood Outshone as China Box Office Booms in 2013," CNN, http://www.cnn.com/2014/01/09/world/asia/china-box-office-2013/ (accessed December 3, 2014).
- 57. Wee, "Who's Betting Big on China's Growing Box Office."
- 58. Ibid
- 59. Cieply and Barnes, "To Get Movies into China, Hollywood Gives Censors a Preview."
- 60. Ibid.

^{50.} Michael Cieply and Brooks Barnes, "To Get Movies into China, Hollywood Gives Censors a Preview," *The New York Times*, January 14, 2013, http://www.nytimes.com/2013/01/15/business/media/in-hollywood-movies-for-china-bureaucrats-want-a-say.html?pagewanted=all&_r=0 (accessed January 6, 2015).

^{54.} Motion Picture Association of America, "Theatrical Market Statistics 2013," http://www.mpaa.org/wp-content/uploads/2014/03/MPAA-Theatrical-Market-Statistics-2013_032514-v2.pdf (accessed January 6, 2015).

^{55.} Heesun Wee, "Who's Betting Big on China's Growing Box Office," CNBC, October 3, 2014, http://www.cnbc.com/id/101996803# (accessed January 6, 2015).

Sony's Columbia Pictures and its Chinese partner, state-run China Film Group. They submitted the script to Chinese censors, and after some changes in the plot were made, the film was preapproved. *The Karate Kid*, produced by Will Smith and starring his son Jaden, in fact showed China in a very positive light; American audiences saw a welcoming, normal country in which there are no political prisoners, no riots, and no dictatorship. But the censors still objected to the finished product: The villain was Chinese. Another costly delay ensued, and 12 minutes were cut from the film before it could be shown following a year of negotiations.⁶¹

In the case of Paramount's 2013 blockbuster *World War Z*, it was studio heads themselves who changed scenes, as China was originally the origin of a pandemic that caused a zombie apocalypse. "In the case of 'World War Z,' Paramount didn't wait for Chinese censors to view the film. Before screening it for anyone in China and negotiating for distribution, the executives recommended the change." 62

MGM, too, acted on its own with the 2009 remake of *Red Dawn*. The movie was about a Chinese invasion of a Midwestern town, but when producers reviewed the completed film, they realized that the plot would jeopardize entry into the Chinese market. They then set about digitally removing all Chinese signs—flags and characters—and replacing them with those of none other than North Korea, which had not yet flexed its muscle. As the *Los Angeles Times* commented, "The changes illustrate just how much sway China's government has in the global entertainment industry, even without uttering a word of official protest."

In one case, a studio was allowed to make two versions of the raunchy 21 & Over, one for American

audiences and another one for those in China. Here, the filmmakers made an incredible effort to please the PRC. In the American version, the film celebrates certain aspects of college life like drinking and casual sex; the Chinese version warns audiences of the perils of the same hedonistic practices that Hollywood is encouraging stateside and stresses the "importance of embracing one's roots."

To state it another way, in this instance, a Hollywood film company, the aptly named Relativity Media, acts at the behest of Chinese authorities in casting America and its culture in a bad light. "'21 & Over', in China, is a story about a boy who leaves China, gets corrupted by our wayward, Western partying ways and goes back to China a better person," explained one of the scriptwriters, Jon Lucas. This remarkable transformation was made possible when Relativity Media worked out a deal with a consortium of Chinese companies that included state-owned Huaxia Film Distribution Company, which yielded some funding for the low-budget 21 & Over. 66

Complicity

Studio heads do not hide the fact that they work with censors in China, but they explain it away as the cost of doing business in a lucrative place. James Cameron, whose films *Titanic* and *Avatar* broke box office records in China, put it this way:

As an artist, I'm always against censorship ... [But] this is an important market for me. And so I'm going to do what's necessary to continue having this be an important market for my films. And I'm going to play by the rules that are internal to this market. Because you have to.⁶⁷

- 61. Lucas Shaw, "Fearing Chinese Censors, Paramount Changes 'World War Z'," The Wrap, March 31, 2013, http://www.thewrap.com/movies/article/fearing-chinese-censors-paramount-changes-world-war-z-exclusive-83316/ (accessed January 6, 2015).
- 62. Ibid
- 63. Ben Fritz and John Horn, "Reel China: Hollywood Tries to Stay on China's Good Side," Los Angeles Times, March 16, 2011, http://articles.latimes.com/2011/mar/16/entertainment/la-et-china-red-dawn-20110316 (accessed January 6, 2015).
- 64. Andy Kaufman and Steven Zeitchik, "For the Raunchy '21 & Over,' a Very Different Message in China," Los Angeles Times, February 14, 2013, http://articles.latimes.com/2013/feb/14/entertainment/la-et-mn-21-and-over-release-date-china-theaters-reviews-miles-teller-20130213 (accessed January 6, 2015).
- 65. Ibid.
- 66. Ibid.
- 67. Evan Osnos, "Hollywood and China: Revenue and Responsibility," *The New Yorker*, February 20, 2013, http://www.newyorker.com/news/evan-osnos/hollywood-and-china-revenue-and-responsibility (accessed January 6, 2015).

Translation: I will abandon my beliefs when it is profitable to do so. Stateside, Mr. Cameron sings a different tune. He once defended *Avatar* by declaring that "part of being an American is having the freedom to have dissenting idea." Moreover, his views on China are not unique. Steven Soderbergh, who had Chinese censors sit in for part of the filming of *Contagion*, said, "I'm not morally offended or outraged. It's fascinating to listen to people's interpretation of your story."

To return to the *Red Dawn* changes, Dan Mintz of DMG Entertainment, a large producer and distributor of movies in China, called into question whether a movie about a Chinese invasion of the United States should be made in the first place. "It's like being invited to a dinner party and insulting the host all night long. There's no way to look good.... The film itself was not a smart move."

Hollywood's response to this surge of Chinese influence has raised the possibility that self-censorship will become almost second nature for studio executives. In an instructive speech delivered at the Fortune Global Forum in Chengdu, China, in 2013, DreamWorks Animation chief Jeffrey Katzenberg waxed poetic about China's economic potential and explained how he had learned—after much hardship and finding "visionary partners"—to produce films that comply with Chinese censors' demands. "Back home, if we run into problems with rules, regulations, and traditions, we put our efforts into trying to change them. Not here," said Katzenberg.⁷¹ Even more revealingly, Katzenberg added:

It's important to also note that in China of more than a dozen movies that we have brought here, been released here, we've actually never been asked to change a single frame of a single film. Clearly there is an underlying compatibility between the stories that we like to tell, the way in which we tell them, and the movie going audience here in China.⁷²

This "compatibility" between what the censors want and what the studios produce is reflected in what is not seen as much as it is in what is seen. Though 25 years have transpired since the Tiananmen Square tragedy, Hollywood has never made a film about it. "Yeah, why?" asked Rose Tang, one of the students at Tiananmen on June 4, 1989, who fled the massacre by climbing over a tank. "There are a lot of great stories to tell, and it would be very dramatic. They could recreate Tiananmen in any Hollywood studio."

Reflexive self-censorship can only grow as money from China floods into the business. Just listen to Bruno Wu, whose Sun Redrock Investment and Harvest Fund Management in 2012 established an \$800 million film fund—the Harvest Seven Stars Media Private Equity—to invest in the U.S. market. As Mr. Wu put it, Hollywood movies would have no problem entering the Chinese market "as long as the movie has no explicit political agenda, excessive violence and overly explicit sexual content."

Mr. Wu is not alone. In 2012, China's Dalian Wanda Group took over AMC Entertainment, a theater group, for \$2.6 billion.⁷⁵ In September 2014,

- 68. Brent Lang, "James Cameron: Yes, 'Avatar' Is Political," The Wrap, January 13, 2010, http://www.thewrap.com/movies/article/james-cameron-yes-avatar-political-12929/ (accessed January 13, 2015).
- 69. Nicole Pasulka, "Hollywood Exposed and Outraged After North Korea Hacks and Threats," TakePart, December 19, 2014, http://www.takepart.com/article/2014/12/19/daily-fix-hollywood-outraged-and-exposed-over-north-korea-hacks-and-threats (accessed January 13, 2015).
- 70. Mark Hughes, "Red Dawn Film Replaces Chinese Villains with North Koreans," *The Telegraph*, November 22, 2012, http://www.telegraph.co.uk/culture/film/film-news/9697307/Red-Dawn-film-replaces-Chinese-villains-with-North-Koreans.html (accessed January 6, 2015).
- 71. Nancy Tartaglione, "Katzenberg: DreamWorks Animation Becoming a 'Case Study' for China," Deadline Hollywood, June 10, 2013, http://deadline.com/2013/06/katzenberg-dreamworks-animation-behind-the-scenes-china-regulations-516997/ (accessed January 6, 2015).
- 72. Ibid.
- 73. Mike Gonzalez, "Why Hollywood Hasn't Made a Tiananmen Movie," The Daily Signal, June 4, 2014, http://dailysignal.com/2014/06/04/hollywood-hasnt-made-tiananmen-movie (accessed January 6, 2015).
- Wenguang Huang, "Meet China's Biggest Dealmaker in Hollywood," Fortune, April 10, 2012, http://fortune.com/2012/04/10/meet-chinas-biggest-dealmaker-in-hollywood/ (accessed January 6, 2015).
- 75. Wee, "Who's Betting Big on China's Growing Box Office."

Huayi Brothers announced that it was setting up a \$130 million subsidiary in the U.S. to invest in the production and distribution of movies and TV shows. The And in December 2014, Wanda announced that it is also in talks to acquire a stake in Lions Gate Entertainment Group, maker of *The Hunger Games*, a dystopian film about a party-controlled dictatorial regime. The Hunger Games and the Announced that it is also in talks to acquire a stake in Lions Gate Entertainment Group, maker of *The Hunger Games*, a dystopian film about a party-controlled dictatorial regime.

It must also be considered that, as with many other foreign companies doing business in China, Hollywood studios take on as partners the relatives of former or current Communist Party leaders, who amass vast wealth as a result of their connections. One of the best-known of these "Princelings" is Jiang Mianheng, the son of former Communist Party Secretary General Jiang Zemin, whom DreamWorks hired as a partner in 2012.⁷⁸

Failing the Chinese Public

As illustrated by the Katzenberg quote, Hollywood executives often justify their acts with the claim that it is Chinese audiences, not the censors, they seek to please. There is growing evidence, however, that what the censors want and what audiences want are not necessarily the same thing.

In fact, there are reports of audiences booing obvious Chinese scenes that have been added to the Chinese version of a movie. Even *People's Daily*—the official mouthpiece of the Chinese Communist Party—dared to write this about the Chinese version of *Iron Man 3*: "All the problems of the movie can be forgiven. That is, all except the parts with Fan Bingbing and Wang Xueqi. This China centric portion is just terrible. It's a pointless commercial with lots of plot holes." The same happened with *21 & Over*,

with Chinese cybernauts who watched the American version online commenting that they liked it better.⁸⁰

Furthermore, many brave Chinese moviemakers are fighting censorship, putting their very lives and freedom at stake—not just their investments. Evan Osnos took Cameron and other Hollywood moguls to task in the pages of *The New Yorker*:

But these days, Hollywood directors find themselves in the curious position of being more compliant than some of their Chinese counterparts. When censors ordered the Chinese director Lou Ye to make additional cuts to his movie "Mystery" just over a month before the film's release date, Lou took the unusual steps of publicly tweeting the censors' demands and then removing his name from the credits. Online, he explained his decision to break the taboo of discussing censorship in the hope that the system would "become more transparent and eventually be cancelled." He was not willing to comply in silence. "We are all responsible for this unreasonable movie-censorship program," he wrote.⁸¹

As Osnos pointed out, Chinese commenters on the Internet rewarded Lou's courage with open support. There is also the example of Hong Kong's beloved film star Chow Yun-fat, who was banned from China for speaking out for pro-democracy rights in Hong Kong. Chow, who draws a significant portion of his earnings from the mainland, simply shrugged his shoulders and said, "I'll just make less money." **

^{76.} Clifford Coonan, "China's Huayi Brothers Setting Up \$130 Million U.S. Subsidiary," *The Hollywood Reporter*, September 15, 2014, http://www.hollywoodreporter.com/news/chinas-huayi-brothers-setting-up-733075 (accessed December 5, 2014).

^{77.} Anousha Sakoui, "Hollywood Bows to Chinese Censors, Courts Investors," Bloomberg, December 2, 2014, http://www.bloomberg.com/news/2014-12-02/hollywood-bows-to-chinese-censors-courts-investors.html (accessed January 6, 2015).

^{78.} David Barboza and Sharon LaFraniere, "'Princelings' in China Use Family Ties to Gain Riches," *The New York Times*, May 17, 2012, http://www.nytimes.com/2012/05/18/world/asia/china-princelings-using-family-ties-to-gain-riches.html?pagewanted=all&_r=0 (accessed December 6, 2014).

^{79.} Brian Ashcraft, "Why Many in China Hate Iron Man 3's Chinese Version," Kotaku, May 2, 2013, http://kotaku.com/why-many-in-china-hate-iron-man-3s-chinese-version-486840429 (accessed December 5, 2014).

^{80.} Kaufman and Zeitchik, "For the Raunchy '21 & Over,' a Very Different Message in China."

^{81.} Osnos, "Hollywood and China: Revenue and Responsibility."

^{82.} Ibid.

^{83.} Ed Krayewski, "Actor Chow Yun-fat Responds to Ban by China," *Reason*, October 28, 2014, http://reason.com/blog/2014/10/28/actor-chow-yun-fat-responds-to-ban-by-ch (accessed January 6, 2015).

What Should Be Done

What we have here, in other words, is Hollywood producers, directors, and actors who bridle at the mere whiff of censorship in the United States and are still making movies about blacklisting and so-called McCarthyism seven decades after the Wisconsin Senator died while willingly submitting to the diktats of a blue pencil-wielding apparatchik so long as he or she sits in Beijing. These men and women are collaborating with a dictatorial regime not just by showing its captive audiences only depoliticized material approved by the Communist Party, but also by casting their own country in a bad light.

To U.S. audiences, these moguls present a sanitized version of China that jibes with President Xi Jinping's vision of a harmonious, moral, rejuvenated China whose people are happy to be guided by party leaders. Hollywood people know this, and some seem happy to go along: "He has really put forward a new vision for China's place in the world," said Robert Cain, president of Pacific Bridge Pictures, speaking of President Xi. Sall wonder that Xi himself has said that he loves Hollywood films because they are wholesome and show "a clear outlook on values and clearly demarcate between good and evil" hardly a sentiment shared by all in America.

The amount it spends on the Confucius Institutes reveals how important this effort is to the Chinese government. When then-Senator Richard Lugar (R–IN) asked then-Secretary of State Hillary Clinton why the U.S. did not open more centers in China to emulate the work of the Confucius Institutes in the United States, Clinton responded, "On the Confucius centers, the Chinese government provides each center with a million dollars to launch, plus they cover operating expenses that exceed \$200,000 per year. We don't have that kind of money in the budget."

Because this is nothing less than a case of a foreign government (China's) and a foreign political party (the Chinese Communist Party) reaching into American universities and American film studios to censor and distort the reality they portray—and, in the case of our campuses, perhaps to create bases for espionage—there is ample reason for both the Executive and Congress (in the case of universities) and

for civil society (in the case of the film industry) to take at least some fact-finding actions and consider some possible remedies.

The December 4, 2014, announcement by Representative Chris Smith (R–NJ), chairman of the House of Representatives Subcommittee on Africa, Global Health, Global Human Rights, and International Organizations, that he will ask the U.S. Government Accountability Office (GAO) to study the agreements between Hanban and American universities is a welcome development. There are, however, other areas that also can be explored, including:

- Whether Confucius Institutes may compromise American academic freedoms or break U.S. labor laws by discriminating against people whose religious or political beliefs do not accord with the doctrine of the Chinese Communist Party. The U.S. Congress should consider expanding the probe beyond the GAO and asking the Department of Justice to investigate.
- Whether Hollywood studios have a moral responsibility to inform American audiences—indeed, global audiences—whether movies have been altered at the request of Chinese censors, which movies' scripts have been submitted to the PRC in advance, and whether the studio changed plot lines at the suggestion of a Chinese partner. An industry-developed code of conduct would reassure audiences that they are not being exposed to foreign propaganda. Hollywood's extensive press corps can help to police adherence to best practices by routinely asking studio bosses about the degree to which the Chinese government has influenced scripts and plots.
- Whether the PRC's efforts to influence Americans through academia and Hollywood represent an attempt by a foreign government to manipulate a democratic population whose opinions, translated through the ballot box, will inform public policy. This question should elevate China's efforts in the academy and Hollywood to the national security realm and also ease free-market concerns

^{84.} Sakoui, "Hollywood Bows to Chinese Censors, Courts Investors."

^{85.} Huang, "Meet China's Biggest Dealmaker in Hollywood."

^{86.} Helle Dale, "Confucius Institutes Under Congressional Scrutiny," The Daily Signal, December 4, 2014, http://dailysignal.com/2014/12/04/confucius-institutes-congressional-scrutiny/ (accessed January 6, 2015).

about government interference: Limiting or ending a government's intervention in the market does not itself amount to government intervention. In the case of colleges and universities, those that take U.S. government dollars should provide information regarding foreign sources of funding. Given the strong links between Hollywood and politicians, America's political leaders should not shy away from using their bully pulpit to convince their Hollywood friends that their behavior today may embarrass them tomorrow.

Conclusion

Many universities are coming around to the view that collaboration with Confucius Institutes is not worth the risk to their academic freedom. In 2014 alone, the University of Chicago and Penn State heeded the AAUP's call and terminated their contracts with the institutes. Likewise, as noted, the

U.S. Congress has finally decided to launch an investigation through the GAO. The evidence is ample that this association is questionable at best and may pose national security risks. The government, therefore, must expand its probe. The film industry, too, must also reflect on whether it is collaborating with a regime that represses its own people and think of how such behavior will look in the future when China becomes democratic.

If, by addressing these issues now, Americans help those in China who share U.S. values on freedom and democracy, then so much the better. First and foremost, however, we should take action out of concern for our own sovereignty.

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