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THE EPOCH TIMES

CHINA INSIDER



The headquarters of the ride-hailing giant Didi Chuxing in Beijing, in this file photo.

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CAPITAL FLIGHT

GROWING CRACKDOWN SPARKS FOREIGN
EXODUS FROM CHINESE STOCKS

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FINANCE

Growing Crackdown Sparks Foreign Exodus From Chinese Stocks



Traders wait for Chinese online retail giant Alibaba's stock to go live on the floor at the New York Stock Exchange in New York on Sept. 19, 2014.

EMEL AKAN

WASHINGTON—China has escalated its regulatory crackdown on its private sector, sending shockwaves across global markets. The move, which has wiped out more than \$765 billion of value from U.S.-listed Chinese companies in recent months, sends a stark message to dozens of domestic firms that seek to tap into U.S. capital markets.

Beijing's crackdown on Chinese firms is growing by the day, with private education companies becoming the latest target. China unveiled a sweeping overhaul of its \$100 billion education technology sector last weekend, which banned firms from making profits, raising capital, or going public. Fast-growing online tutoring companies were among the targets.

Share prices of U.S.-listed Chinese companies TAL Education, Gaotu Techedu, and New Oriental Education dropped sharply due to the policy shift. Each company lost nearly 80 percent in value within days on the New York Stock Exchange.

The reform announcement came on the heels of a cybersecurity review of DiDi Chuxing, which sent the shares of the ride-hailing giant down by more than 40 percent since its initial public offering (IPO) in late June.

Many tech companies faced the wrath of the Chinese regime this year. Beijing authorities have moved against several prominent Chinese firms, including e-commerce giant Alibaba.

Alibaba Group agreed to pay a record \$2.8 billion antitrust fine earlier this year after regulators launched a probe into the company. Jack Ma, the company's founder, went missing for a few months around the time of the crackdown.

The Nasdaq Golden Dragon China Index, which tracks 98 of China's largest firms listed in the United States, lost more than \$765 billion in value since its peak in February, according to Bloomberg.

The Chinese regime has announced a different regulatory concern for each of the moves they've made. The clampdown, however, is a sign of the communist regime's ambitions to tighten

its grip on the private sector and restrict foreign investments in Chinese companies, according to experts.

Beijing's action has "a lot to do with the fact that China remains a planned economy and the Chinese Communist Party does not want any development that it can't, at least, have influence on," economist and market strategist Milton Ezrati told The Epoch Times.

"To me, the amazing thing is how the CCP's thwarting what seems to be its own interests."

In the wake of the Great Recession of 2008–09, the Chinese regime ramped up its effort to dominate the global economy. The key to this effort was to create corporate champions through government subsidies and access to global capital markets.

Since the 2000s, hundreds of Chinese companies have entered the U.S. stock exchanges to benefit from deeper pools of capital. This has played a crucial role in the growth of these companies and the economy.

In the first half of this year, 34 companies from mainland China and Hong Kong raised a record \$12.4 billion by going public in the United States, according to Dealogic data.

With the recent sharp selloff, however, investors will likely be more concerned about investing in China-based companies, and it will make their foreign listings more difficult.

"It certainly is very expensive if you move forward and then are effectively blocked by your own government. So I think there will be a chilling effect on this," Ezrati said.

And the avenue for Western investors to enjoy economic exposure to the world's largest consumer market through these companies will likely be "shut down or curtailed dramatically," he said.

TikTok owner ByteDance, health care data company LinkDoc Technology, and popular fitness app Keep were among the Chinese companies that shelved their IPO plans in the United States after Beijing broadened its crackdown.

"I believe that the crackdown will be fairly lengthy," Robert Johnson, professor of finance at Creighton University told The Epoch Times. "It is certainly not good news in the short and long

term for the amount of IPO deals that will be brought to the market."

'A great miscalculation'

While some believe that the sharp drop in the value of Chinese tech stocks could be a good buying opportunity, many fund managers are wary of those assets.

Big global asset managers are starting to materially pull out of China and Hong Kong, Kyle Bass, founder and chief investment officer of Hayman Capital Management told CNBC on July 27.

Beijing's endgame is to shift Chinese listings from New York to Hong Kong, according to Bass, calling it "a great miscalculation" on Beijing's part. Hong Kong has become less attractive as an investment destination after China enacted a national security law in the city last year.

"I expect Chinese-listed stocks to remain volatile for the foreseeable future," said Stoyan Panayotov, founder of Babylon Wealth Management, based in California.

Even before the government crackdown, investors didn't have true protection, as most Chinese listed firms use a variable interest entity (VIE) to go public in the United States, Panayotov told The Epoch Times.

Almost every Chinese company is listed through a VIE structure outside of China. For two decades, this structure has helped to skirt Beijing's restrictions on foreign investment in sensitive industries, such as telecommunications, media, and education.

For an overseas listing, a Chinese company sets up an offshore entity, which controls the business in China through contract agreements instead of direct equity ownership. Hence, unlike U.S.-based companies, investors don't own the actual underlying Chinese company. Instead, they own interest in these VIEs.

Under Chinese law, however, the VIE structure is illegal. Therefore, any contract that aims to provide de facto foreign shareholder ownership is worthless.

"I have always had concerns about this legal structure, and most of my clients do not own US-listed Chinese stocks directly," Panayotov said.

HUMAN RIGHTS

'Pathetic and Disgraceful': Lawmakers Blast Coca-Cola, Visa, Airbnb for Supporting Beijing 'Genocide Olympics'

EVA FU

Coca-Cola, Airbnb, Procter & Gamble, and Visa—all U.S. sponsors of the 2022 Beijing Olympics—have proudly declared that they support human rights globally. But that support is less clear when it comes to addressing the Chinese communist regime's gross rights violations.

At a July 27 congressional hearing on corporate sponsorship of the Games, representatives from the U.S.-based sponsors declined to take a stance on whether they would support moving the Olympics to a different location or postponing them over the Chinese regime's human rights abuses.

All—with the exception of a fifth witness, Intel—said they had no involvement in the site selection.

"But as a human being and as somebody as a corporation that believes in human rights, it seems to me that you have a moral responsibility to be very clear," said Rep. Chris Smith (R-N.J.), noting the allegations of sexual assault, forced abortion and sterilization, and other torture committed inside concentration camps in China's Xinjiang Province.

"I'm baffled and disappointed that you can't just say, 'Move the game.'" Andrea Fairchild, senior vice president of global sponsorship strategy at Visa Inc., responded. "As long as the governments are allowing the athletes to attend the games, we will be there to support and sponsor them."

Asked whether they agree with the U.S. government's determination that the regime is committing genocide against the Uyghur population in Xinjiang, the only company representative to respond in the affirmative was Steve Rodgers, executive vice president and general counsel of Intel.

"I've read the State Department report. I've studied it, and I believe its conclusions," Rodgers said, adding that Intel had no business operations in Xinjiang even before the January designation.

The other four executives said they respected the government's decision, but they refused to project their views.

Hypocrisy

Sen. Tom Cotton (R-Ark.), who praised Rodgers for his "straight answer," pronounced what he saw to be "the most pathetic and disgraceful hearing in which I've participated in eight years."

"Every one of you, with the exception, on occasion, of Mr. Rodgers, were sent here with orders not to say anything that could offend the Chinese Communist Party," he said.

David Holyoke, Airbnb's head of the Olympics and Paralympics partnership, drew a rebuke from Rep. Tom



FABRICE COFFRINI/AFP VIA GETTY IMAGES

A woman holds a placard during a protest against Beijing 2022 Winter Olympics by Tibetan and Uyghur activists in front of the Olympics Museum in Lausanne as some 200 participants took part in the protest on June 23, 2021.

You are afraid of them in a way that you are not afraid of critics in the United States. I think that's shameful.

Rep. Tom Malinowski (D-N.J.)

Malinowski (D-N.J.) for not being more vocal about Beijing's denial of passports and identification documents to Uyghurs and Tibetans, which prevents them from traveling or finding accommodation.

"You are just completely absolving yourself of responsibility for being complicit in abject discrimination," Malinowski said when the Airbnb executive said the company's "policies do not require hosts to violate local laws."

Coca-Cola fared no better. Multiple lawmakers criticized the contrast between the corporation's silence on human rights abuses in China and its CEO's open opposition to the newly enacted voting law

in the firm's home state of Georgia.

Asked repeatedly whether the company would specifically condemn the regime's practice of holding people in concentration camps, Paul Lalli, global vice president for human rights at Coca-Cola, said, "We respect all human rights," without specifically naming China.

"I just think this is stunning," Malinowski said, adding that it's "absolutely clear" that "the only reason" for the company's reticence is to protect its profits in China.

"You are afraid of them in a way that you are not afraid of critics in the United States. I think that's shameful," he told the Coca-Cola representative.



ANDREW HARNIK-POOL/GETTY IMAGES

Sen. Tom Cotton (R-Ark.) speaks during a hearing on Capitol Hill in Washington, on March 25, 2021.

THE EPOCH TIMES

TRUTH and TRADITION

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Children sit on a makeshift raft on a flooded road following heavy rainfall in Zhengzhou, Henan Province, China, on July 22, 2021.

OPINION

Understanding Beijing's Disaster Response to the Flooding in Central China

HE QINGLIAN



July 23 marked the third day of major flooding in the Chinese city of Zhengzhou in Henan Province. Based on my observations on how the Chinese regime handles natural disasters, authorities would use the first three days to gather data before releasing an official statement.

However, top officials would censor information and create their own propaganda narrative in the name of "maintaining social stability." This model of official response, along with the media propaganda, will continue to exist in the communist regime.

Beijing's Propaganda Routines on Floods

The Chinese Communist Party's (CCP's) propaganda focuses on three points: to emphasize the severity of natural disasters; to publicize the regime's initiative in emergency rescues; and to underestimate the death toll.

Disasters have occurred frequently in various parts of China in recent years, and the first thing that local governments do is to attribute the disasters to nature. Flood disasters have been publicized as "record-breaking rainfall," "once in 50 years," and "once in a hundred years," and so on. This time, authorities described the Zhengzhou disaster as "once in 5,000 years historical record rainfall"—even experts try to justify this claim. On the website of the Henan Provincial Department of Water Resources, scientists offer an explanation with probabilistic algorithms.

However, Chen Tao, the chief forecaster of the Central Meteorological Observatory, refuted the so-called "disaster of the millennium" at a press briefing held by the Central Meteorological Observatory on July

When encountering natural disasters, the Chinese regime looks at three issues: whether the early warning mechanism is activated; whether the disaster is natural or man-made; and accountability.

21, according to Chinese news portal Sina. Chen said, "From the perspective of atmospheric science research, we began to rigorously record meteorological data after 1950. Since then, we are able to collect a relatively accurate and complete scientific record of rainfall. So far, the entire rainfall amount covers around 70 years."

Zhengzhou Floods: What Are the Man-Made Factors?

When encountering natural disasters, the Chinese regime looks at three issues: whether the early warning mechanism is activated; whether the disaster is natural or man-made; and accountability.

Accountability is determined by how the first two issues are handled and the number of deaths. But, there's always room for interpretation.

The disaster warning determines the fate of the officials. During the 2008 Sichuan and 2010 Yushu earthquakes, the lack of an early warning system became a major focus of accountability.

When torrential rain and flooding first occurred in Zhengzhou this time, the Meteorological Bureau was accused of not warning the public. However, people soon discovered that the Meteorological Bureau had in fact issued a warning. The "Meteorological Disaster Warning Signal" was issued by Li Kexing, the director of the Zhengzhou Meteorological Bureau, at 9:59 p.m. on July 19. The warning circulated on the internet, which proved that the Zhengzhou Meteorological Bureau had indeed issued an early warning and advised the public to stop gatherings, and close schools and businesses.

The real issue is that local authorities have ignored the waterlogging problem for the past 20 years—Zhengzhou is known as the "sponge city." The waterlogging is a man-made disaster caused by successive government projects.

A collapsed dam is another man-

made factor in the Zhengzhou floods. It's noteworthy that authorities produced conflicting reports on the situation. The Emergency Management Department issued a report on the failed dam, the Guojiazui Reservoir in Zhengzhou, at 1:30 a.m. on July 21. But, the Ministry of Water Resources issued another report saying that as of 7 a.m. on July 21, "there was no breach of the dam, but only large-scale erosion of the surrounding slopes [landslides]."

A video from the site showed that Zhengzhou's Jinguang Expressway Tunnel was suddenly inundated and witnesses said that it happened in less than five minutes.

On July 21, state-run media Xinhua quoted Xi Jinping as saying, "Some rivers have exceeded the warning levels and some dams have been breached."

This statement carries two significant pieces of information: first, the local authorities reported the situation to Xi and admitted that the dams failed; second, Xi had warned local authorities to pay attention to rumors of flood discharge.

It's important to know that Chinese netizens called it a "flood discharge" and not a "dam breach."

There is a huge difference between a dam breach and flood discharge. It's hard to hold anyone accountable for a dam breach as there are causes beyond human control other than the poor quality of the dam. Flood discharge, on the other hand, relies on the decision-making of local authorities, balancing the pros and cons of flooding one place while preserving others based on the water level.

Death Toll Determines Disaster Levels and Officials' Posts

On July 23, the regime announced that more than 50 people died in Zhengzhou's floods. The day before, the local government reported that there were 33 deaths and 8 people missing. It's believed that the death toll will continue to climb. According to a report by Radio Free Asia, there's a large number of online messages from people looking for their missing loved ones in Zhengzhou and the neighboring areas. One website listed information on more than 130 missing persons. People are still gathering around the disaster-stricken Jinguang Expressway Tunnel looking for their loved ones.

Based on my years of experience, formulating a quota for the number of casualties has been a tradition in the regime since the Mao era.

I was in China during the Qingshuihe explosion incident—a chemical plant exploded in Qingshuihe district of Shenzhen city in 1993. A reporter at the scene took nearly 80 photos of the deceased. Even though the death toll exceeded that number, the Ministry of Propaganda reported that only 3

people were killed by the explosion—2 deputy directors of the Public Security Bureau and a director of the local police station. The figures were fabricated because it was stipulated at that time that accidents involving more than 10 deaths were considered to be very serious, and those in charge would be held accountable. Now it seems that the quota may have been reformulated.

The CCP censors information and prevents rumors from spreading online. I've observed that authorities always set the tone for the disaster, and catching rumormongers becomes a main focus on disaster management. The Henan provincial government issued a notice on the recent flooding, reminding the public to ignore rumors and not to spread them—this is an actual warning from the top.

Another government routine is fundraising. However, people are more reluctant to make donations to the Red Cross and government agencies because during the Sichuan earthquake in 2008, these organizations were accused of embezzling funds.

Conclusion

Some experts believe the Zhengzhou floods will not be the last disaster in a Chinese city. There's an article that's been circulating on Chinese social media titled, "Look at the Ancients, Look at the Present Again: The Flood in the Central Plains in the Eyes of an Expert." The author participated in the evaluation of the 2015 National Smart City Constructions. There is a passage that readers should keep in mind: "On top of the loose soil, there is only a shallow layer of cement topped with tiles for appearance purposes only. I have traveled all over China—east, west, north, and south. These face-saving projects are everywhere. Heavy rainfall, especially a 100-year flood, will hollow out the loose soil underneath."

In other words, as long as you live in a Chinese city and there is a heavy rainstorm, severe flooding could happen at any time. People must be prepared to deal with the situation and shouldn't rely on Beijing's disaster emergency model.

He Qinglian is a prominent Chinese author and economist. Currently based in the United States, she authored "China's Pitfalls," which concerns corruption in China's economic reform of the 1990s, and "The Fog of Censorship: Media Control in China," which addresses the manipulation and restriction of the press. She regularly writes on contemporary Chinese social and economic issues.

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



Pro-Tibet protesters display the Tibetan flag outside Parliament House during the Beijing 2008 Olympic torch relay through Canberra on April 24, 2008.

OPINION

Despite Historic Floods in Central China, Xi Jinping Leaves to Visit Tibet

ALEXANDER LIAO



Deadly floods ravaged Zhengzhou, the provincial capital of Henan Province in central China, affecting millions of Chinese residents. As of July 29, the official death toll was 99, but the actual number may be much higher due to Beijing's strict censorship.

Despite the devastating floods, Chinese leader Xi Jinping left mainland China for a three-day trip to Tibet from July 21 to 23. He is the first CCP (Chinese Communist Party) leader to officially visit Tibet in 30 years.

Xi traveled to Tibet via the Sichuan-Tibet Railway, Tibet's first high-speed train that connects its capital city of Lhasa to Sichuan, China. He traveled first to Nyingchi before making his way to Lhasa. Xi's ride on the Sichuan-Tibet high-speed railway highlights its importance for the CCP's future developments in the region.

There are three key segments of the long-anticipated railway. The first segment between Chengde and Ya'an opened in December 2018. The second segment from Nyingchi to Lhasa opened in June of this year. The third segment from Ya'an to Nyingchi is scheduled to be completed in 2030, and it is the most difficult section to build. It crosses the Hengduan Mountains and the Sanjiang River Basin, and then passes through the high mountains and deep valleys in eastern Tibet.

The CCP relishes any opportunity to draw attention to their advancements in infrastructure and economic prosperity, and Xi's voyage through Tibet on the developing railway is no exception. Once completed, I believe the Sichuan-Tibet Railway will serve the CCP in three key functions: military, mining, and population redistribution.

Transportation Infrastructure Boosts Chinese Military

As a young man, I spent many years working in Tibet as a field geologist, and in between my months of expeditions, I traveled multiple times between Tibet and the mainland. In the years of expeditions through Tibet, I shared many conversations with the locals.

The eastern section of the highly disputed 2,100-mile Sino-Indian border happens to be in the Nyingchi area. Amid strained relations between India and China, Xi's visit sends a clear message that the CCP will not back away from the conflict.

The two key aspects of the border dispute are infrastructure and military. In order to keep up with China, India is frantically developing its own infrastructure in the nearby border region of eastern Ladakh. These infrastructure developments on either side are largely due to military concerns and an anticipated conflict between India and China.

The lack of infrastructure in the region severely restrained the CCP's past military operations against India. In 1962, the CCP raided India in what would come to be known as the Sino-India war of 1962.

When I was working in Nyingchi as a field geologist in the mid-1980s, some of the friends I made were local Chinese army officers who had been stationed in the area. They told me of their experiences fighting in the Sino-Indian war. They said China prepared for war in Nyingchi and Shannan for nine months.

They said that once the war started, the CCP's ammunition ran out in three weeks, and the logistics chain of their military was completely unable to keep up. Without the necessary supplies, the CCP army was forced to unilaterally announce a truce and withdraw from the war.

They told me how after the logistics supply reached Linzhi from China via car, supplies had to be hand-carried by local Tibetans who walked for at least three days before reaching the battlefield.

The new railway development could efficiently transport supplies, which would greatly support military operations in the region. In this recent trip, photos released by state-run media Xinhua show Xi meeting with Zhang Youxia, a vice chairman of the Central Military Commission and a senior general in the People's Liberation Army.

Amid tense Sino-Indian relations in the past year, Xi's visit sends a clear message to India: Beijing plans to build up its infrastructure and military presence in the border region.

Development of Mineral Mines in Eastern Tibet

The copper mines in eastern Tibet are not of especially high grade, but there is a large quantity of copper. Tibet's copper reserves rank third in the world, and the CCP is eager to capitalize on the region's natural resources.

In the past, the cost of mining in Tibet was astronomical due to reliance on road transport. The construction of a high-speed railway greatly decreases the cost and increases the speed of mining transport in

the high altitudes of remote Tibet.

In addition to copper, there are other non-ferrous metals and rare metal minerals. On-site smelting requires a sufficient power supply. Therefore, in recent years, the CCP has built hydropower stations in the Sanjiang River Basin and plans to build a large hydropower station on the Yarlung Zangbo River in Linzhi. These hydropower stations can meet the power consumption of the railway, and also prepare for the future development of metals in the region.

Beijing Plans for Population Redistribution

The Three Rivers Basin in eastern Tibet has a sparse local population, and in most areas, the climate and terrain are not suitable for most people to inhabit due to its high altitude and extreme weather conditions. However, Nyingchi, Bomi, and Chayu, located south of the Yangtze River in Tibet, are exceptions. The mountains are densely forested, the altitude is relatively low, the rainfall is abundant, and the temperature is moderate.

The whole area is 31,000 square miles, which is not much smaller than Ningxia, Jiangsu Province. There is a possibility that Beijing would send over several million mainland Chinese citizens to this area. At the moment, the entire territory of Tibet has a population of barely 2 million.

A new high-speed railway that connects Tibet to key cities in the mainland would allow the CCP to establish a mass population in Tibet. The best way to establish control is to integrate a mainland Chinese population into Tibet, and the most habitable places in the region are Nyingchi, Bomi, and Chayu. The high-speed railway will connect these areas to mainland China.

For 70 years, the CCP has controlled Tibet and its people, and violated its promises of autonomy for the region. Xi's visit and the CCP's massive investment in infrastructure developments indicate that they will continue to exploit Tibet in the coming decades.

Alexander Liao is a columnist and journalist in research on international affairs in the United States, China, and Southeast Asia. He has published a large number of reports, commentaries, and video programs in newspapers and Chinese financial magazines in the United States and Hong Kong.

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



STR/AFP VIA GETTY IMAGES

OPINION

America's Chinese Fentanyl Flood

GRANT NEWSHAM

Foreigners have been buying—or at least renting—America's ruling class since the republic was founded. Almost exactly 225 years ago, in his 1796 Farewell Address, George Washington warned against “the insidious wiles of foreign influence,” adding that “foreign influence is one of the most baneful foes of republican government.”

In modern times, Saudis, Japanese, South Koreans, and Israelis—to name a few—have all managed to purchase influence. But the usual goal is to gain advantages for their own nations. What we are seeing now is something much more dangerous—using influence to corrode the United States from within.

One nation is pouring highly addictive and unpredictable illicit drugs into the American bloodstream—killing tens of thousands a year. And the American elites are doing absolutely nothing about it. Now, that is influence.

The drug? Fentanyl. The country? Communist China.

Fentanyl mostly originates in China, often moving via Mexico (and Mexican drug gangs) into the United States. The Chinese are also into the money laundering part of the business—helping drug gangs launder (or recycle) their massive earnings. Talk about a “win-win”—as the Chinese communists like to say.

On Capitol Hill where there's bold, blustery, 'bipartisan' talk about taking on the Chinese regime, when it comes to fentanyl and China one hears little.

Casualties

The deluge started around 2013 and has picked up steadily since then. The numbers are staggering.

In 2017, 28,000 Americans died of overdoses involving fentanyl.

In a 2018 meeting with President Donald Trump, Chinese leader Xi Jinping pledged to restrict all fentanyl-like substances. Trump declared this a “gamechanger.” Not surprisingly, the fentanyl and drugs kept flowing.

In 2019, more than 37,000 Americans died from fentanyl overdoses. That's nearly five times the number of U.S. troops killed in the wars in Iraq and Afghanistan.



In 2020, the U.S. government reported 93,000 American residents died from a drug overdose—the vast majority from fentanyl poisoning. The COVID-19 lockdowns have helped bump up the already horrific death totals.

Yet, even as the death toll mounts, U.S. businesses and financial titans never mention it. The think tanks are mostly silent. Academia? Can't be bothered. The U.S. media often downplays or ignores the fentanyl bloodbath, and even more so the source, seemingly afraid to mention the C-word: China.

And on Capitol Hill, where there's bold, blustery, “bipartisan” talk about taking on the Chinese regime, when it comes to fentanyl and China one hears little.

Excuses

Even the Trump administration—the firmest yet in standing up to China—didn't make so much of the fentanyl issue, though Trump raised it directly with Xi, and others did try.

One official suggested calling the “fentanyl scourge” the “Third Opium War.” The response from inside the Beltway was immediate and visceral, “You can't say that” (when it comes to China, there's all sort of things “you can't say”).

In this case, the response was par-

ticularly curious as, in some quarters (including in China), there is a tendency to excuse Chinese non-cooperation as payback for the Opium Wars of the 19th century.

Payback? The Opium Wars were 180 years ago. By that logic, slave labor in Xinjiang is “payback” for the pre-Civil War plantations. How does creating new despair and death rectify old despair and death?

American elites also have plenty of other “insider” excuses for why the Chinese regime (or, better said, won't) stop the illicit drug flow. Three of the most common:

1. The Chinese regime is in a legal bind as fentanyl producers keep jiggering the formula to avoid the “illegal list” and therefore, the producers are always one step ahead of a government that can't revise laws fast enough, try as it might.

A nice excuse, but in China, the law is what Xi and the Chinese Communist Party (CCP) say it is, as even billionaire Jack Ma and any number of other powerful and well-connected Chinese tycoons and officials have discovered the hard way. If Beijing wants to shut down fentanyl producers, the law is no obstacle.

2. Chinese local authorities, suppos-

Rep. Chris Smith (R-N.J.) (C) and Rep. Karen Bass (D-Calif.) at a hearing on China accountability for fentanyl production in Washington on Sept. 6, 2018.



MONTGOMERY COUNTY OHIO SHERIFF'S OFFICE



44 pounds of Fentanyl seized by law enforcement officials in Dayton, Ohio, during the week of Oct. 21, 2019.

edly outside of Beijing's reach, won't stop fentanyl production since they want tax revenues and employment—and are also thoroughly corrupt.

True enough. But local officials are also frightened of being caught crossing Beijing—everyone knows what happened to Ma.

3. Chinese authorities can't locate the illegal drug producers. China is a big place, you know.

The CCP is creating a surveillance state that even George Orwell couldn't have imagined. Draw a mustache on a poster of Xi and see how long it takes to be arrested and imprisoned. Post on social media that Xi resembles Winnie the Pooh and you'll have Ministry of State Security agents at your front door in minutes.

The CCP police can do whatever they want. “Disappear” people, arrest starlets, kidnap billionaires and booksellers—take foreigners hostage and lock them up? No problem. The only restraints come from Zhongnanhai—the very top of the CCP.

That the Chinese regime doesn't ban fentanyl in its entirety—much less go after producers the way it goes after Uighurs, Christians and Falun Gong, or Hong Kongers—suggests the CCP is glad America is awash in fentanyl.

And when Trump told Xi to knock off the fentanyl flow back in 2018, Xi reportedly replied, “We don't have a drug problem in China.” That means Xi can control the drugs and he's channeling the chemical warfare agents—in true “unrestricted warfare fashion”—toward his No. 1 rival and greatest enemy. Most things involving the CCP just aren't that hard to figure out.

Fentanyl is ravaging all parts of American society. And about half of the deaths attributed to fentanyl are young people of military age.

The Effects of China's Chemical Warfare

The carnage can't be overstated. Fentanyl is ravaging all parts of American society. And about half of the deaths attributed to fentanyl are young people of military age.

As one former U.S. government official noted, this is the equivalent of removing five or six divisions of Army or Marines off the rolls every year. And don't forget the “battlefield casualties” who survive but can no longer function as productive members of society, the burden and expense of caring for them, and the devastated families left broke and broken.

One hears elites who should know better say the victims are just “druggies” and wouldn't have joined the military anyway. That's malicious and wrong. Young people have been misbehaving for centuries, and that includes many who join the U.S. military. But a six-pack or a joint is one thing; a difficult-to-identify drug that is often mislabeled and unpredictably kills or permanently disables in minute quantities is quite another.

From China's perspective, what's not to like? You're weakening your avowed enemy, which you plan to dominate by mid-century. And, even better, the CCP makes a lot of money from the drug trade—and in convertible currency. Buy fentanyl and you pay in dollars.

Accomplices

While China is ultimately to blame, it's America's own ruling class that refuses to do anything about it for fear of “offending” China. Or, more accurately, for fear of not being able to feed their own addiction—to Chinese money. Money that, in some small part, may have come from selling fentanyl to Americans in the first place.

Maybe overlooking 93,000 dead countrymen and exponentially more left in the wreckage in exchange for Chinese cash is easier when you think it's just deplorable and Neanderthals in fly-over country who are dying.

It can't be helped if these people were too stupid and lazy to “learn to code” or to get a Wharton MBA when their jobs, livelihoods, and communities were shipped overseas from the 1990s onward—mostly to China—by those same political and business elites.

Countering 'the Most Baneful Foes'

Watching America's elites do nothing—or worse even calling for unrestricted engagement with the Chinese regime—one concludes that the Chinese have indeed gotten their money's worth from America's ruling class.

Just listen to the head of the U.S.-China Business Council, or the CEO of Boeing, or Nike, or Apple if you don't believe me.

Here's an idea: require prospective graduates from elite MBA and International Relations programs, as well as members of Congress themselves—to spend a couple of weeks in the so-called Rust Belt that's been hit both by fentanyl and the carnage caused by the pedigreed classes when industries and jobs were shipped off to China.

Try Youngstown, Ohio; Uniontown, Pennsylvania; Buffalo, New York; or East Cleveland, if you need some idea. Though the list could be much, much longer. Put them up in a local motel and require them to be outside on the streets from 8 a.m. to 10 p.m. “soaking in the atmosphere.”

And maybe, for a break, accompany emergency medical technicians out on drug overdose calls. Or stop off at the local high schools and sit in with the guidance counselors—just to get a sense of things and the futures too many of these kids face.

Is this likely? No. One gets the impression America's Best and Brightest just don't care. They have become willing accomplices to the “baneful foes.”

This is particularly infuriating because we can fight back. China isn't invulnerable. They've hit us where it hurts—in our families and communities. We need to hit them where it hurts—in their elites.

Message to President Joe Biden: You have sworn to protect American citizens, not to ensure Wall Street and U.S. industry can take advantage of Xi's unmet promise to “open up.”

So do one or, ideally more, of the following:

First, suspend all Chinese financial institutions from the U.S. dollar network. Start with the People's Bank of China.

Second, immediately delist every Chinese company from the New York Stock Exchange and other exchanges. They shouldn't have been listed in the first place.

Third, revoke the green cards and visas—and place liens on the properties and bank accounts—of the top 500 CCP members' relatives in the United States.

China can stop pushing drugs into America. It just needs a reason to do so. And we need to give them one. And, at the same time, we need to break our most “insidious” addiction, the one of our elites to Chinese money.

Grant Newsham is a retired U.S. Marine officer and a former U.S. diplomat and business executive who lived and worked for many years in the Asia/Pacific region. He served as a reserve head of intelligence for Marine Forces Pacific, and was the U.S. Marine attaché, U.S. Embassy Tokyo on two occasions. He is a senior fellow with the Center for Security Policy.

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

LIRANXINHUA VIA AP



Taliban co-founder Mullah Abdul Ghani Baradar and Chinese Foreign Minister Wang Yi pose for a photo during their meeting in Tianjin, China, on July 28, 2021.

OPINION

US Naively Supports China in Afghanistan

ANDERS CORR



U.S. Secretary of State Antony Blinken said that China's involvement in Afghanistan could be a good thing. His July 29 utterances fly in the face of all available evidence and are supremely naive, or worse. Instead of using his position to represent U.S. values and provide real information to the global public, Blinken persists in weaving his fantasies of cooperation with the totalitarian Chinese communist regime.

The more he does so, the more rope he gives Beijing to use to eventually hang us. A delegation of nine Taliban terrorists visited Tianjin, China, on July 28, for a meeting with Chinese Foreign Minister Wang Yi. That meeting came on the heels of U.S. Deputy Secretary of State Wendy Sherman's July 26 visit, which ended in chilly mutual recrimination, as had the March Alaska meeting in which Blinken likewise stumbled.

Wang Yi's July 28 meeting with the Taliban, so shortly after the meeting with Sherman, was a diplomatic snub, given the tens of thousands of U.S. and civilian deaths in Afghanistan, mostly at the hands of the Taliban. Diplomatic fanfare and honeyed language poured by the Chinese regime on the Taliban at this point, before the blood on their hands has dried and they've officially taken control of the government in Kabul, is reprehensible. The realpolitik moves are meant to solidify China's relations with them while forcing out the U.S. influence, which is strong in the democratically elected government in Kabul.

Instead of pointing all of this out, Blinken falsely stated, “No one has an interest in a military takeover of the country by the Taliban, the restoration of an Islamic emirate.”

He urged that the Taliban attend the “negotiating table ... peacefully.”

These are obvious equivocations, given that China, throughout the war, supported Pakistan economically and militarily, and Pakistani military and intelligence elements supported the Taliban. Pakistan and the Chinese regime have been quietly cheering, cooperating, and protecting the Taliban all along, and are now starting to throw public diplomatic parties with them. It's outrageous that Blinken supports this, not only with his silence, but with public statements.

The Chinese regime called the Taliban “a pivotal military and political force” for Afghanistan's reconstruction on July 28, in an attempt to elevate the Taliban from the status of a terrorist organization that frequently targeted civilians in market bombings, to respectable

counterparties at peace talks.

China's foreign ministry said it wouldn't “interfere” in Afghanistan, which is code for allowing the Taliban to violate human rights at will, as long as the Taliban supports Beijing in doing the same.

Beijing will be looking for Taliban help in repatriating Uyghurs and other Muslims to China, as well as furthering the false narrative that Uyghurs are terrorists. Uyghurs are almost universally peaceful and are barely existing in China under the worst—genocidal—conditions. The Taliban, by meeting and welcoming Chinese Communist Party representatives, reveal themselves as entirely hypocritical in their supposed Muslim faith.

Instead of replying to these lies from Beijing with a compliment and hope, Blinken ought to have fought back with the truth.

A Taliban spokesperson wrote on Twitter that China had “reiterated its commitment of continuation of their assistance with Afghans and said they will not interfere in Afghanistan's issues but will help to solve the problems and restoration of peace in the country.”

China's foreign ministry claimed that U.S. policy in Afghanistan had failed the Afghan people.

“The hasty withdrawal of the United States and NATO troops from Afghanistan actually marked the failure of the U.S. policy toward Afghanistan, and the Afghan people have an important opportunity to stabilize and develop their own country,” the ministry said in a statement.

Instead of replying to those lies from Beijing with a compliment and hope, Blinken ought to have fought back with the truth. He's failing at his job of well representing the American people abroad and providing the truth to the global public.

Anders Corr has a bachelor's/master's in political science from Yale University (2001) and a doctorate in government from Harvard University (2008). He's a principal at Corr Analytics Inc., publisher of the Journal of Political Risk, and has conducted extensive research in North America, Europe, and Asia. He authored “The Concentration of Power” (forthcoming in 2021) and “No Trespassing,” and edited “Great Powers, Grand Strategies.”

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