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LILIAN SUWANRUMPHAI/AP/GETTY IMAGES



A PLEA FOR HELP

DESPARATE PARENTS SEEK ANSWERS AFTER THEIR CHILDREN GET DIAGNOSED WITH LEUKEMIA AFTER GETTING JABBED WITH CHINESE VACCINES

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Children prepare to receive a vaccine against COVID-19 at a vaccination site in Wuhan, Hubei Province, China, on Nov. 18, 2021.

VACCINE SAFETY

Children in China Diagnosed With Leukemia After Taking Chinese Vaccines

EVA FU

After receiving an initial dose of the COVID-19 vaccine, Li Jun's 4-year-old daughter developed a fever and began coughing, which quickly subsided following intravenous therapy at a hospital. But after the second shot, the father could tell something was wrong.

Swelling appeared around his daughter's eyes and lingered. For weeks, the girl complained about pain in her legs, where bruises started to emerge seemingly out of nowhere. In January, a few weeks after the second dose, the child was diagnosed with acute lymphoblastic leukemia.

"My baby was perfectly healthy before the vaccine dose," Li (a pseudonym), from China's north-central Gansu Province, told The Epoch Times. "I took her for a health check. Everything was normal."

He's among hundreds of Chinese that belong to a social media group whose members claim to be suffering from or have a household member suffering from leukemia that developed after taking Chinese vaccines. Eight of them confirmed the situation when contacted by The Epoch Times; names of the interviewees have



A dose of the Sinopharm COVID-19 vaccine being prepared at a hospital in Wuhan, Hubei Province, China, on Nov. 25, 2021.

My baby was perfectly healthy before the vaccine dose.

Li Jun, father of a 4-year-old



An engineer takes samples of monkey kidney cells while working on an experimental COVID-19 vaccine, at Sinovac Biotech's facilities in Beijing on April 29, 2020.

been withheld to protect their safety.

The leukemia cases span different age groups, and are from all parts of China. But Li and others particularly point to a rise in youngest patients in the past few months, coinciding with the regime's push to inoculate children 3 to 11 years old beginning last October.

Li's daughter had her first injection in mid-November at the request of her kindergarten. She is now receiving chemotherapy at the Lanzhou No. 2 People's Hospital, where at least 20 children are being treated for similar symptoms, most of them between the age of 3 and 8, according to Li.

"Our doctor from the hospital told us that since November, the children coming to their hematology division to treat leukemia have doubled from the previous years' number, and they have a shortage of beds," he said.

Li said that at least eight children from Suzhou district, where he lives, have died recently from leukemia.

The hospital's hematology division couldn't be immediately reached for comment.

National Pressure

Roughly 84.4 million children in the 3 to 11 age group have been vaccinated as of Nov. 13, according to the latest figures from China's National Health Commission, accounting for more than half of the population in that segment.

There was some resistance from Chinese parents when the campaign to vaccinate children began. They expressed concern about the lack of data about the effects on young people of vaccines supplied by two Chinese drugmakers, Sinopharm and Sinovac. They reportedly carry an efficacy rate of 79 percent and 50.4 percent, respectively, based on available data from trials conducted on adults.

Information is limited about the health effects of these vaccines on children, and the World Health Organization said in late November that it hasn't approved the two vaccines for emergency use in children.

Parents who were reluctant to vaccinate their children have faced pressure to com-

ply, with some saying they lost work bonuses or were pressured by their supervisors. In other cases, their children faced punishment varying from losing honors or even being barred from attending school, as in the case of Wang Long's 10-year-old son.

"The school told us last year to take him for vaccination on such and such date, or he couldn't go to class," Wang, from China's Shandong Province, told The Epoch Times. The boy received his second dose on Dec. 4. A month later, he began experiencing fatigue and a low fever. He is now at Shandong University Qilu Hospital, being treated for acute leukemia that was diagnosed on Jan. 18.

Mu Rongxue, a 75-year-old public health activist, has been pressing authorities since the start of the inoculation drive to make public clinical data relating to the vaccine's effects on children, such as infection, hospitalization, and death figures; his request was refused.

"The data you requested requires administrative agencies to process and analyze existing government information, and will not be provided," the National Health Commission said in a Nov. 12 letter, according to a screenshot that Mu posted online.

While he has repeatedly tried to file a lawsuit against the agency, the Beijing Municipal High People's Court has so far taken no action on his case, at one point telling him that if they accept his case, "it would impact pandemic control efforts," according to Mu.

"If I don't have evidence, you can sentence me to life or even death, but why are you afraid of my lawsuit?" he wrote in a post on China's microblogging site Weibo last month.

Censorship

On WeChat, the all-in-one Chinese social media platform, Li has come to know more than 500 patients or their family members who share the same predicament.

The local disease control center, when called by Li and others, had promised an investigation. But these probes invariably ended with the officials declaring the leukemia cases as "coincidental" and thus unrelated to the vaccines.

The authorities had said the same following the deaths of more than a dozen toddlers after Hepatitis B shots in 2013.

But Li and others in a similar situation are far from convinced.

"I dare say they didn't do any verification, but only went through the motions," he said.

Li suspects that authorities are giving him the runaround. Officials told him a panel of experts would start an investigation within his province, but when he called the provincial level health agency, they disavowed any knowledge, saying reports of the cases had never reached them.

Li and others seeking scrutiny of this issue also stand little chance of having their voices heard in the vast Chinese censorship machinery, which constantly filters out anything deemed harmful to the communist regime's interests.

"The information gets blocked the instant we try to post something online. You can't send it out," he said.

When China's two top political bodies met last week for its most important annual gathering in what Beijing called the "Two Sessions," Li pitched in the WeChat group the idea of petitioning in the capital to get officials' attention.

As soon as we said the children had taken the COVID-19 vaccine, they asked me if she had gotten leukemia. They knew.

Li Jun, father of a 4-year-old

That message drew the authorities' notice immediately.

"The police called us one by one," said Li. "They said we have made things up and ordered us to withdraw from the chat group."

The group was soon disbanded. An information sheet containing details of more than 200 leukemia patients, filled out by members of the group, is no longer accessible.

According to Li, there are signs indicating that authorities are well aware of the issue. Doctors, when receiving patients with similar symptoms, would first ask them if they had taken the vaccine, he said, citing information he learned from the WeChat group.

"Got it," they would say. And that's the end of it," he said of the doctors' questioning.

Li got the same reaction when calling the hotline for Chinese state broadcaster CCTV in hopes of getting media exposure.

"As soon as we said the children had taken the COVID-19 vaccine, they asked me if she had gotten leukemia. They knew," he said. "They said that they got too many calls because of this."

Desperation

The cost for treatment is estimated at about 400,000 to 500,000 yuan (\$63,093 to \$78,867), more than 20 times the average annual income.

Wang, whose 10-year-old was diagnosed with leukemia, is the sole breadwinner for his family and is already under strain making mortgage payments. He received about only 1,000 yuan (\$157) through the state social assistance program to help pay for his son's treatment.

"I stayed at the hospital until 4 a.m. the night before," said Wang, adding that the crushing news has "broken" the boy's mother.

"Had he inherited it from the family, we'd accept it as our lot," Wang said. "But he got sick because of the vaccine. I just can't reconcile it."

Li, meanwhile, has been borrowing money from relatives for the hospital fees. Some of the money trickles in as 20 and 30 yuan, the equivalent of a few dollars, he said.

Li has heard nothing from officials or the media, and his friend who works at the local health commission overseeing the distribution of vaccines has told him not to hold out much hope.

"The officials knew that you could get leukemia, but the arm is no match for the thigh," the friend told him, recalling a Chinese metaphor. "This is a national issue."

The Health Commission of Lanzhou City, the Health Commission of Gansu Province, the Gansu Provincial Center for Disease Control and Prevention, the Lanzhou Disease Prevention and Control Center, the Jiuquan City Disease Prevention and Control Center, Sinopharm, and Sinovac didn't answer multiple calls from The Epoch Times seeking comment.

The National Health Commission, Sinopharm, and Sinovac didn't respond by press time to email queries. The inspection team of the CPC Central Commission for Discipline Inspection at the National Health Commission also didn't respond to a faxed request for comment.

Gu Xiaohua contributed to this report.

OPINION

China's Defense Budget: Spending What's Necessary to Beat the Americans

GRANT NEWSHAM



It's that time of year when China announces its defense budget. This year, defense spending is set to increase 7.1 percent

(1.45 trillion yuan or \$230 billion) after last year's 6.8 percent rise, and a 6.6 percent increase the year before that.

But these figures are almost meaningless. Perhaps Beijing only issues them as a favor to the Pentagon and U.S. think tanks.

How's that? In the United States, a defense budget works as follows: Congress authorizes a certain amount of money to be spent on "defense," say, \$728.5 billion. The Department of Defense and the military services then have to live within that amount. If they overspend, they're "Out of Schlitz," to borrow an old beer commercial jingle. And they'll have to wait until next year, or else beg for something extra.

It's not so different from our personal budgets and how we manage our income and expenses.

So it sounds familiar to us when China announces that it is spending a certain amount on defense. Analysts will argue over the "true" figure and whether there are "defense-related" expenditures that don't go into the official figure. And they'll try to adjust for the fact that things don't cost the same in China as in the United States.

But it's basically the same idea: The People's Liberation Army (PLA) gets a certain amount of money and has to live within its means. Just like the U.S. military.

Or, so, one might think. But it's in fact different with China. Here's how:

In America, the secretary of defense goes to the Senate Armed Services Committee and asks: "How big is our budget this year?" The answer: "\$728.5 billion."

In China, the top dog in the PLA goes to the Central Military Commission (atop which sits Chinese leader Xi Jinping) and asks: "How big is our budget this year?" The answer: "As big as you want it to be."

In other words, the Chinese regime will spend whatever amount it takes, over as many years as needed, to build a military that can defeat the United States. And Beijing has been clear about its desire to vanquish the Americans for many years, even if too many American experts—civilian and military—have refused to believe them.

One Western observer with several decades of experience in China describes how to consider China's defense spending. He wrote the following in a recent email:

"Think of the Chinese Communist Party [CCP] as the national central account holder for all of its departments: agriculture, power, coal, education, PLA. The Party funds what needs to be funded—on an ongoing basis allocating funds to where party policy priorities are during any given period. It is a continuous process, not an annual budget that you spend until next year's budget kicks in.

"Remember, all expenditures in China are in non-convertible yuan. There are 12 regional printing centers that provide whatever funding is needed this week, this month, this year.

"Funding the PLA's domestic expenditures is easy—print yuan when and in the amount needed:

- Salaries—print yuan;
- Equipment from Chinese equipment suppliers—print yuan;
- Bombs, guns, bullets from Chinese suppliers—print yuan;
- Uniforms, boots, helmets, belts, caps, underwear (South China Sea island forces were just issued a new fabric tropical underwear) made in China—print yuan;
- Pensions and payments to retir-



Chinese military vehicles carrying DF-21D anti-ship ballistic missiles, potentially capable of sinking a U.S. Nimitz-class aircraft carrier in a single strike, drive past the Tiananmen Gate during a military parade in Beijing on Sept. 3, 2015.

ees—print yuan;

• Whatever the PLA needs that is supplied domestically—print yuan."

Defense is the top priority for the CCP—and there are no Chinese Bernie Sanders or Green New Dealer types who will complain about the defense budget, for long. And once the PLA can outmatch the U.S. military, every other nation will fall into line. That is worth almost any price.

There is a limit to defense spending, however. Anything that is needed from overseas—say, iron ore to build steel, technology, "dual use" equipment and technology, and landing and stevedoring fees for PLA aircraft and ships stopping off at overseas ports and airfields—all must be paid for in currency that's convertible (that a foreigner will accept), which the yuan is not.

China keeps spending whatever it takes to defeat America. And Wall Street and industry appear willing to make sure they have the U.S. dollars they need to round things out.

To sum up, while the CCP can print up whatever cash it needs for domestic military expenditures, it needs to obtain convertible currency to pay for overseas expenses.

So there are effectively two different defense accounts—one domestic and more or less unlimited; and one overseas and dependent on available foreign exchange.

The latter should be a problem for Beijing. The CCP doesn't have anywhere near the foreign exchange it needs to meet its total expenses—or at least it shouldn't.

But with U.S. and foreign financial firms pouring billions of convertible currency (somebody else's) into China every year, and foreign business investing in the country and chasing their own "China dream," the CCP has enough to pay for defense.

Thus, the United States' defense spending versus China's is something like: "You'll spend what you're allocated" versus "We will spend what we need" to defeat the Americans.

And there's more to worry about.

Retired U.S. Navy Capt. James Fannell, former head of intelligence at U.S. Pacific Fleet, says that regardless of the amount China actually spends, it's essential to consider what China is actually producing with its defense spending.

"In 2021, despite a reduced PRC [People's Republic of China] GDP growth rate due to the lasting effects of the pandemic from Wuhan, the CCP's priorities were again focused on the PLA, which saw an increase of 6.8% from 2020," he wrote in an email on March 11.

By comparison in fiscal year 2022, Fannell continued, the United States

spent 3.1 percent of its GDP on defense, while China (according to Beijing's figures) spent a scant 1.7 percent of its GDP. Yet the CCP's propaganda continues to beguile Western defense experts who "keep talking about everything but the one metric that matters: the actual military hardware that is produced."

Fannell added: "For instance, in 2021 the PRC commissioned seven times as many warships and submarines than did the US (22 to 3)—despite (the Americans supposedly) spending three times as much money.

"So not only does the PRC get more return on investment (ROI) in overall defense spending, we have a Biden administration that has effectively cut the growth of the defense department spending when inflation is taken into account. While the administration is long on rhetoric about the PRC being a pacing-threat, the fact is that resources to build a credible deterrent force are unable to keep pace with the PLA that Beijing has been churning out for over 20 years.

"The ROI mismatch isn't just about dollars spent, but is also about serious DoD [Department of Defense] acquisition reform. In that regard, we have a Secretary of Defense that spends more time talking about the existential threat from climate change and the integration of transgender members [rather] than systematically cleaning up the past three decades of a defense industry designed and funded for killing terrorists in the deserts of the Middle East.

"Instead of building the force that can take on and defeat a peer adversary like the PLA, DoD leaders are rudderless when it comes to restructuring the Pentagon and getting more bang for the buck. Instead, the current crop of political appointees and careerists spend more time and energy on non-warfighting domestic political rhetoric. As I noted last year, America needs supersonic and long-range ASCMs [anti-ship cruise missiles] that will sink the PLA Navy invasion Fleet. Where are they? The Pacific Fleet has been pleading for them in large numbers for almost two decades."

Meanwhile, China keeps spending whatever it takes to defeat America. And they won't run out of yuan. And Wall Street and industry appear willing to make sure they have the U.S. dollars they need to round things out.

Now that's a defense budget with Chinese characteristics.

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

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Workers in protective gear sit outside a lockdown area, after the detection of new COVID-19 cases in Shanghai on March 14, 2022.

PANDEMIC

China Locks Down 51 Million as COVID Surges Across the Country

EVA FU

Inside a newly shuttered Chinese hospital deemed the nation's latest COVID-19 outbreak hotspot, overworked nurses started a shouting match with doctors demanding basic measures of protection.

At some Chinese universities, students broke down in tears after some were sealed inside their dorms without access to water or toilets.

Elsewhere, in some rental apartments, tenants were shocked to learn that they had to pack up within hours because what they considered their home would be converted into quarantine facilities.

Over the past week, scenes of exasperation

have emerged in various parts of China as officials battle the "stealth omicron" variant that has fueled the country's purported worst outbreak since the pandemic began two years ago. Among the hardest hit is the southern technology hub of Shenzhen, whose 17.5 million residents were put into lockdown. Dongguan city in southeastern China and northeastern Jilin Province, home to 10 million and 24 million inhabitants, respectively, were also ordered into lockdowns.

Since March 1, China has reported more than 10,000 cases spanning most provinces. Lei Zhenglong, the vice director for the National Bureau of Disease Control and Prevention, said on March 14, adding that

This is not a hotel, it's an apartment. Some of us have lived here for three or five years. To us, this is home.

Li Min, Xuhui district resident

in some districts, the outbreaks are still developing at an "accelerating speed."

Critics have long been skeptical of Beijing's official virus figures, citing the Chinese Communist Party's routine practice of suppressing information that harms its image and its need to sustain the narrative that the regime is keeping the pandemic under control. Lei's tally marks the highest recorded in the country since April 2020.

"There's no way it's accurate," one resident from Changchun, where 9 million residents had already been locked in their homes for three days, told *The Epoch Times*.

On March 14, Lei insisted that the country's "zero-COVID" policy approach, which the regime has recently labeled as "dynamic COVID-zero," is "absolutely effective."

"We need to take action earlier, faster, stricter, and more thoroughly in outbreak response because the Omicron virus is sneaky and fast-spreading," he said.

At Shanghai Sixth People's Hospital, which was locked down after one patient tested positive for COVID-19, an emotional nurse confronted a doctor who asked her to care for COVID-19 patients despite not having adequate protection gear. The doctor had told her that "COVID-19 is not a contagious disease" and apparently hit a male nurse who refused to comply.

"Since you claim it's not contagious, take your mask off," the nurse shouted at the man, who was wearing a full hazmat suit and a transparent face shield in a video that went viral on the Chinese internet.

When authorities in Guangzhou, a southern port city, closed an exhibition midway

after identifying one virus case—trapping roughly 50,000 visitors inside for mass testing—some climbed fences to get out.

Shanghai officials created backlash by evicting tenants with little notice to make space for quarantining virus contacts.

Li Min, who rented an apartment in the city's upscale Xuhui district, said that she and about 100 other mostly office workers only got a two-hour window on March 10 to move out of the building.

She was incredulous at first. "This is not a hotel, it's an apartment. Some of us have lived here for three or five years," Li (a pseudonym) told *The Epoch Times*.

The residents began to protest through all channels available, calling the police and neighborhood committee officials. Eventually the authorities extended the deadline to midnight. The residents paid all the moving costs out of their own pocket, with "not a penny of compensation," Li told *The Epoch Times*.

An officer from the Shanghai Municipal Administration of Culture and Tourism told Li that it would be useless to complain to authorities, because half of the officials in her district were in quarantine. Her best option was to "move out as soon as possible," the officer said.

A staff member for the Xuhui district government told *The Epoch Times* they "have non-disclosure rules and cannot reveal such information" when asked about Li's claims regarding local officials being in quarantine.

"Don't make it hard for me," the employee said.

The outbreak has hit Shanghai's economy hard because of the COVID-zero policy.

Zhou Bin, hotel marketing manager

At some Chinese universities, students broke down in tears after some were sealed inside their dorms without access to water or toilets.

OPINION

China's Complex Russia Calculation

Beijing pays lip service to the West as it continues to enable Russia's military operations

JAMES GORRIE



Beijing is trying to play a clever game by supporting Russia's war in Ukraine while balancing its actions and rhetoric, in light of the West's surprisingly strong reaction to the invasion.

Make no mistake about it, although progress has been slower than anticipated, barring any unforeseen developments, Russia will prevail in this conflict with Ukraine. Furthermore, Beijing will not condemn its Russian partner after describing the partnership between the two nations as "rock solid."

Beijing is, therefore, attempting to maintain credibility in the West, where its economic interests are enormous, and with its expansive and forward-looking alliance with Russia.

A Mixed-Bag Alliance

That said, Beijing's support for Moscow is complex, with a blend of advantages and disadvantages.

For example, Beijing wants to minimize the economic impact of the sanctions on Russia, and yet will not go as far as sacrifice its own economic interests to help Moscow weather the sanctions. That's understandable. With its diminishing foreign currency reserves and shrinking markets in Europe, China itself is becoming more economically vulnerable.

Furthermore, no matter how much it tries to play both sides, Beijing has lost much of its goodwill with Europe and the West through its toxic trade policies, rampant technological theft, as well as its support of Russia's invasion.

No one seriously believes Beijing's assertions that it wants peaceful co-existence or to move beyond a "Cold War mentality" as it fully supports an unprovoked war in Ukraine. The Chinese Communist Party's (CCP) objective is to replace America and rule the world, and everybody knows it.

Russia Embraces China

At the same time, the invasion has driven Russia deeper into China's arms. That shouldn't surprise anyone, least of all either nations. They formed their alliance well before the invasion and likely planned it together as a pushback against U.S. power.

But now that it's under extensive economic sanctions from the West, Russia needs China more than ever. More than 300 Western corporations have withdrawn from Russia in the past two weeks—from airlines to fast food, to internet firms—crushing the

Russian economy.

For example, Moscow is relying upon China's telecom giant Huawei to fill the digital isolation gap left by Western internet service providers. Russia has virtually nowhere else to turn for internet service and other necessary digital capabilities.

Possible Ukraine Outcomes

In a geopolitical context, the outcome in Ukraine could go a few different ways. A destabilized Europe with strained U.S.-relations and diminished U.S. influence, for example, could be a big win for both Beijing and Russia. It could render NATO irrelevant if non-existent.

If, however, NATO somehow grows stronger and helps Ukraine to repel Russia, it could quickly expand the war. Indeed, Russian President Vladimir Putin may already be doing so with up to 16,000 Syrian fighters on their way to Ukraine. But if Ukraine somehow remains independent, it would lead to further losses for both Beijing and Moscow in terms of European market access and influence around the world.

It appears that China—not Russia—has the most to gain and to lose from the war in Ukraine.

Such an outcome may well depend on Europe's desire or capability to push back against Moscow and the ability of the United States to strengthen the Atlantic relationship rather than looking weak on the world stage.

A third and very favorable outcome would be for Russia to consolidate its gains in Crimea, establish client states in Luhansk and Donetsk, and enforce neutrality of what's left of Ukraine. This would give Russia a big win without triggering a wider conflict and NATO a way out.

Advantages Accrue to Both Moscow and Beijing

One advantage that the invasion does give China, however, is insight into how Beijing may prepare for, or even avoid, the problems that Russia is dealing with, should the Chinese regime invade Taiwan. The extent of that advantage is not clear, however.

Another advantage is the fact that trade between the two has skyrocketed by almost 40 percent over last year, to about \$147 billion. It's a crucial, mutually beneficial relationship. As the world's largest importer of food, China needs Russian food and its resources. Recent trade deals include China importing Russian oil, gas, coal, and grain. As the world's largest wheat exporter, it's more critical for Russia more than ever.

Conversely, Russia needs China's financial assistance, as well as its high-tech expertise and consumer products. For example, China's UnionPay payment system, which

competes with Mastercard and Visa, is being adopted by Russia.

At the same time, the Russia-China axis is strategic in scope, intended to challenge the current liberal order led by the United States in Europe and in the Asia Pacific region, both militarily and economically. China's cross-border interbank payment system (CIPS) is designed to replace the SWIFT system. This would provide immunity to U.S. financial sanctions. Other nations wishing to avoid U.S. control over their economies will welcome an alternative to SWIFT, as well.

Conflicting Goals

As noted earlier, on the one hand, China is trying to balance its relationships with the current global leaders, and on the other hand, leverage its partnership with Russia. Some view Russia as the more powerful part of the alliance, but Russia's aggression belies its desperation, not its superiority.

One key point with regard to the power relationship is to consider in the China-Russia alliance is where the interests of each partner lie, both in the short and long terms.

In the short term, Russia's interests include conquering Ukraine, resuscitating its economy, and possibly conquering former satellites of the former USSR. China's interests are deposing U.S. global financial control and possibly taking control of Taiwan.

In the long term, Russia wants to dominate Europe, while China wants to push the United States out of the Asia-Pacific region as well as dominate Europe. That would include, by the way, Russia.

In the meantime, both nations face some similar challenges.

For example, at the macro level, both are facing stiff economic challenges. China desperately needs to shift its economy from debt-based real estate development to domestic consumption. Russia's economic implosion is vastly more dramatic and makes it the weaker of the two.

At the micro level, both governments essentially rule their respective countries via dictatorship.

Perhaps not so coincidentally, both have grown more isolated on the world stage. As noted in an earlier post, Chinese leader Xi Jinping hasn't left Beijing in over two years. He may well be facing internal challenges within the CCP. Meanwhile, Putin is holed up in a mountain bunker.

As in all wars, there are outcomes both anticipated and unexpected. But ultimately, it appears that China—not Russia—has the most to gain and to lose from the war in Ukraine.

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

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A resident undergoes a nucleic acid test for COVID-19 in Changchun, Jilin Province, China, on March 11, 2022.



Russian President Vladimir Putin shakes hands with Chinese leader Xi Jinping during a welcoming ceremony at the Shanghai Cooperation Organization Council of Heads of State in Qingdao, China, on June 10, 2018.



(LOC) A Drug Enforcement Administration (DEA) chemist checks pills containing fentanyl at the DEA Northeast Regional Laboratory in New York on Oct. 8, 2019.

(LOC) U.S. Customs and Border Protection officers at the Otay Mesa commercial facility seized more than 3,100 pounds of methamphetamine, fentanyl powder, fentanyl pills and heroin as part of the second largest methamphetamine bust along the southwest border in the history of the agency, based on information developed by DEA, working jointly with HSI, on Oct. 9, 2020.

(LOC) Drugs seized Scottsdale, Ariz. by a multi-agency drug task force included the deadly synthetic drug fentanyl.



SCOTTSDALE POLICE DEPARTMENT PHOTO



DRUG CRISIS

Beijing Avoids Taking Effective Action to Stem Flow of Fentanyl Amid US Opioid Crisis: Experts

MICHAEL WASHBURN

Beijing has made only modest and half-hearted efforts toward curbing the flow of synthetic opioids such as fentanyl from manufacturers in China to foreign markets, where the drugs are causing record numbers of overdose deaths, particularly in the United States.

The communist regime is also continuing to place its geopolitical interests ahead of any effective reforms on this front.

That's according to a recent Brookings Institution report authored by Vanda Felbab-Brown, a senior fellow at the think tank, who calls opioids "the cause of the deadliest U.S. drug epidemic ever," noting that drug overdose deaths soared to new levels between October 2020 and September 2021, with 104,288 Americans losing their lives. Of that number, opioids accounted for 78,388 deaths.

In Felbab-Brown's analysis, an already grave opioid crisis took a turn toward even more severe lethality ten years ago when synthetic opioids like fentanyl displaced plant-based opioids, and came to be used increasingly as ingredients of drug cocktails that also contain cocaine and methamphetamine.

Evolving Supply Chains

For years, many of the more than 5,000 firms in China's pharmaceutical industry supplied fentanyl directly to the United States. The report described China's chemical export sector as a poorly regulated shadow industry with between 160,000 and 400,000 manufacturers and distributors, many of them operating without licenses or hiding their activities behind shell companies.

Still, others hide the fentanyl they produce amid other products made in enormous volumes. Right up until 2019, brokers in China exported fentanyl to America, disregarding U.S. laws against the importation of their products.

The United States raised the issue with Beijing in the hope of bringing about much stricter oversight over the production and export of these drugs within China, and this effort did result in the regulation of fentanyl analogs and two fentanyl precursors in 2018 and 2019, according to the report.

But drug suppliers simply changed tack, routing shipments to cartels in Mexico which then supply the drug to U.S. markets. The manufacturers and distributors did not abandon the supply of drugs to U.S. streets so much as find proxies to bring the narcotics there.

The report detailed how, even now, some Chinese dealers tailor their approach specifically for Mexican cartels. Felbab-Brown

cited investigative research by Washington-based non profit C4ADS revealing how Chinese sellers bundle fentanyl and meth precursors, along with cocaine fillers, in Spanish-language ads and tout the ability of the bundled drugs to slip through customs in Mexico.

Denying Responsibility

In the face of U.S. pressures, Beijing insists that it can do only so much to curb non-scheduled sales of meth and fentanyl precursors to drug cartels, and rejects U.S. blame of China for the opioid epidemic.

The fact that Chinese criminal groups are less likely to murder their real or perceived foes than some Latin American cartels gives Beijing a further excuse for leniency, except in those relatively rare cases where Chinese criminal syndicates act directly counter to the interests of Beijing's ruling elite, according to the report.

Beijing's stance is that U.S. social problems are to blame for the crisis and it should not be laid at the door of a nation, China, that has shown "benevolence" and cooperation in anti-drug efforts, it said.

Yet heightened tensions between Washington and Beijing in recent years has meant that the regime has withheld the kind of assistance that is really needed to thwart the supply of fentanyl to U.S. cities. In recent years, things have gotten worse, not better, even as increased attention has focused on the crisis and the role of overseas suppliers.

Up until 2018, Chinese police acted on U.S. tips and arrested Chinese fentanyl dealers. But Chinese authorities have not acted on intelligence or indictments from U.S. officials since that time. Cooperation between the law enforcement agencies of China and Mexico over fentanyl trafficking and the trade of precursor agents is next to nonexistent.

"China's counternarcotics cooperation with the U.S. has been subordinated to the overall deteriorated geostrategic relationship between the two countries," the report stated.

"Indeed, without significant warming of the overall U.S.-China relationship, China is unlikely to intensify its anti-drug cooperation with the United States," it continued. "U.S. punitive measures, such as sanctions and drug indictments, are unlikely to change that."

East Asia and Australia

Political frictions have similarly hampered cooperation between Chinese and Australian agencies, the report detailed.

It described China as "the principal supplier" of precursor chemicals used in

methamphetamine production in both East Asia and Mexico. Between the 1990s and the mid-2010s, the report stated, meth produced in southern China went both to domestic markets and to East Asia and Australia. Here, too, increased calls for action at the diplomatic level had only a partial effect on the global trade.

"At first Beijing was defensive and dismissive about any claims that China was the supply source of Australia's meth epidemic. But as time passed, it grew willing to cooperate with Canberra," the report stated.

The formation in November 2015 of Task Force Blaze, a Sino-Australian organization based in southern China's Guangdong Province, led to the seizure of shipments of meth from China to Australia and to 130 arrests in its first year of operation alone, but did not end the flow of meth precursors and pre-precursors from China to drug producers in Bruma (Myanmar) and other nations.

Chinese drug smuggling networks distribute meth in Asia, Australia, and New Zealand, while Mexican cartels relying heavily on precursors from China market finished meth in the United States.

While the supply chain looks different on the surface, the prevalence of Chinese manufacturers and suppliers is as marked as before.

China understands that this is a problem for America, and they want to trick or dupe the United States into trading something.

Jonathan P. Caulkins, professor, Carnegie Mellon University

Playing Beijing's Game

The Brookings report suggested that the United States can take a number of steps to counter China's role in the narcotics trade. Emphasizing China's interest in nipping domestic opioid consumption in the bud, and encouraging Beijing to ramp up its anti-money laundering efforts, can have no ill effects. But the report suggested that the long-term effects of such approaches will be slight.

What may make more of a difference is the implementation of self-regulatory mechanisms for chemical and pharmaceutical industries on a global level. Such an approach may have an impact on the availability of precursor agents for drug traffickers. More cooperation among the anti-trafficking agencies of different nations is also needed, according to the report.

As the United States grapples with its opioid crisis and looks urgently for ways to stem the number of deaths, one of the worst mistakes it can make would be to offer Beijing an enormous prize in exchange for cracking down on China-based drug trafficking, according to Jonathan P. Caulkins, a professor at Carnegie Mellon University's Heinz College and expert on the global drug trade.

In Caulkins's analysis, nothing about the fentanyl trade is really unique to China, given the relative ease with which precursor agents for synthetic drugs can be produced anywhere. For a smaller and impoverished country such as Bolivia or Afghanistan, the drug trade might be vital to its livelihood, but even now, the money that China's pharmaceutical derives from the illegal drug trade is relatively insignificant in the scheme of things.

"The total dollar value of Chinese exports of fentanyl, or precursors, is almost certainly less than \$25 million per year and possibly more like \$10 million," Caulkins said. "They getting a very tiny share of the value. Most of the value is created further down the supply chain, not in China."

"Given that China is the second-biggest economy in the world, and the Chinese pharmaceutical industry is gigantic, this is more of a round-off figure for them, a tiny activity in terms of dollars and the number of people involved," he added.

Caulkins said it may be the case that Beijing could crack down on the illicit trade more effectively if it chose to do so, but is well aware of the severity of the opioid crisis in America and the potential use of the crisis to gain leverage and extract concessions in return for taking action.

"China understands that this is a problem for America, and they want to trick or dupe the United States into trading something," he said. "Many people here think about this issue in a way that's not informed by economics and markets. My biggest worry is that the United States will make the catastrophic error of trading something diplomatically important in exchange for China's cooperation."

For Washington to adopt a policy on Taiwan more in line with Beijing's preferences would be a huge mistake, he warned, because the United States would have given up something important.

Further, even if Beijing does honor a promise to take tougher action on opioids, another player would likely step in and continue the supply of fentanyl to the streets of America, Caulkins said. Hence America needs to find solutions that do not play into Beijing's hands and end up simply turning the trade over to new traffickers.

OPINION

Reshoring Pharmaceuticals: Take the Advantage Away From China

ANTONIO GRACEFFO



Pharmaceutical drugs are one of the most crucial areas where the United States is too dependent on imports. China is the number one source of

U.S. imported drugs, by volume. President Joe Biden's State of the Union address on March 1 highlighted restoring U.S. manufacturing, while several White House initiatives specifically mentioned pharmaceuticals. But there is still much to be done.

A U.S. Department of Commerce study found that 87 percent of the generic drugs and 90 percent of all prescriptions sold in the United States come from China, including 97 percent of all antibiotics and 80 percent of all active pharmaceutical ingredients (APIs).

The severe supply chain disruptions that occurred during the pandemic, and the shortages of drugs, personal protective equipment (PPE), and medical equipment, reaffirmed how fragile U.S. supply chains are, and how dependent the United States is on China for essential materials and products, including pharmaceuticals and pharmaceutical inputs.

"The pandemic exposed the major risks in supply chains and the urgent need for manufacturing semiconductors, pharmaceuticals. ... With the federal government's focus and potential funding, we can rebuild our manufacturing base in America," Rosemary Coates, founder and executive director of the Reshoring Institute, told Powder & Bulk Solids on March 2.

Even before the pandemic, the U.S.-China Economic and Security Review Commission warned the government that the United States was too dependent on China for imports, particularly medicine.

During trade deal negotiations, Chinese economists recommended that Beijing should decrease its exports of raw materials for vitamins and antibiotics in a bid to gain an advantage over the United States. The fact that the Chinese Communist Party (CCP) could weaponize drug exports is a clear threat to national security.

Apart from supply chain disruptions, manufacturing drugs in China poses a number of problems, including business risk, loss of competencies, knowledge loss, and brand damage, while it opens U.S. companies to intellectual property (IP) theft.

Another threat is low-quality products. Four years ago, one of China's largest domestic vaccine manufacturers distributed roughly 250,000 substandard doses of diphtheria, tetanus, and whooping cough vaccine. Last year, the FDA issued a warning letter about faulty medical devices produced by Foshan Biours Biosciences of China.

Fortunately, the Reshoring Institute

Reshoring would be another way of bolstering U.S. domestic production, while breaking U.S. dependence on China.

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A pharmacy technician grabs a bottle of drugs off a shelf at the central pharmacy of Intermountain Healthcare in Midvale, Utah, on Sept. 10, 2018.

reported that there has been a general trend of reshoring American manufacturing. BCI Global, a leading supply chain consulting firm, reported that over 60 percent of European and U.S. companies expect to reshore at least part of their manufacturing in the next three years, and one out of five companies expects to repatriate the majority of its China and Asia production.

Former President Donald Trump pioneered a number of initiatives to promote U.S. domestic production of medicines. In 2020, the Trump administration awarded \$354 million to Virginia-based company Phlow, whose import supply chain was endangered, to produce drugs.

The Biden administration continued Trump's efforts with the "Buy American" executive order, which also applied to pharmaceuticals.

In 2021, the U.S. Department of Defense awarded a grant of \$69.3 million to Continuous Pharmaceuticals, to construct a manufacturing plant in Massachusetts. Civica Rx received government funding to construct a plant in Virginia, to produce drugs that had formerly been imported.

Under the Defense Production Act, the White House designated the Department of Health & Human Services (HHS) to establish a public-private consortium to produce critical drugs in the United States, beginning with 50 to 100 drugs from the FDA's essential medicines list.

Another government program, the American Rescue Plan, allocated \$60 million to the HHS to set up a platform for the production of APIs. The White House earmarked \$2.7 billion for domestic COVID vaccine manufacturing. And in central Virginia, public and private partners pledged \$2.5 million for the establishment of accelerators focused on pharmaceutical manufacturing and research and development.

On Feb. 24, 2022, Biden signed Ex-

ecutive Order 14017, "America's Supply Chains," launching a comprehensive interagency review of U.S. critical supply chains, including pharmaceuticals and APIs. The reviews are led by the Department of Commerce, the Department of Energy, the Department of Defense, and the Department of Health and Human Services, and are meant to complement the work of Executive Order 14001, "A Sustainable Public Health Supply Chain," which was issued on Jan. 21, 2021.

More recently, according to Biden's State of the Union address, the pandemic underlined the problems in the U.S. supply chain. The administration identified pharmaceuticals as one of a number of reshoring efforts that it will prioritize.

According to a report by the National Association of Manufacturers, the United States still leads the world in pharmaceutical innovation. The association recommends that in order to maintain this lead, the United States should protect IP rights, boost innovation through investment and tax incentives, and increase domestic production. This includes tax breaks and grants for drug research.

Reshoring would be another way of bolstering U.S. domestic production, while breaking U.S. dependence on China.

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

Antonio Graceffo, Ph.D., has spent more than 20 years in Asia. He is a graduate of the Shanghai University of Sport and holds a China-MBA from Shanghai Jiaotong University. Graceffo works as an economics professor and China economic analyst, writing for various international media. Some of his books on China include "Beyond the Belt and Road: China's Global Economic Expansion" and "A Short Course on the Chinese Economy."

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In Our Own Words

In the Footsteps of My Grandfathers

Dear Epoch VIP,

Sometimes when I look around and see our staff working hard out in the field or back at the office, I can't help but think of my grandfathers. One was a paramedic and the other a paratrooper in World War II, fighting for the freedoms we cherish.

While our goal is to report the news and inform readers of important events as they unfold, the tasks involved are many and the skills required are diverse. Producing a newspaper requires a great deal of coordination and discipline. At times it feels like we too are fighting a battle, one against a powerful force of misinformation.

Like soldiers, much training is involved as we become proficient with investigating stories, shooting photos, and planning each day's reports to be informative and engaging.

Some challenges we face also seem like impossible missions. For instance, in the early days we stayed up all night working on the paper's inaugural and subsequent editions. Another challenge was finding enough funding to keep growing our readership as the vast majority of advertising dollars go to a few giant tech firms. But no matter how hard it's been, it's been worth it.

There's something special to me about working at this newspaper that goes beyond the sacred responsibility of informing the public. The Epoch Times provides me with an endless pursuit of self-improvement and elevation in my skills. Jobs like this are becoming harder to find.

Though what I'm doing is nowhere near as intense as jumping out of a plane or taking enemy fire, I like to think that the reason my grandfathers fought, and the reason why I fight today, is the same: to resist tyrannical propaganda and defend against the devastation of socialism and communism. I get inspired whenever I'm reminded of the fact that, in my own small way, I am carrying on in my grandfathers' footsteps.

As an opinion editor, I hold our editorials to the same rigorous standards of fact-checking as we do with our news. It's important to hear from a variety of perspectives, but these opinions must have a basis in fact. **One key thing we strive for in our opinion section is to focus only on issues, and to avoid criticizing or attacking people.** We aim to help people understand the important issues of our time, not to make enemies.

It's sad to think that the noble profession of newspaper journalism could be on the verge of extinction. That's why I'm grateful to be surrounded by a staff of professionals who not only take their craft seriously, but who constantly strive to improve their skills and enrich the newspaper we produce every day. This process starts by putting the reader first in all that we do.

With your continued support, we'll innovate a new way forward based on hard work and determination. After all, it's what got us this far.

You the reader also play an important role in shaping our paper. You are what holds us up and keeps us going. By listening to you, we learn where we can do better. You are a critical part of our improvement cycle, and we hope you continue to watch us grow and move forward in pursuit of the truth.

Most of all, you remind us of the great responsibility we have and that countless eyes are watching. I enjoy reading all the letters you send. I look forward to hearing from each and every one of you.

Thank you for your trust.

In truth and tradition,

Adam Ainsworth
The Epoch Times



Adam
Ainsworth
Opinion Editor

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What Our
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“It has required great patience to endure the political takeover of the COVID-19 quarantine and the exaggerated false news of its economic impact for the past two years. **The bright spot in our daily lives has been our ability to rely on The Epoch Times' accuracy and truth in reporting.** Thank you for being there for so many of us.”

WAYNE AND MARY SILZEL

Excellent reporting! The Duck Dynasty interview showed the expertise of the reporter. The audience could not see any side the reporter was on. No emotional response to sway the audience—brilliant. Epoch is at the top for the next 100 years.

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Instead of contacting for the intent to boycott a business, I'm finally contacting to say a very sincere thank you for what you are doing and providing. Please keep up the good fight—we appreciate it.

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You are doing God's work, literally, in my opinion, and those of us that are afraid of what is coming take comfort in the fact that you are there.

GREG MITCHELL

Your company has the potential to prolong freedom. I have learned so much. And have been personally encouraged by the number of articulate young people in your organization.

MICHAEL SHANABERGER

Your paper puts all other papers to shame! Thank you for your outstanding journalism on all topics. May God richly bless you all.

STEVE ANDROS

I just wanted to reach out and say “thank you” to you all for the new EpochTV! You are all doing a fantastic job! And I wanted to say how much I appreciate all you do to keep us informed of the truth! I am at work, but am listening to/watching the DeSantis Documentary. I can't wait to watch everything else you have listed.

STACY ARMBRUSTER

Continue to publish the truth and call out communism, corruption, and misinformation—while sharing hope in highlighting positive personal stories, as well as focusing on the miraculous founding of this country and our foundation in Christianity.

T. BAKER

Your information is very well presented [and] written and in a format that makes it easy to read. I am 75 and positively hate reading a lot on the computer until I started reading your Epoch Times. You have become my morning coffee.

LARRY CRILE

Just finished reading [American Essence] from cover to cover and had to reach out and tell y'all how absolutely joyful it was. Every article was very well done and, in every case, uniquely expressed the essence of our American Spirit.

MARK D.

Thank you. What you are doing is more critical than ever and will be more so as time goes on.

RICHARD CAMERON

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