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CHINA INSIDER



DRONE WARFARE

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DEFENSE

China's War Machine Is Betting the Future on Drones

ANDREW THORNEBROOKE

A swarm of drones flies through the night sky over the Pacific. Shrouded in darkness and less than 100 miles from the California coastline, they move in groups of four and six, stalking U.S. Navy vessels. They whir over the ships' bows, gathering intelligence to deliver to faceless masters.

They match the speed of the naval vessels, flying unimpeded in low visibility for as long as four hours at a time. The alarmed crews of the ships have no idea where they came from or what their purpose is.

This isn't the plot of an up-and-coming spy thriller, but a series of actual events that took place in July 2019.

The chilling encounters raised alarms throughout the Navy and brought forth an investigative apparatus composed of elements of the U.S. Navy, Coast Guard, and FBI. Members of the Joint Chiefs of Staff and the commander of the Pacific Fleet were kept primed with updates on the situation.

"If the drones were not operated by the American military, these incidents represent a highly significant security breach," reads one investigative report based on the ships' logs.

Yet the nature of the drones, where they came from, and who deployed them remained a mystery for more than two years.

However, a new investigative report published in June by The Drive shed light on the incidents, which totaled at least eight encounters involving several unmanned aerial vehicles (UAVs) that were previously referred to as UFOs in the press.

The report, based on Navy materials newly obtained through multiple Freedom of Information Act requests, pinpoints the launching point of the drones as a civilian bulk carrier operating in the area at the time. That ship, the MV Bass Strait, is owned and operated by Pacific Basin, flagged out of Hong Kong.

"The Navy assessed that the commercial cargo ship was likely conducting surveillance on Navy vessels using drones," the report reads.

During its first-ever operational voyage, the ship may have been linked to previously unknown incidents in March and April 2019, including "intelligence collection operations" targeting the USS Zumwalt, America's most advanced surface combatant.

"Active surveillance of key naval assets is being conducted in areas where they train and employ their most sensitive systems, often within close proximity to American shores," the report reads.

A drone towing a cable flies over the Dadu River to the other side of the Ya'an-Kangding expressway bridge under construction in Ya'an, Sichuan Province, China, on Dec. 20, 2016.



PHILIPPE LOPEZ/AFP VIA GETTY IMAGES



A drone carrying a passenger flies into a stadium in the back in Guangzhou, Guangdong Province, The "Yi Long" drone by China Aviation Industry Corp., on display at the 9th China International Aviation and Aerospace Exhibition in Zhuhai, Guangdong Province, China, on Nov. 13, 2012.

China's Growing Drone Force

It's too early to say what connection the crew of the Bass Strait, Pacific Basin, and the Chinese Communist Party (CCP) share. Nevertheless, the incident underscores the central role that drones are to play in the next stage of modern warfare and how they're already shaping the battlefield and intelligence gathering processes.

As it so happens, the CCP is betting big on drone warfare. The regime has invested heavily for more than a decade into everything from cheap and expendable commercial quadcopters to resource-heavy high-altitude long-endurance drones. Indeed, the CCP and its military wing,

the People's Liberation Army (PLA), have undertaken numerous unmanned aerial vehicle (UAV) projects since the early 2000s. However, the first appearance of a large-scale Chinese-built stealth drone came shortly into CCP leader Xi Jinping's tenure.

Likely built from data obtained from the Iranian capture of an advanced U.S. drone in 2011, China's "Sharp Sword" was just the first of many advanced UAVs, built through the assistance of foreign technologies gathered as part of the regime's comprehensive program of technology theft.

Since then, the CCP has funded dozens of varieties of UAVs using a plethora of state-owned corporations that also build the regime's space and missile technologies. From larger combat drones, such as the Sharp Sword, to small quadcopter drones, such as those spotted near California, to rocket-powered supersonic vehicles intended to zip through the sky gathering targeting information, the CCP buys everything drone-related.

The CCP is also already building out its drone capabilities across the spectrum of its military assets, deploying those capabilities in some of the world's most contested regions.

China's third and newest aircraft carrier, the Fujian, is expected to host a variety of drones. Its electromagnetic catapult system will prove invaluable for quickly launching differently weighted drones with adjustable torque.

That effort will likely build on operational lessons learned from the past several years, as China's second aircraft carrier, the Shandong, was spotted in early June with a small fleet of "commercial or commercial-derivative drones" on its flight deck, according to one report's analysis of images that appeared on Chinese social media platform Weibo.

"[The images] do underscore the Chinese

Drones appear to play a central role in the Chinese regime's focus on the forced unification of Taiwan with the mainland.

A drone carrying a passenger flies into a stadium in the back in Guangzhou, Guangdong Province, China, on April 20, 2021.

STR/AFP VIA GETTY IMAGES



JOHANNES EISEL/AFP VIA GETTY IMAGES



A drone used by the police, on display at the 2014 China International Industry Fair in Shanghai on Nov. 4, 2014.

RICHARD A. BROOKS/AFP VIA GETTY IMAGES



Chinese aircraft carrier Liaoning arrives in Hong Kong on July 7, 2017.

People's Liberation Army's ever-increasing efforts to develop and field various types of unmanned aircraft, including those that can operate together in networked swarms, and often with an eye toward performing various roles in the maritime domain," one report reads.

If that weren't enough to underscore the regime's ambition to dominate the strategic space with a new, drone-first approach to military engagement, there's now the case of the Zhu Hai Yun.

The Zhu Hai Yun is a 290-foot ocean research vessel designed to deploy various underwater and airborne drones for various purposes. The ship is also a drone and can either be remotely controlled by a pilot or left to navigate the open seas autonomously.

In the words of its manufacturer, it's the "world's first intelligent unmanned system mother ship."

Although Beijing has officially described that mothership as a maritime research tool, a South China Morning Post report stated that the vessel indeed hosts military capabilities that can "intercept, besiege, and expel invasive targets."

That news is likely to displease U.S. military leadership, which isn't likely to deploy its own such vessel for six more years.

Watching, Learning, Preparing

As the pace of China's military drone development has accelerated, the rate of international incidents related to drones has also increased.

In August 2021, Japan Self-Defense Forces led several sorties of fighter jets over several days to intercept PLA drones caught flying south of Okinawa, Japan. The drones, comparable in size to U.S. Predator and Reaper drones, were believed to be collecting strategic intelligence on the Miyako Strait, which provides the PLA with a

critical point of entry to the Pacific and has been the site of increasing Chinese military excursions for the past decade.

The incident serves as a poignant reminder of what so much of China's drone fleet serves to do: secure vital strategic intelligence for the coordination of military actions.

It's this point that brings one back to the issue of just what several groups of drones launched from a Hong Kong freight ship were doing spying on U.S. Navy vessels near the coast of California. If such actions were directly or indirectly tied to the sprawling military-security apparatus of China's communist government, what would be the end goal for the intelligence gathered? What's the action in "actionable intelligence"?

To that question, one analysis found that 2019's "adversary drones" were "meant to stimulate America's most capable air defense systems and collect extremely high-quality electronic intelligence data on them."

"By gathering comprehensive electronic intelligence information on these systems, countermeasures and electronic warfare tactics can be developed to disrupt or defeat them," the report reads. "Capabilities can also be accurately estimated and even cloned, and tactics can be recorded and exploited."

"That swarm could have been, and likely was, sucking up, or helping another nearby platform suck up, all that sensitive ... data on the most capable warships on earth and at very close range."

In essence, the drones were achieving two things. The first was the blanket intelligence gathered from spying on U.S. Navy vessels up close. The second was learning what would draw a U.S. response and what that response would be.

In this way, the drones were baiting U.S.

naval vessels, soaking up intelligence about their response (or lack thereof) for future actions that could not only inform the Chinese military about the technical specifications of the U.S. ships, but also how to manipulate their crews and protocols to learn how U.S. forces would behave in conflict.

Winning the Next War

Such tools have very real consequences for the United States, its allies and partners, and the greater liberal international order. Perhaps nowhere is this more true than in the acute threat of a CCP invasion of democratic Taiwan, which has maintained its de facto independence since 1949.

Despite that independence—and never despite the fact that the CCP has and never ruled the island—the regime has made the forced unification of Taiwan with the mainland a central point of its current focus. Drones are to play a central role in that endeavor, it appears.

In late 2021, the PLA launched a miniature aircraft carrier designed to deploy and recover swarms of drones. Such staging vehicles are designed to work alongside surface combatants to disrupt military operations in the maritime domain by swarming enemy targets or rendering them less effective through distraction.

One examination of China's drone capabilities by The Drive found that "drone swarms of various kinds are only more and more likely to be a component of future conflicts that China might find itself involved in, whether these being operated by Chinese forces or other parties."

Such drone technologies would offer "decisive advantages... in scenarios revolving around the defense of Taiwan against a Chinese invasion," according to the report. As such, it shouldn't be thought of as surprising that the regime would focus

so much strategic thought on a myriad of drone types for military use.

Indeed, according to the results of a wargame conducted by the U.S. Air Force, China would likely deploy hundreds if not thousands of drones in autonomous swarms during an invasion of Taiwan. Designed to collaborate with other drones in the network, such swarms offer both resiliency and an offensive capability unmatched by many of China's more conventional arms.

This is particularly true when it comes to China's strategic ambition to drive the United States out of the Indo-Pacific and away from defending Taiwan.

All isn't without hope for Taiwan and the United States, however. Indeed, after years of wargames demonstrating resounding U.S. losses over a hypothetical defense of Taiwan, the United States scored a sure, albeit pyrrhic, victory in its most recent wargame in 2021.

What would be the key to victory in repelling a CCP invasion of Taiwan? Drone swarms of its own.

As one summary reads, "Swarming capabilities are seen even by top U.S. think tanks and the Pentagon as being so critical to future conflicts that they could be decisive in a major peer-state battle, such as one over Taiwan."

What must be at the forefront of the minds of strategists everywhere is the fact that the U.S. Air Force fought its hypothetical war with China with a notional force. That is, one that had drone technologies that the United States hasn't actually deployed yet.

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OPINION

CCP's Drug Warfare and Other Illegal Activities in Latin America

GUERMANTES LAILARI



The Trump administration's 2017 National Security Strategy (NSS) called out the Chinese Communist Party (CCP) for its many nefarious and insidious activities against the United States and the Western Hemisphere, including transnational criminal organizations and Chinese fentanyl traffickers. "Transnational criminal organizations—including gangs and cartels—perpetuate violence and corruption and threaten the stability of Central American states including Guatemala, Honduras, and El Salvador," the NSS report stated.

Chinese fentanyl traffickers, along with drug cartels, feed the illicit opioid epidemic, which "kills tens of thousands of Americans each year," according to the report.

(Note: The Biden administration has not published an NSS yet.)

This article will explore a few current examples of CCP illicit activities through Chinese criminal cartels in Latin America and the implications of these illicit activities for the United States, Latin America, and the rest of the world.

Legal Trade: China Versus US

The CCP has made major inroads into Latin America, literally. Of the 31 Latin American countries, 20 are part of the CCP's Belt and Road Initiative's \$160 billion investment. In 2021, China's Latin American trade exceeded \$400 billion compared to just \$295 billion for the United States.

During the June 6–10 botched Summit of the Americas, the Biden administration offered \$617 million in aid for the 31 countries in Latin America, which averages less than \$20 million a country. Meanwhile, the administration seeks to give \$40 billion in military aid to Ukraine. At a May 2022 ASEAN summit meeting, the administration offered \$150 million for the 10 ASEAN countries; China offered \$1.5 billion.

Latin America is rich in natural resources. It includes the Amazon region—the world's largest forest and jungle. Many Latin American countries depend on mining as a major source of exports.

The CCP is leveraging its superior economic influence in Latin America to demonstrate it is winning Latin American hearts and minds, as well as capturing their elites politically and economically.

In recent interviews, U.S. Sen. Bill Hagerty (R-Tenn.) stated: "This is our hemisphere that we're talking about. China is literally eating our lunch." And Sen. Edward Markey (D-Mass.) said: "China has a plan. We don't have a plan."

Not only is the CCP "eating our lunch," but the CCP also aids and abets Chinese criminal groups in Latin America that conduct drug warfare against the United States.

China's Organized Criminal Group Activities

Maria Zuppello recently wrote an article in Militant Wire documenting many illicit activities that Chinese criminal groups conduct throughout Latin America. She describes the breadth and depth of the illegal drug trade in fentanyl, marijuana, and the emerging market of "non-fentanyl synthetic opioids such as nitazenes, also known as benzimidazole opioids such as the synthetic opioid derivative Isotonitazene (ISO), which are



Members of the National Aeronaval Service guard drug packages as they are displayed during a press conference at a base in Panama City on Oct. 30, 2021.

The leading money laundering entities in Latin America are Chinese-organized crime groups.

A Drug Enforcement Administration chemist checks confiscated powder containing fentanyl at the DEA Northeast Regional Laboratory in New York on Oct. 8, 2019.

AFP VIA GETTY IMAGES/DOONEMERT

20 times more potent than fentanyl."

I interviewed her about her research and its implications. The Chinese Mafia is known throughout the region generically as Red Dragon. Some of the more prominent groups (Chinese triads) are A.C, Pi Xiu, Panda, Wan Ke, and Xin. Some gangs have Spanish names, such as "Amistad" (Spanish for "friendship"). In the tri-border area of Argentina, Brazil, and Paraguay, Chinese gangs Fuk Ching, Flying Dragons, and Tai Chen engage in human trafficking.

Fentanyl

Fentanyl is the leading cause of death among U.S. adults between the ages of 18 and 45. Fentanyl has killed more Americans in this age group than COVID-19.

According to U.S. Rep. Greg Murphy (D-N.C.), the only serving member of the House of Representatives who is a surgeon, from April 2020 to April 2021, the following deaths were reported in the 18–45 age range:

- Fentanyl deaths: 40,010
- COVID-19 deaths: 21,335
- Cancer deaths: 17,114
- Car accidents deaths: 22,442
- Suicide deaths: 21,678

Fentanyl and drugs mixed with fentanyl (such as cocaine and methamphetamine) caused the deaths of more than 64,000 out of the over 100,000 overdose deaths in the United States. In other words, fentanyl and drugs mixed with fentanyl cause more deaths than the combined deaths caused by COVID, car accidents, and suicides of the same age group!

Had the CCP enforced its own laws on trafficking illegal narcotics against Chinese crime groups smuggling fentanyl or its precursor chemicals to Mexico, the CCP could have prevented many of these fentanyl-related deaths.

Why do Criminal Cartels Prefer Fentanyl, ISO?

Drug cartels are profit-maximizing organizations; drug potency and production costs are key factors in choosing which drugs to produce and distribute. Fentanyl is cheaper than heroin to produce,

and fentanyl is 50 times more potent than heroin. Drug cartels have smuggled so much fentanyl into the United States that the price has dropped 50 percent since 2020.

The Biden administration's policy to relax or eliminate restrictions on transit between Mexico and the United States has also benefited drug traffickers. In 2021, the Drug Enforcement Agency seized "11,201 pounds of fentanyl—a 134 percent increase from fiscal year 2020, and a 400 percent increase since fiscal year 2018."

ISO is a synthetic opioid derivative that is 20 times more potent than fentanyl and is the newest poison that drug cartels are smuggling into the United States. This means that ISO, the new drug, is 1,000 times more potent than heroin!

Chinese Criminal Groups

The leading money laundering entities in Latin America are Chinese-organized crime groups. Zuppello notes that these Chinese criminal groups are a greater threat to Latin America and the United States than non-Chinese organized criminal groups. Chinese gangs operate within a global framework that combines crime, politics, corruption, and economics, and allows the gangs to operate in many different countries. Other organized criminal groups do not have a global framework or have the support of a superpower.

The CCP supports licit and illicit activity in Latin America. As the region's electoral politics move left (as seen recently in elections in Colombia and possibly in Brazil this fall), the CCP gains a stronger foothold. In effect, Latin Americans who prefer the United States over China find it difficult to oppose CCP penetration into Latin America's political, economic, social, and illicit systems.

The following are selected reports of activities cited by Zuppello of Chinese-organized criminal groups in Latin America.

Chile

Zuppello noted, "Chilean officials arrested thirteen Chinese nationals in Santiago in September 2021 for cultivation and trafficking, confiscating over

1,600 marijuana plants. The network operated between Valparaiso and the capital. A few months earlier, authorities had uncovered over 1,500 plants and 250 kilograms of product in San Antonio, Valparaiso."

She noted that Sergio Muñoz, head of Chile's civil police, said, "We also found guns, cocaine hydrochloride, cocaine paste, and ecstasy and uncovered a vast array of offenses associated with this network, ranging from prostitution to money laundering."

Brazil

Zuppello pointed out that "Brazilian police investigation revealed that the First Command of the Capital (PCC) used a Chinese accountant and Chinese smugglers to launder money through front companies that were continuously opened and shut. In 2015, Brazilian authorities uncovered that the PCC trans-

ferred over \$20 million to bank accounts in the US and China."

Mexico

Zuppello noted that "in October 2020, the US Justice Department unsealed an indictment accusing six Chinese nationals of laundering approximately \$30 million for Mexican drug traffickers over 12 years. US authorities convicted Chinese national Xianbing Gan, a resident of Guadalajara, Mexico, to 14 years in prison in April 2021 for laundering more than \$500,000 from Mexican cartels into Chinese banks. However, according to the judges, Gan handled a larger sum, between \$25 million and \$65 million over a period of two years."

Other Illicit Activities

Zuppello reported that "cigarettes manufactured in China are the most trafficked items in almost all of Latin America."

These criminal groups also loot natural resources, including timber (rosewood), illegal fishing, wild animals (jaguars), reptiles, sharks, sea cucumbers, totoaba, and abalone. The Chinese criminal groups smuggle these items into China.

Conclusions

The CCP has several faces it shows to the world. The most common is that of an aggressive expansionist state that exploits the natural resources of other countries, builds infrastructure to extract those natural resources, and transports them to China. The CCP's connection to criminal groups and illicit businesses is less known. These two faces allow the CCP to coerce global elites to comply with CCP's strategic objectives.

Zuppello's assessment of the Chinese organized criminal groups highlights a problem for democratic governance in Latin America:

"The left-wing political momentum in Chile, Peru, Bolivia, Argentina, Colombia, and most likely Brazil following their 2022 presidential elections, will boost anti-US sentiments and, conversely, strengthen commercial and political ties with China. As a result, some Chinese criminal elements will increase their penetration into local economies accompanying the more legitimate and legal Chinese commercial activity."

In late June 2022, Colombia elected a left-wing government; its leader is a former member of M-19 (an international criminal cartel).

'Known Knowns, Known Unknowns, Unknown Knowns'

"Known" examples of Chinese organized criminal activity encompassed the material discussed above. Yet the known knowns of organized illegal activity entail only a portion of Chinese organized criminal activity. Disguised and hidden Chinese criminal activity comprise a significant component.

Known unknowns:

- Ongoing criminal investigations that are not publicly known.
- Cooperation with illicit organizations, such as Mexican drug cartels and terror organizations like Hezbollah and the Iranian Islamic Revolutionary Guard Corps.

Unknown knowns:

- Corruption, for example, illegal deals to extract natural resources from Latin America, and political manipulations through illicit means, extortion.
- Cooperation among authoritarian governments, such as Iran, Venezuela, Nicaragua, Russia, and Cuba.

Unrestricted Warfare

Chinese organized crime is one of the CCP's tools to achieve global dominance. In the 1999 book "Unrestricted Warfare," the two People's Liberation Army Air Force colonels state that drug warfare, one of 24 types of warfare, is "obtaining sudden and huge illicit profits by spreading disaster in other countries."

The CCP executes this drug warfare to achieve the objective of spreading disaster in the United States and other countries, such as killing over 64,000 young adults every year through fentanyl. Since 1999, the CCP has found many means to conduct illicit warfare.

We should take note of their nefarious activities and act to counter them. The Biden administration has no feasible plan or strategy to keep Latin America from the CCP's licit and illicit designs, and no plan to curtail the murderous drug trafficking occurring on our southern "open" border. Let us hope this is a temporary problem and that a "reset" will happen soon.

Other countries worldwide should be aware of communist China's use of illicit criminal groups to achieve its strategic objectives. These Chinese criminal groups pose more than a law enforcement challenge—they are a national security threat to any country.

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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An undated picture of the gold mine Yanacocha, in Cajamarca, 621 miles northeast of Lima, Peru. The biggest gold mine in Latin America, located in the north of Peru, was crippled by protests in 2006 from locals who believe activity there has polluted the water supply.





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— DONNA LEE NYZIO

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