



The

# Phyllis Schlafly Report



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## Candidates Should Be Talking About China

The media are absorbed with the race for the Republican presidential nomination, commenting on daily fluctuations in the polls, and predicting who will win. But why are they omitting discussion of the elephant in the room — China? When Donald Trump briefly considered running for President, his straight talk about China helped him rise to the top of the Republican field. So, why aren't the media interrogators asking other candidates pertinent questions about China?

**Communist China is a tremendous national security issue.** The only cut Barack Obama is willing to make in federal spending is in our military power, which means he will cede our military superiority to China and other hostile totalitarian nations.

While Obama is shutting down our U.S. space program, China is going full-speed ahead to achieve space dominance along with the ability to deny it to America. Space is essential to the gathering, transmission and use of information necessary to fight and win future wars.

This year China unveiled a new, high-tech stealth fighter plane that could pose a significant threat to our air superiority. A Chinese military milestone was passed when China's first aircraft carrier completed its maiden voyage.

China is deploying a new anti-ship ballistic missile that can sink U.S. aircraft carriers. China is developing electromagnetic pulse weapons to use against our aircraft carriers in any conflict over Taiwan.

- ▶ How do you plan to deal with the growing military threat from Communist China?
- ▶ How do you plan to deal with China's massive economic espionage against us?
- ▶ Obama has completely shut down our manned space program, making 6,000 of America's best and brightest jobless, while China has made space exploration a priority. Are you willing for the Moon to belong to China?

**Communist China is a huge jobs issue,** and jobs is the number-one presidential campaign issue. China is a killer of U.S. jobs, not only from U.S. outsourcing but by taking thousands of construction jobs away from U.S. workers.

Since we helped China to join the World Trade Organization, 46,000 U.S. factories have been transferred to Asia. We have lost a staggering 32% of our manufacturing jobs since 2000. In 1970, 25% of all U.S. jobs were manufacturing jobs, but only 9% are manufacturing today.

Despite California's 10% unemployment, China will soon finish rebuilding the great San Francisco-Oakland Bay bridge damaged in the 1989 earthquake. A Chinese company built the construction machinery and the 12 bridge segments in China and is installing them in California, using 3,000 imported Chinese workers (steel-cutters, welders, engineers, etc.), paid \$12 a day, working 7 a.m. till 11 p.m., seven days a week, and sleeping in a company dorm.

China has already built seven U.S. schools, and has bought a large chunk of real estate in Toledo, Ohio and oil and gas fields in Texas. China has contracts to build a 4,000-room casino in Atlantic City, and to refurbish the Alexander Hamilton bridge over the Harlem River.

In Idaho, China is using a federal program that grants permanent residency to foreign nationals and special tax exemptions to foreign firms that move to the U.S. But surprise, surprise, the Chinese industries in Idaho will be staffed by imported Chinese workers.

Targets of Chinese investment in New York include the New York subway system, a Metro-North train platform near Yankee stadium, luxury apartments, and major leases in the Empire State Building and the World Trade Center.

After General Electric's CEO, Jeffrey Immelt, closed all G.E.'s U.S. Edison light bulb plants and opened a light bulb plant in China, Barack Obama named Immelt his Jobs Czar. Immelt then announced G.E. will move its 115-year-old X-ray division from Wisconsin to Beijing, where G.E. will invest \$2 billion, train 65 engineers, and create six research centers.

G.E. is now pursuing a joint venture with China to build the avionics for a new commercial plane that will compete with Boeing and Airbus. Of course, China will use this technology for military purposes, too.

China is now asking Missouri taxpayers to build a cargo hub at Lambert-St. Louis Airport, called Aerotropolis, for the

use of Shanghai-based China Cargo Airlines. China expects Missouri to give the Chinese \$360 million in tax credits to subsidize this cargo hub, with millions of square feet of warehouse and factory space.

The new Martin Luther King Jr. Memorial should be stamped "Made in China." It was sculpted in China by a Chinese sculptor out of Chinese granite and assembled in the U.S. by imported Chinese workers.

**Communist China is a big medical issue.** More than 80% of the active ingredients for prescription drugs sold in the United States are made in China or India, where the manufacturers and facilities are rarely or never inspected. Several years ago, the Chinese deliberately substituted a cheap fake ingredient in the blood-thinner Heparin. That caused 81 U.S. deaths before it was pulled from use.

Now we learn that 180 drugs needed to treat leukemia, cancer and other diseases are in dangerously short supply because of contamination in facilities in China and India. While a deal is now being negotiated to start U.S. inspection of Chinese drug plants, there is no reason to believe that occasional inspections will make the drugs safe.

### ***Buying Counterfeit Chips from China***

It's a problem for U.S. retailers when Communist China makes fake designer handbags and illegal copies of our music CDs, but it's a much bigger problem when the fakes are chips installed in our military weapons. The American people are starting to discover that counterfeit computer components bought from the Chinese are used in our war planes, ships, and communication networks.

These tiny electronic circuits used in computers can cause breakdowns or malfunctions. Bloomberg Businessweek reported that a confidential Pentagon program issued an alert as long ago as 2005 that fake microchips were causing military equipment malfunctions.

Other shipments were discovered to be counterfeit in time to be cancelled. Four counterfeit chips were discovered in the flight computer of one of our F-15 fighter jets at Robins Air Force Base in Georgia.

While it is difficult to determine if fake chips caused particular plane or helicopter crashes, we know that we are having field failures in almost every weapon system. Informed military observers believe that at least 15% of the spare and replacement chips the Pentagon buys are counterfeits.

Fake Chinese chips facilitate foreign espionage. The head of cyber security in the Office of the Director of National Intelligence and the FBI have both admitted that these routers can allow the Chinese to gain access to U.S. secure systems.

These dangers come from the routing trail of the router chips. After the U.S. ships our scrap computers to China, scavengers working in littered streets sand off the dates and other identification from cast-off circuit boards, put a new

coating on the chips, often re-label them as military, sell them in bazaars to never-inspected kitchen-table brokers in the U.S., and the Pentagon buys them because they are cheap or because federal affirmative-action policies require them to favor suppliers claiming to be "disadvantaged."

The U.S. has seized more than 400 fake routers. Nobody knows how many more Chinese counterfeits have been installed in U.S. equipment.

The threat from Chinese counterfeits is really not news to those in the know. It has been known for so many years that it has acquired a nickname: "hardware Trojans," taken from the ancient Greek myth about how the Greeks defeated Troy with a Trojan horse, a wooden horse that secretly contained Greek troops.

Likewise, the Chinese are most probably now selling us counterfeit computer routers for our military equipment and covertly routing our most secret information directly to the Chinese. There are so many ways computers can be jimmed by the Chinese: programmed to fail prematurely, tracking or surveillance for spying, or providing hackers with hidden "back doors."

Last year, the U.S. bought 59,000 counterfeit microchips from China for use in our warships, planes, missile and antimissile systems, but fortunately discovered they were fake in time. How many didn't we catch?

The Government Accountability Office reported that "counterfeit parts have the potential to cause a serious disruption to DoD supply chains, delay ongoing missions, and even affect the integrity of weapons systems." Senate Armed Services Committee Chairman Carl Levin (D-MI) added that counterfeit parts have "infiltrated" the defense supply chain including microprocessors for F-15 operational flight-control computers and the hardware of our Missile Defense System.

Can't we assure U.S. safety by sending our inspectors to China for on-site inspections? The Chinese have already rejected that request.

When will Republican presidential candidates address the China challenge? Their silence is deafening, and the media are complicit in the silence by failing to ask serious questions about China in the presidential debates.

- ▶ Will you instruct the Defense Department to buy only computer chips and routers manufactured in the U.S. under strict security guidelines?
- ▶ Since everyone agrees on the need to reduce America's dependence on foreign oil, isn't it just as important to reduce our dependence on foreign computer parts for our military planes and weapons?
- ▶ Will you bar from Defense Department business any companies that give away their patents, manufacturing processes, and intellectual property as part of the deal to open a plant in a foreign country?

- ▶ Will you announce that the next time an American dies because of contamination of a prescription drug imported from China, prescription drugs will no longer be allowed to be imported from China?
- ▶ Do you realize that China is not our “trading partner” but is our no-holds-barred economic competitor, highly protectionist, anti-free-trade, and spending the money it gets from U.S. trade to build up its military to become the world’s number-one superpower?

### ***U.S. Citizenship Should Not Be for Sale***

Outsourcing is not the only way we are losing American jobs to Communist China. The Chinese have figured out how to capture jobs inside the U.S. by using our EB-5 visas (employment-based, fifth priority).

Most Americans have never heard of this visa, but the Chinese are now planning to use it to build and run a casino labeled Maryland Live! near the Baltimore airport. Boasting 4,750 slot machines, this \$440 million casino will be one of the largest in the country.

Failing to attract enough U.S. investors for this big-time gambling center, the promoters went to Shanghai in September and made a sales pitch to 50 rich Chinese to invest \$500,000 each in this Maryland casino, which seems to offer a profitable return. The sweetest part of the deal, however, is that the investor’s entire family will be rewarded with a set of U.S. green cards valid for life, a system called “investment immigration.”

EB-5 visas were created to promote investment in depressed areas, but the area isn’t depressed and Maryland’s unemployment rate is about 2 percentage points lower than the nation’s. Skillful gerrymandering produced a map to label a parking lot in the huge Arundel Mills mall a “targeted unemployment area.”

Don’t count on the Maryland casino to produce good jobs for Americans. If the Chinese follow the pattern they used in building the San Francisco-Oakland Bay Bridge, low-paid Chinese workers will be imported to build and staff the casino.

To qualify for EB-5 visas, each investor need create only ten jobs, and they can be “indirectly created,” whatever that means. And the investment can be withdrawn after only 24 months.

Another EB-5 case involved a dairy farm in South Dakota. It created some jobs, but 16 of the 17 regular employees turned out to be illegal aliens. Maybe milking cows wasn’t an exciting occupation for Chinese families rich enough to make a \$500,000 investment.

Idaho Governor Butch Otter, backed up by the U.S. and Idaho Departments of Commerce and the U.S. Chamber of Commerce, traveled to China last year to sell the Chinese on the idea of using EB-5 visas to invest in Idaho. Otter is calling the EB-5 visa a “key element” of his effort to attract new

foreign investment to Idaho.

So China is trying to build a 10,000- to 30,000-acre “technology zone” south of the Boise airport with full landing rights to the Boise airport, including industry, retail centers, and homes leased to the Chinese. This project will have a manufacturing and warehouse zone tied to the airport, and may expand with building and financing a fertilizer plant near American Falls, Idaho.

Idaho residents are not happy about Communist China trying to colonize their state. The multi-billion-dollar Chinese company initiating this project, Sinomach, has also sent delegations to Ohio, Michigan and Pennsylvania.

While more Americans are unemployed, living on food stamps, and being foreclosed on, Communist China is trying to buy our land, businesses, homes, and natural resources, while our globalist-minded government is assisting with the bait of EB-5 visas.

Some free-trade advocates have floated the peculiar notion that we should import foreign students, award them advanced degrees, and then give them green cards so they can legally remain in the United States and compete with our own young people for good engineering jobs. Where did the weird idea come from that our country of 300 million people must look to other countries, not only for large investors, but also for smart graduate students with advanced degrees?

Stapling a green card to foreign students’ diplomas has become a favorite one-liner of *New York Times* pundit Thomas Friedman, Governor Mitt Romney, and Homeland Security Secretary Janet Napolitano. Rep. Jeff Flake (R-AZ) even introduced a bill called the STAPLE Act of 2011 (Stopping Trained in America Ph.D.s from Leaving the Economy).

The Times Square bomber is a good example of the deception that foreigners who attend U.S. universities are “the best and the brightest.” He was allowed to stay in the U.S. on an H-1B visa on the basis of his degree in “computer applications” from a so-so college, and was later even granted U.S. citizenship. Fortunately, Faisal Shahzad wasn’t bright enough to accomplish his destructive goal.

It’s a mystery why the usually aggressive media interrogators haven’t asked questions in the presidential debates about

- how China is buying its way in America with our money,
- how “free trade” is cheating us coming and going,
- how China is stealing our intellectual property and patents,
- how China has sold us poisonous and defective products,
- how China is building a tremendous military machine with U.S. dollars, and
- the racket of the preferential visas that give jobs to non-Americans.

## ***High Costs of Green Jobs***

We are now beginning to grasp the definition and the scope of the words New World Order, an expression inserted into the U.S. political vocabulary by the first President Bush. He never defined it, leaving that task to his successors, and Barack Obama is only too glad to expand its meaning.

Before Bush I left the White House, however, he attended the 1992 United Nations meeting in Rio de Janeiro, signed the UN Climate Change Treaty, and rammed it through the Senate for ratification. It's now available for Obama to use as one engine in his plan to "fundamentally transform the United States."

Of course, climate changes. Many changes are due to factors over which humans have no control, such as winds, ocean currents, and sun activity. But the liberals want us to believe that climate change is also caused by gases expelled when humans burn so-called fossil fuels. The UN created an Intergovernmental Panel on Climate Change to push the UN's political agenda wrapped in climate-change ideology.

The first UN Earth Summit was held in Stockholm in 1972. At the second UN Earth Summit in Rio in 1992, the dominant figure was Canadian Maurice Strong, a good friend of Mikhail Gorbachev.

Strong called for "social justice," saying, "Current lifestyles and consumption patterns of the affluent middle class, involving high meat intake, use of fossil fuels, appliances, home and work air conditioning, and suburban housing are not sustainable." "Sustainable development" became the buzz word to require government approval for almost every activity by almost every individual, business and organization.

While President Bush II was more focused on building a North American Union without borders between countries, during his two terms the two Democratic presidential candidates he defeated, Al Gore and John Kerry, became key players in the UN's climate change politics.

It soon became obvious that UN climate change was an attack on the American standard of living as well as on our sovereignty. Gore and Kerry attended several UN climate change meetings, Gore won the Nobel Peace Prize for his climate change advocacy, and Kerry used his wife's megawealth to wine and dine university and school officials to get them to skew the academic curriculum to make students believe that climate change is a terrible threat and we must abandon our current energy sources.

By the time Barack Obama became President, it also became obvious that UN climate change politics is not only a vehicle to serve his goal of "fundamentally transforming the United States," but also his goal of spreading the wealth, as he told Joe the Plumber. Obama seeks to spread the wealth not only from taxpaying to nontaxpaying Americans, but also from America to Third World countries.

Government's entry into the field of trying to control climate by regulations, taxes and handouts is a convenient cover not only for deliberately lowering our U.S. standard of living, but also for imposing Socialism on America. So, most of the \$800 billion Obama Stimulus was dedicated to exchanging America's dependable energy sources FROM coal, oil, natural gas and nuclear TO less efficient, less dependable and more expensive green energies such as wind and solar.

A case in point is the scandal of Solyndra Inc. This California-based company is a very politically correct green firm making solar panels.

Obama, a true believer in green energy, as well as in Socialism's fantasy that government can and should pick winners and losers in the economy, gave \$535 million dollars of Stimulus money to Solyndra. It didn't hurt Solyndra's application that some of its investors were donors to Obama's political campaign.

The trouble with green energy is that it simply can't exist without government subsidies. It cost Solyndra \$4 for every watt of power it produced while China produces panels at 75 cents per watt. Solyndra couldn't exist even with a massive government grant. But, just as soon as it received the Stimulus money, Solyndra filed for bankruptcy.

Meanwhile, Obama is working with the UN to fundamentally transform America with a new global tax. His appointee Marisa Lago is attending UN meetings to design a proposed global tax to build a "Green Climate Fund." This Fund is designed to pay for greening the global economy, estimated to cost \$1.9 trillion annually for the next 40 years, or \$76 trillion.

Initially it is expected to raise at least \$100 billion a year, but if the UN's tax design is approved in December at a UN meeting in Durban, South Africa, it could increase exponentially from \$100 billion to \$1.9 trillion annually, or more. It will be an indirect tax, making it impossible to opt out, although the UN is planning to reimburse Third World countries in another underhanded device to transfer U.S. wealth to Third World countries.

### ***Sworn Statement of Ownership***

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