



# *Last Days Beacon*

June 2021 - Vol. 6, No. 6 L-64

## THE UNITED STATES OF CHINA: HOW THE COMMUNISTS HAVE USED AMERICAN COMPANIES TO BEGIN THE ECONOMIC TAKEOVER OF AMERICA

*By Carol Rushton*



**It has been said that China plays chess while the U. S. government plays checkers.**

This is true. Our leaders usually only plan short-term goals - what they expect to achieve or accomplish over four years or so. China's communist leaders strategize long-term goals: To overtake the United States as the world leader by 2049.

I remember how upset my father, Noah Hutchings, was when President Richard Nixon met with Mao Zedong in 1972. Mao had murdered millions of Chinese through his Great Leap Forward in the late 1950s and early 1960s and through the Cultural Revolution during the late 1960s and early 1970s. Yet here was the president of the United States photographed openly smiling, laughing, and toasting with this communist butcher in pictures splashed on the front pages of every major newspaper in the world. My father predicted that Nixon's meeting with Mao would pave the way for the rest of the world to accept China's communist government as legitimate and help this backward country, whose main mode of transportation by its citizens was bicycles, to eventually become an economic powerhouse.

How right he was.

According to *Forbes*, “China’s total GDP in 1980 was under \$90 billion in current dollars. Today, it is over \$12 trillion. The world has never seen such enormous economic growth in such a short time” (John Mauldin, “China’s Grand Plan To Take Over The World,” November 12, 2019, *Forbes*).

One way to take over a country is through economics. So how did China become such an economic superpower? Have American companies, per chance, assisted the Communist Chinese?

### From Impoverished to Prosperous



After the death of Mao and the end of his reign of terror in China, Deng Xiaoping eventually arose to the head leadership position and established a period of greater openness to the West. My father started taking Christian tour groups to China so American Christians could become educated about the country, to try to witness to the Communist Chinese, and to smuggle in Bibles for the underground church in China. I remember the photos he brought back of the bleak countryside and the third-world poverty of the Chinese citizens.

My father didn't have fond memories of the food they served the American tourists in the Chinese hotels. The meals consisted of five to six different courses at the evening meal alone. But my father said everything was made with some kind of fish oil. He recognized that they were serving the Americans the best they had. But he soon grew tired of this diet. At that time, there were few McDonald's, Burger Kings, or Pizza Huts in China. He said the only way he made it through his first trip to China was because one of the tour members took pity on him and gave him his jar of peanut butter, which gave him a break from the Chinese food.

When they weren't touring in the evenings, my father would often go out into the streets along with a few of the other tour members and shout, “Does anyone speak English?” They would soon be surrounded by young people who knew at least some English and eager to start conversations with Americans. My father eventually made friends with some of the Chinese young people.

My father made a very astute observation. Most Chinese then wore the traditional, colorless, bland Mao jacket and pants. However, he noticed that because of China's one-child policy, the one child a couple was allowed to have would be dressed in the brightest, most colorful clothes that the Chinese couple could find and afford. The child was fawned over by both parents and grandparents. My father said that this behavior toward Chinese children would one day cause ripples throughout Chinese society.

Again, my father was right. The Tiananmen Square protests erupted in 1989 by young Chinese demanding more freedom and liberty. It was only a matter of time before the Communist government came down hard on the protesters, killing thousands. After Tiananmen Square, my father tried to reach the young Chinese he had made friends with. He could never find them or reach them. Telephone numbers were either disconnected or a Chinese official would angrily start speaking, "Why are you calling this number? You should not be calling this number!" Then the line would go dead.

In the 1990s, my father noticed that the number of American businesses operating in China had increased. You could actually find McDonald's or Kentucky Fried Chicken outlets throughout the country. He also noticed that the Chinese were becoming more affluent in their lifestyles and dress. More Chinese owned cars; more and more highways were being constructed to accommodate Chinese drivers; skyscrapers and office buildings were starting to replace the austere and desolate landscape.

Today, most major American companies have business outlets or do business with China, and China's rules for American companies have been very lucrative for China and Chinese businesses. From Apple, Microsoft, and Google to Land O'Lakes (I guess butter is big business in China), it's hard to think of a major American business or corporation that doesn't have some kind of foreign investment venture with the Communist Chinese. It's also difficult to think of an item that Americans buy that doesn't come from China: Cellphones, furniture, shoes, and clothes sold in America but are made in China. I have even found garlic from China sold in Oklahoma City grocery stores.

*Fox Business* reported in 2016 that Walmart had started opening stores in China but they are not the only ones. General Motors, Nike, Microsoft, Boeing, Coke, Proctor & Gamble, Intel, and Starbucks are just a few of the American companies that have outlets or offices in China and are doing a booming business. ("The Most Popular American Companies in China," January 26, 2016, *Fox Business*).

China has also become very well known as a world leader in piracy - ripping off American-made items and producing cheap copies. Most Americans have heard about China's stealing intellectual property, such as computer software and video games. But China has engaged in a lucrative knock off of designer items as well, anywhere from belts and handbags to sportswear. Some of the more famous names include Gucci, Burberry, Coach, Prada, Louis Vuitton, and Michael Kors; for sneakers and sportswear Air Jordan, and Adidas are among the most popular that the Chinese copy. According to *Vogue Business*, those reproducing less expensive but high-quality replicas can make up to a 30% profit (Jiayi Mao, "Who Is Buying China's Luxury Fakes," April 21, 2021, *Vogue Business*).

Why do the Chinese engage in what Americans consider to be highly illegal and unethical business practices and why does the China's communist government allow this to continue? Tom Doctoroff, marketing manager in China and author of the book, *What Chinese Want*, explains. "Piracy goes back to the China world view that individual rights don't matter. The courts have never evolved to protect innovative individuals. There is still very much the ethos that economic growth has to be managed, so individual and intellectual property, where the spoils go to one entity or one person, is not a cultural value" (Kenneth Rapoza, "In China, Why Piracy Is Here To Stay," July 2, 2012, *Forbes*).

Doing business in China is not easy for any foreign company or business, including American businesses. For years, foreign businesses wanting to operate in China have been concerned and complained about China sometimes demanding that these companies turn over their intellectual property rights to the Chinese communist government if they want to operate in China. A new law in China requires all businesses to establish a Communist Chinese Party unit within that business, which means that that China's communist government will be an active part of that American

business in China, watching that business' every move and making it even more difficult to protect their intellectual property from being stolen by Communist China.

*JDSUPRA*, a law site, expands on the further intrusion of Communist China's government into American businesses and companies:

In addition, the PRC (Peoples' Republic of China) government has enacted a range of interrelated national security laws that impose ill-defined and open-ended obligations on individuals and businesses to provide access, cooperation, or support for the PRC's data accumulations objectives, intelligence operations, and security apparatuses . . .

As a general matter, these laws compel foreign and domestic firms operating in the PRC or doing business with a company operating in the PRC to share certain data with authorities on request, giving the central government virtually unfettered access to company records and files, business contracts, intellectual property, confidential strategies, and employee and customer personal data. . . The Counter Espionage Law, National Intelligence Law, and Cybersecurity Law also grant PRC security and intelligence officials the right to enter otherwise restricted business facilities, inspect company records, acquire sensitive data, investigate and question personnel, and seize communications equipment and other property . . . moreover, businesses may be subjected to invasive security audits, requiring the disclosure of source code and other sensitive intellectual property (Hon Nazak Nikakhtar, Wiley Rein LLP, "U.S. Businesses Must Navigate Significant Risk of Chinese Government Access to Their Data," March 22, 2021, *JDSUPRA*).

According to Christians in China, all companies in China - and that would include American companies as well - must report all religious activities of their employees every month to the Communist Chinese government.

With all the negatives, why would any American company do business within China?

While New Zealand is one of the friendlier countries for large companies to operate in, very few foreign companies do business in New Zealand. China is the preferred market, and a major reason is because of population. China has a population of almost 1.4 billion. India is the only other country in the world that comes close, with 1.3 billion. China's population is a huge market draw for foreign companies, including American, well outstripping the population of the United States. A huge market means mega-\$\$\$\$\$, and that's not chump change. It's just too lucrative for American companies to stop doing business in and with Communist China. This may explain one reason why the NBA refuses to pull its games from Chinese TV, no matter what Communist China does. With NBA television revenues estimated anywhere between \$200 million to \$500 million annually from China alone, that's a lot of cash to walk away from.

Google's operations in China are some of the most disturbing instances of cooperation with the Communist Chinese government and have come under criticism by Democrats and Republicans alike.

Google started operating in China in 2000, offering a Chinese version of their site. Communist China responded with The Great Firewall that went operational in 2002, blocking some of the websites deemed "politically sensitive" that were accessible to millions outside of China.

But Google makes money through selling GoogleAds and datamining and selling the private information of online users, so Google's management eventually caved to the communist

government. In 2006, Google released Google.cn which automatically blocked these dangerous “politically sensitive” websites that Communist China’s leaders were and are so concerned about. But a cyberattack by Chinese hackers in 2009 that compromised the website and private Google user information lead to the eventual shut down of that site as well.

But Google has been very determined to have a full-fledged working search engine in China and was working on a supposedly “secret” new Google search engine nicknamed Dragonfly. Dragonfly was going to be very effective at blocking any websites containing certain content relating to human rights, religions, and political activism that China deemed unacceptable. According to RadiumChina.com, Forbes, Foreign Policy, and the BBC, Google decided in 2019 to pull the plug on the project because of growing condemnation that Google was caving to Communist China. Some of this outspoken criticism came from Google’s own employees who felt that censoring sites deemed objectionable by any government should not involve their company.

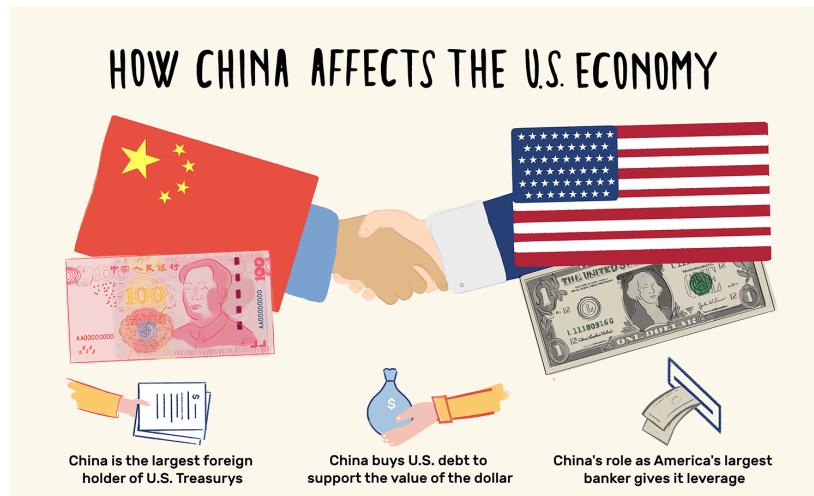
According to *Forbes*, Google still has an office in China that concentrates on “research and development in the market. Google . . . offices in China [are] focused on developing AI technology and manufacturing. It also operates the Beijing-based website 265.com” (Johan Moreno, “Google Has Ended Its Plans For a Censored Chinese Search Engine,” July 25, 2019, *Forbes*).

To be fair, Google is not the only search engine company that has had difficulty operating in China. In an article published by Foreign Policy on September 10, 2018, “Google Is Handing the Future of the Internet to China,” Suzanne Nossel revealed that Yahoo had already been operating in China when the Communist Chinese government put the squeeze on the company to turn over information about two Chinese journalists. Nossel’s report on this incident is very chilling:

Chinese authorities were brazen in utilizing Western online services to surveil and track down dissenters. In a notorious 2007 incident, it was revealed that Yahoo had turned over private information about two journalists at the request of Chinese authorities, resulting in 10-year prison sentences for the men and a global uproar at the spectacle of a U.S. company betraying its users to an authoritarian regime. The company settled a lawsuit with the families of the two men, established a \$17 million fund to support Chinese dissidents . . . Rep. Tom Lantos infamously chided, “While technologically and financially you are giants, morally you are pygmies.”

Yahoo announced in 2015 that it was closing all its offices in China.

### American Made, Chinese Owned



For the last 30 years, China has been using its new found economic muscle to make loans to third-world African and Middle Eastern countries so these countries can build much needed infrastructure projects, like roads, bridges, highways, ports, and railways. If the country cannot repay the loan, then China will allow the country to default but China owns that infrastructure project. Talk about taking over a country.

Although China is not using quite the same tactics in the United States as in the rest of the world, you will be shocked at the American companies China now owns outright or in which the communist country has a percentage of shares and/or stocks. First International Oil, Nexteer Automotive, Terex Corporation (machinery), Triple H Coal, Complete Genomics (healthcare), and Zonare Medical Systems are just a few - and I mean a few - of the companies that China now owns or holds shares in. Do not be naïve: for any Chinese company to be successful, it must have the support of the China's communist government. That means that the communist government of China now also is part owner of these Americans companies as well.

While Tik Tok is a Chinese-developed company that has invaded the U.S. causing security concerns, the list below shows China's increasing appetite for acquiring American companies and the expanding leverage and influence the Communist Chinese have over our country.



**General Electric Appliance Division:** GE has had a wonderful reputation in the U.S. for producing high-quality products. GE still is known as a very solid American company but it is American no more. Haier, a Chinese company founded in the 1930s before the Communist revolution, was already the world leader in electronic appliances before it bought GE's appliance division in 2016. Bob Baird, a vice president at Home Depot explained, "They've been trying to make inroads into the US for some time. Clearly, this is the ticket that gets it done real fast" (Keith Barry, "Who Is Haier? A Look at GE Appliance's New Owner" - January 15, 2016, *Reviewed*).

**AMC:** AMC owns many movie theaters throughout the United States but it was bought by a Chinese company, Dalian Wanda Group in 2012. With the coronavirus pandemic now abating and losing its stranglehold on the U.S., more and more Americans will return to seeing movies in actual theaters. In the future, would the Chinese owners refuse to allow AMC theaters to show movies that present China in a less than favorable light? Would movies presenting a pro-China viewpoint be pushed instead? It is certainly something to think about.

**Hilton Hotels:** Although the Hilton name has in recent years become more famous because of the antics and lifestyles of the younger members of the Hilton family, it is surprising to discover that a very large Chinese aviation and shipping company, HNA Group, purchased 25% in the Hilton Hotel chain in 2016. Hilton has publicly stated that its goal is to build 1,000 hotels in China.

**Motorola:** Motorola was another high-profile company which most Americans were very familiar with when I was growing up. Founded in 1928, it couldn't keep up with the fast-changing technology field so it sold the Motorola Mobility division of the company in 2012 to Google, who turned around and sold it two years later to Lenovo, a Chinese smartphone company, for \$2.9 billion. While few Americans have heard of this company, this acquisition made Lenovo the third-largest smartphone manufacturer in the world today.

**Smithfield Foods:** Although the corporate offices for Smithfield Foods are still in Virginia, they were bought by a Chinese company called WH Group in 2013 for \$4.7 billion. Smithfield Foods produces many familiar brand names in the United States, among them Nathan's Famous Hot Dogs and Farmland. You would never know from the commercials that these all-American hot dogs, sausages, and breakfast products were owned by the Communist Chinese.

**IBM:** It is inconceivable that the International Business Machine Corporation could be owned by anyone except Americans. But Lenovo bought the computer server division in 2014 for \$2.1 billion.

The above companies are just a few of the companies now owned by Chinese businesses and corporations. The below list names some of the American companies that have at least a percentage ownership by the Communist Chinese:

**Reddit - Tencent,** a Chinese mega-search engine company, "invested" \$150 million in 2019

**Universal Music Group - Tencent** purchased 10% of Universal's music division in 2019 for \$3.4 billion, which includes artists such as Taylor Swift, Ariana Grande, Billie Eilish, and the Beatles

**Warner Music - Another 10% "investment"** by Tencent to the tune of \$200 million in 2020

**Airbnb - China Investment Corporation,** a Communist Chinese sovereign wealth fund, bought 10% of Airbnb's stock in 2017 for \$1 billion

Other American companies that Chinese companies either own or have shares in are: Legendary Entertainment Group, Snapchat, Waldorf Astoria Hotel, Strategic Hotels and Resorts, and a host of others.

Every single American should be deeply concerned about Communist China's economic influence in the United States and the leverage they have over American companies.

### China's Ominous Intentions



The coronavirus pandemic China unleashed on the world in 2020 revealed the overwhelming dependence that the United States and American citizens have on products made in China. Over 90% of antibiotics and well over 50% of vitamins and pain and headache relievers are made in China and imported into our country. This caused some politicians and outspoken critics of Communist China to call for a boycott of Chinese products.

In 2019, Joe Biden, who is unfortunately now the president of the United States, stated the following about China. “They can’t figure out how they’re going to deal with the corruption that exists within the system . . . I mean, you know, they’re not bad folks, folks. But guess what? They’re not competition for us.” (Felicia Somnez, “Biden says China is ‘Not Competition for Us,’ Prompting Pushback From Both Parties,” May 2, 2019, *The Washington Post*).

Now who’s living in a cave in Nepal?

U.S. Florida Senator Marco Rubio recently accused China of pressuring American companies to promote a pro-Communist China viewpoint on the Hugh Hewitt Show. Rubio charged China with “[deputizing] major American corporations and their leaders to come to the United States and push for and pressure for policies that favor the Chinese position” and that American companies were so anxious to do business in China, they would do whatever Communist China wants. When asked by Hewitt if Apple CEO Tim Cook was able to say what he really thought about Communist China, Rubio replied, “No. Absolutely not.”

Rubio turned the discussion to Facebook.

Facebook is not in China. But I think they’re increasingly concerned about China’s growing telecommunication influence all over these other countries around the world. And so they don’t want to get - they don’t want to - they don’t want to start running into problems in these other places where the Chinese go to some country and say, hey, you should get rid of Facebook and replace it with our version of Facebook. So, I think they’re concerned about that, absolutely. And I think he [Mark Zuckerberg] still dreams and hopes that one day, they’ll be able to get into China (Ian Hanchett, “Rubio: China has ‘Deputized’ American Businesses to Push for China-Friendly Policies,” May 8, 2021, *Breitbart*).

To make a long story short, an increasing number of American companies are willing to sell out their own country and their own citizens for temporary profits. And when you are dealing with communists, the profits are always temporary; it never ends well. The CEOs of these companies seem to have no clue that one day, if this continues, Communist China will not only own their companies, China will own their country as well.

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P.O. Box 58043, Oklahoma City OK 73157

5 copies for \$5.00; 25 copies for \$15.00