

New Jersey's High Virus Toll Correlates With Ties to the Chinese Regime

Commentary by Wang Jin
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When COVID-19 broke out in the United States, New Jersey was soon hit severely, and now ranks second across the country just after New York for the highest number of confirmed cases and deaths. As of May 15, New Jersey had 143,905 confirmed cases and 10,138 deaths.

Around the world, areas with close ties to the Chinese Communist Party (CCP) have been severely harmed by the virus. Also, the CCP covered up the outbreak in China for weeks, which cost the whole world tremendously. Thus, an appropriate name has been given to the virus: the CCP virus.

The first case of the CCP virus was discovered in New Jersey on March 4. Increasingly, more confirmed cases followed. On March 9, Governor Phil Murphy declared a state of emergency and a public health emergency for New

Jersey. Through April 18, he followed up with 30 administrative orders for schools, libraries, and businesses to close, for people to stay at home, and a curfew. Yet the measures were not effective: 3,000 to 4,000 more cases were confirmed every day afterward.

The Why and the How

People started to wonder why is New Jersey, in particular, so severely hit in the pandemic? How can we solve this problem?

In the editorial “Where Ties With Communist China Are Close, the Coronavirus Follows,” The Epoch Times points out that the virus tends to follow and extend in countries, cities, organizations and individuals with close ties to the CCP. If the CCP’s pernicious influence were removed, would the current pandemic be contained and future casualties prevented?

Dancing With the CCP

New Jersey has a history of closeness to the CCP economically, technologically, and in business. Could this be a deeper reason that New Jersey has been so severely hit in this pandemic?

New Jersey hosts many high-tech businesses, and is the headquarters of 20 Fortune 500 companies. Among the large, medium, and small-sized companies, many have close business contacts with the CCP.

I believe that the nation of China is good, and the Chinese people are good. But the CCP regime has ruled China through corruption, lies, and violence. It has fed itself with “blood”—money and technology—from U.S. companies and has grown strong enough to insinuate its values into American society.

Honeywell’s Big Capital Infusion

Darius Adamczyk, Chairman of the Board and CEO of Honeywell International, said to Chinese state-run media Xinhua in 2017, “The strategy of the east serving the world’ and China’s ‘One Belt, One Road’ are very well matched.”

“To me, the ‘One Belt, One Road’ is an important measure for China to open to the outside and to further merge into the world. To Honeywell, we will apply the results of R&D, design, and production in China to other regions in the world,” said Adamczyk. One Belt, One Road is China’s

flagship foreign policy project, a bid to gain geopolitical power through financing infrastructure projects around the world.

Honeywell was ranked 77 among the Fortune 500 companies in 2018. Its annual revenues were \$41.8 billion. Its headquarters had been in NJ since 1958 and moved to North Carolina in 2019, but it has kept several R&D facilities in New Jersey.

Honeywell's products range from masks, air conditioner thermostats, air purifiers, and water purifiers, to petrochemicals, and automotive materials, among others.

Honeywell is also the world's leading integrator of avionics systems.

Presently, the CCP has been bragging of its "independently developed" COMAC C919 civil aviation aircraft. But without Honeywell's parts, that aircraft could not have made it off the ground. Honeywell provides the C919 with fly-by-wire flight control systems, wheel and brake systems, auxiliary power units, and other equipment. Honeywell could not supply the products directly, but became a supplier of C919 through four joint ventures with Chinese firms.

The “joint venture” is a common tactic used by the CCP to force technology transfer. In light of this, how long can Honeywell maintain its advantage in the field of automatic controls and aerospace technology?

Honeywell was one of the first American companies to enter China. After President Richard Nixon’s visit to China in 1972, UOP, a subsidiary of Honeywell, entered China and installed China’s first conversion unit in the Gansu Yumen Oilfield, opening a new era for China’s oil refining industry.

The last two decades saw explosive investment and expansion from the West into China. Likewise, Honeywell moved the Asia-Pacific headquarters of all business units to China. In 2016, Honeywell invested \$100 million in Zhangjiang Hi-Tech park in Shanghai to expand its Asia-Pacific head office and its China R&D Center. Its total investments in China has exceeded \$10 billion and it owns more than 50 enterprises, either joint ventures or wholly-owned, including more than 20 factories. Honeywell has established R&D centers in Beijing, Shanghai, Nanjing, Suzhou, and Xi’an.

However, in the eyes of the CCP, Honeywell is nothing but a pawn that can easily be sacrificed in its political games. In 2019, the United States approved the sale of weapons and equipment worth about \$2.2 billion to Taiwan. The CCP's Foreign Ministry spokesman Geng Shuang said on July 12 that "China will impose sanctions on U.S. companies involved in the arms sales to Taiwan." An article from People's Daily, the CCP's mouthpiece newspaper, on July 14 named Honeywell directly—because on the list of arms sales to Taiwan, Honeywell provided key components, including gas turbines, for "108 M1A2 Abrams main battle tanks."

'Pro-China' Stance from New Jersey's Pharmaceutical Sector

New Jersey is known as the heart of the pharmaceutical industry in the United States and the world. Twelve of the country's top 20 pharmaceutical companies have headquarters or regional headquarters in New Jersey, including Merck (known as Merck East outside the United States and Canada), Johnson and Johnson, and Celgene.

During the financial crisis of 2008, pharmaceutical companies were in dire straits. In order to maintain market share and stock prices, improve efficiency, and reduce

R&D costs, international pharmaceutical giants started to transfer their R&D centers to low-cost areas, or adopted the CRO (contract research organizations) model, outsourcing to other countries.

Among the “BRIC countries” (Brazil, Russia, India, China) advocated by American leftist newspapers at that time, China had low environmental protection requirements. It became a major outsourcing destination for large pharmaceutical companies. Countless multinational companies poured investments into China, bringing advanced drug research and development technology and talent to the CCP. 2009 to 2019 is known as the “golden decade” of rapid growth in China’s pharmaceutical industry.

Merck’s Contribution to Chinese Society Kept Under Wraps

Merck had revenues of \$42.3 billion in 2018. In terms of revenues, Merck is the fourth-largest pharmaceutical company in the world.

Merck entered the China market shortly after the Tiananmen Square Massacre on June 4, 1989. In September 1989, under its president Roy Vagelos at the time, Merck

decided to transfer the latest genetically engineered hepatitis B vaccine technology to China for only \$7 million. That price was not enough to cover the cost of dispatching employees to assist China to install equipment and train local employees, which cost far more than \$7 million.

In 1993, China successfully produced the first batch of genetically engineered hepatitis B vaccines. Data from 1994 to 2015 show that Merck's hepatitis B vaccine helped nearly 200 million Chinese children avoid the threat of hepatitis B. However, Merck's generosity and role were deliberately concealed by the CCP. The average Chinese person knows nothing about it.

After the financial crisis in 2008, Merck increased its investments in China. In 2011, Merck East invested \$1.5 billion to establish a China R&D center in Beijing. In April 2013, its 75,000-square-meter Merck East Hangzhou plant (with \$120 million invested) was officially put into production. It is one of the most advanced and largest pharmaceutical manufacturing and packaging plants in China and the Asia-Pacific region.

Johnson and Johnson's Huge Investments into China

Johnson and Johnson, a manufacturer of health care products, medical equipment, and medicine, is also the largest company based in New Jersey.

Janssen, a subsidiary of Johnson and Johnson, entered China in 1979 and established a chemical and pharmaceutical workshop in China that meets international GMP (good manufacturing practices) standards. The workshop at Hanjiang Pharmaceutical Factory in Hanzhong, Shaanxi Province, produces mebendazole. In 1985, a joint venture pharmaceutical company, Xi'an Janssen, was established in Xi'an, which became a model for China's modern pharmaceutical factories.

Johnson and Johnson (China) Co. was incorporated in the Shanghai Minhang Economic and Technological Development Zone in January 1992, with a registered capital of more than \$100 million.

Over the past decade or so, Johnson and Johnson has become known for large acquisitions and investments in China.

For example, in 2008, Beijing Dabao Cosmetics Co was acquired for 2.3 billion yuan.

In May 2012, Johnson and Johnson acquired Guangzhou Beixiu Biotechnology Co. for 360 million yuan.

In January 2013, Shanghai–Johnson and Johnson acquired a 100 percent stake in Shanghai Aoya Maternal and Baby Products International Trade Co. for 650 million yuan.

In 2019, Johnson and Johnson announced that its pharmaceutical subsidiary, Janssen Pharmaceuticals, would invest \$397 million to build a new large-scale production base for an innovative supply chain in Xi'an. Also, Johnson and Johnson Medical would invest \$180 million to build a new factory in Suzhou Industrial Park.

Celgene Put in Huge Sums but Got No Market Share in China

Celgene Pharmaceuticals in New Jersey, founded in 1986, kept pace with China investments too. In 2017, Celgene invested \$1.393 billion for the authorization of the PD-1 inhibitor BGB-A317, which was still in clinical trials at Chinese biopharmaceutical company BeiGene. During this transaction at that time, in order to obtain the global authorization, excluding Asia, of BeiGene BGB-A317—an antibody that can be used to treat tumors—Celgene paid \$263 million down payment in cash, \$150 million in equity

investment at a 35 percent premium, and \$980 million for research and development expenses and sales royalties for future sales of BGB-A317.

But in 2019, Celgene Pharmaceuticals was acquired by Bristol-Myers Squibb. Because Bristol-Myers Squibb already had a PD-1 inhibitor Opdivo, Celgene Pharmaceutical once again paid \$150 million to cancel the global cooperation with BeiGene. So far, Celgene Pharmaceutical has thrown away hundreds of millions of U.S. dollars, all to the CCP's foreign exchange reserves.

Celgene Pharmaceutical has lost a fortune but could not prevent a disaster. On March 25, 2020, China's State Food and Drug Administration issued Circular No. 44, stating that due to problems such as inadequate sterility control measures in the production process, a temporary suspension is in place for the import, sales, and use of Celgene's Paclitaxel. This same medicine has not raised any questions with the U.S. FDA or European regulators. Celgene can only watch the Chinese market be divided among domestic pharmaceutical companies like Hengrui, Luye, Qilu, and CSPC.

China as a Chemical Plant for the World

While Chinese enterprises received money and technology from multinational companies, the Chinese regime also supported the development of its pharma sector. China became the world's chemical plant with small gram-scale laboratories and large-scale chemical projects that can mass-produce polyethylene, polyester, polypropylene, and PX Active Pharmaceutical Ingredients (API).

Chinese pharmaceutical companies rely on dumping goods at low prices in overseas markets, with the government supporting them with export subsidies.

About 80 percent of U.S. APIs are imported from foreign countries, especially from China and India. Many raw chemical materials in India are also purchased from China. China is the world's largest supplier of APIs and of basic chemical materials needed to produce many prescription and non-prescription drugs and vitamins.

At a hearing held by the U.S.-China Commission for Economic and Security Review (USCC) in the Senate on July 31, 2019, Rosemary Gibson, senior consultant at Hastings Research Center, said, "The dependence of several thousands of pharmaceutical ingredients and APIs poses a threat to U.S. health and national security. "

New Jersey Has Close Business Ties With China

Beyond the companies mentioned above, New Jersey has a close business and economic relationship with China.

The value of goods imported into New Jersey from China in 2017 was about \$18.17 billion, and in 2016 it was nearly \$17.7 billion. The most-imported products from China include petroleum, fossil fuels, pharmaceuticals, and auto parts. According to data from the International Trade Administration, as of 2016, about 131,900 jobs in New Jersey depended on trade with foreign partners, of which 15 percent (about 19,000 jobs) originated from trade with China. During the pandemic, the CCP virus has severely damaged companies that rely heavily on China.

According to a report released by the U.S.-China Business Council in 2018, China was New Jersey's fourth-largest trading partner in 2017, with exports reaching \$1.6 billion, a 62 percent increase from 2008. Goods exported from New Jersey include: basic chemicals (\$159 million), computer equipment (\$144 million), non-ferrous metal products (\$122 million), waste items (\$138 million), and soaps, detergents, and toiletries (\$93 million).

China was also the fifth-largest export service partner of New Jersey in 2016, with an export service value of \$1.4 billion, an increase of 179 percent over 2007. Export services include: travel (\$352 million), education (\$252 million), passenger fares (\$120 million), industrial process concessions and user fees (\$165 million), and air and port services (\$59 million).

New Jersey Is One of the Bridgeheads for Chinese Companies

In the past 20 years, due to its convenient transportation, similar climate to Shanghai, excellent school districts, and cheaper housing prices than Manhattan, New Jersey has become a bridgehead for Chinese companies to enter the United States.

China UnionPay US is headquartered in Jersey City, New Jersey. For the first time in 2015, China UnionPay card surpassed Visa, Inc. in transaction volume and card issue volume, becoming the world's largest bank card clearing organization. China UnionPay announced on April 9, 2020 that UnionPay International and Huawei launched Huawei Payments in Hong Kong and Macau.

As early as 2011, Huawei established its northeast U.S. headquarters in Bridgewater, New Jersey. Huawei has been heavily scrutinized for its close ties to the Chinese military. Its unethical business practices such as stealing trade secrets have been prosecuted by U.S. authorities.

China Construction America, a subsidiary of China Construction Corporation (China Construction), was established in 1985. In 2013, China Construction America spent more than \$70 million to acquire an office building in Morris Township, New Jersey. In 2016, it renovated two buildings on the waterfront of Jersey City to become its headquarters office.

In addition, New Jersey established a “sister state” relationship with Zhejiang Province as early as 1981. In 2008, it reiterated its “sister” relationship with Zhejiang Province. That same year, New Jersey established a “sister” relationship with Shandong Province.

There are currently two Confucius Institutes in New Jersey, one at Rutgers University and the other at City University of New Jersey. Confucius Institutes are funded by the Chinese regime with the stated purpose of promoting Chinese language and culture, but they have come under

fire in the United States for a lack of transparency, violation of academic freedom, and suspicions of spying.

When Xi Jinping—now the Chinese leader—visited as Secretary of the Zhejiang Provincial Communist Party Committee in 2006, Kean University in New Jersey and Wenzhou University signed an agreement to co-found Wenzhou Kean University. However, since its launch in 2012, there has been continued negative news about Wenzhou Kean University. For example, enrollment giving priority to Communist Party members was clearly stated in advertisements. Students also complained about the school's purchase of a high-priced conference table from Shanghai for \$219,000.

Conclusion

History and lessons drawn from past experience tell us that the epidemic is not accidental.

Where there are close ties with the CCP or where capital infusion is given to the CCP, the area is severely hit by the virus.

Perhaps the pandemic serves as a warning to stay away from the CCP. It is worth a sober look.

https://www.theepochtimes.com/new-jerseys-high-virus-toll-correlates-with-ties-to-the-chinese-regime_3352751.html