

*"What Al Gore does for climate change, Peter Navarro does for China. This book will hit you right between the eyes. A gargantuan wake-up call."*

—STUART L. HART, Cornell University

PETER NAVARRO

THE COMING

WHERE THEY WILL BE FOUGHT

HOW THEY CAN BE WON

CHINA WARS

REVISED AND EXPANDED EDITION

Vice President, Publisher: Tim Moore  
Associate Publisher and Director of Marketing: Amy Neidlinger  
Executive Editor: Jim Boyd  
Editorial Assistant: Pamela Boland  
Development Editors: Russ Hall and Cynthia J. Smith  
Digital Marketing Manager: Julie Phifer  
Marketing Coordinator: Megan Colvin  
Cover Designer: Chuti Prasertsith  
Managing Editor: Gina Kanouse  
Senior Project Editor: Kristy Hart  
Copy Editor: Keith Cline  
Proofreader: Jovana San Nicolas-Shirley  
Senior Indexer: Cheryl Lenser  
Compositor: Nonie Ratcliff  
Manufacturing Buyer: Dan Uhrig

© 2008 by Pearson Education, Inc.  
Publishing as FT Press  
Upper Saddle River, New Jersey 07458

FT Press offers excellent discounts on this book when ordered in quantity for bulk purchases or special sales. For more information, please contact U.S. Corporate and Government Sales, 1-800-382-3419, [corpsales@pearsontechgroup.com](mailto:corpsales@pearsontechgroup.com). For sales outside the U.S., please contact International Sales at [international@pearson.com](mailto:international@pearson.com).

Company and product names mentioned herein are the trademarks or registered trademarks of their respective owners.

All rights reserved. No part of this book may be reproduced, in any form or by any means, without permission in writing from the publisher.

Printed in the United States of America

First Printing May 2008

ISBN-10: 0-13-235982-0

ISBN-13: 978-0-13-235982-5

Pearson Education LTD.  
Pearson Education Australia PTY, Limited.  
Pearson Education Singapore, Pte. Ltd.  
Pearson Education North Asia, Ltd.  
Pearson Education Canada, Ltd.  
Pearson Educación de México, S.A. de C.V.  
Pearson Education—Japan  
Pearson Education Malaysia, Pte. Ltd.

Library of Congress Cataloging-in-Publication Data

Navarro, Peter.

The coming China wars : where they will be fought and how they can be won / Peter Navarro. — Rev. and expanded ed.

p. cm.

Includes index.

ISBN 0-13-235982-0 (pbk. : alk. paper) 1. China—Foreign economic relations. 2. China—Foreign relations—Forecasting. 3. China—Commercial policy. 4. Globalization—Economic aspects—China. 5. China—Economic policy—2000- 6. China—Politics and government—2002- 7. International economic relations. I. Title.

HF1604.N38 2008

337.51—dc22

2007049932

# 3

---

## “Made in China”—The Ultimate Warning Label

*A mother said Thursday she knew something was terribly wrong when her 20-month-old son began to stumble and started vomiting. He had just ingested Aqua Dots, a popular toy that contains a chemical that turns into a powerful “date rape” drug when eaten. It was the latest Chinese-made toy pulled from shelves in North America.*

—MSNBC.com

“Beware of cheap Chinese goods that can kill you.” If that little Confucian warning doesn’t appear in your next fortune cookie, it should. As Upton Sinclair spins in his grave, China is flooding the world with a staggering array of cancerous, contaminated, and defective products.

No doubt you have already heard about some of the worst cases. In the toxic metals category alone, we’ve seen baby cribs, vinyl bibs, and children’s gardening gloves lined with lead; toy bears, drums, and trains coated with lead paint; lead snaps on Chinese-made overalls and shirts for babies and toddlers; and a complete line of Barbie doll accessories decked out in “designer lead.”

You have also likely heard about the cough syrup and toothpaste laced with antifreeze that killed hundreds of people; the pajamas soaked in so much formaldehyde they make your skin crawl; the cat

and dog treats spiked with deadly melamine that prematurely put tens of thousands of Garfields and man's best friends into pet cemeteries; and, as the hands-down winner of the most bizarre form of Chinese product torture, "Aqua Dots"—the toy beads *cum* date rape drug featured in the excerpt opening this chapter.

Sensational though these headline grabbers may be, they are but the tip of a very dangerous iceberg. From exploding cell phone batteries, bacteria-ridden tofu, and catfish loaded to the gills with banned antibiotics to cheap Chinese cars so dangerous they make crash dummies run for cover, virtually nothing coming out of today's China should be considered safe. This chapter shows you just why this is so, just what kind of products you should fear most, and why, as Senator Dick Durbin has aptly noted, "Made in China" has become a code red "warning label" that no sensible consumer should ignore.

## A Poisoned Food Chain

*You've got to be nuts to eat Chinese food.*

—Ron Vara

Most people quite rightly think of China as a manufacturing powerhouse and the world's "factory floor." Increasingly, China is also becoming the world's fish farm, fruit orchard, and vegetable garden.

Today, China is the third largest exporter of food to the United States. China accounts for more than 50% of the garlic, 45% of the apple juice, roughly 20% of the honey, and about 15% of the seafood imported into the United States. Incredibly, the U.S. Food and Drug Administration (FDA) tests less than 1% of all food imports into the U.S. This is in sharp contrast to Japan, which tests fully 10%. As noted in *USA Today*, this understaffing of the FDA "signals a large green light for produce and seafood to enter the U.S. market without having to sweat inspections."

### ***Something So Very Fishy***

*Perched above the banks of the catfish farm he owns is Zhu Zhiqiu’s secret weapon for breeding healthy fish: the medicine shed. Inside are iodine bottles, vitamin packets, and Chinese herbal concoctions that he claims substitute for antibiotics. Zhu’s fish farm, in a village on the lower reaches of the Yangtze River, sends about 2.5 million catfish fillets each year to United States through an importer in Virginia. Despite his best efforts—he has dozens of employees clearing trash from the water each day, and the fish are fed sacks of fishmeal more expensive than rice—Zhu’s fish sometimes get sick. Then he brings out the drugs.*

—*Washington Post*

China is the leading exporter of catfish, eel, and tilapia to the United States and the second biggest shrimp supplier. China is also the world’s leading exporter of toxic seafood.

The problem of toxic fish begins with the observation that Chinese fish farmers, like Mr. Zhu in the preceding excerpt, inevitably are forced to rely on a dizzying array of banned antibiotics, herbal concoctions, and illegal substances to get their fish to market. The underlying problem, discussed extensively in Chapter 7, “The Damnable Dam and Water Wars—Nary a (Clean) Drop to Drink,” is that the waterways of China are some of the most severely polluted in the world and therefore some of the least habitable for fish. In such a polluted environment, farm-bred fish are particularly vulnerable to the big four pathogens: viruses, bacteria, fungi, and parasites.

One common way China’s fish farmers cope with two of these pathogens—fungi and external parasites—is to douse the waters of their farms with a powder known as *malachite green*. This strong green dye is a dangerous carcinogen that has been officially banned in China. However, that ban hasn’t stopped many of China’s fish farmers from using it.

A second common way China's fish farmers keep their fish from dying is to flood the waters with a variety of banned antimicrobials and antibiotics. The antimicrobials are known carcinogens that can kill you directly. In contrast, the banned antibiotics can kill or harm you indirectly. The reason is a subtle one: When you eat fish laced with antibiotics, you can build up a resistance to these drugs. Then, if you get sick and actually need the antibiotics to fight the infection, the antibiotics simply won't work. In addition, the bacteria can evolve into "superbugs" highly resistant to the antibiotics.

In addition to having to worry about all manner of toxins creeping into Chinese fish, consumers around the world have to contend with China's "fish counterfeiters." For example, one common ploy used by unscrupulous Chinese exporters is to sell the dangerous puffer fish disguised as the delectable monkfish. The problem here is that puffer fish contain tetrodotoxin. This is a potent neurotoxin for which there is no known antidote; it produces paralysis of the diaphragm and often death due to respiratory failure.

### ***Midnight in China's Fruit and Vegetable Gardens of Evil***

*For nearly two decades, Lai Mandai regularly ate and sold beans, cabbage, and watermelons grown on a plot of land a short walk from a lead smelting plant in her village. Like dozens of other villagers who ate locally grown food, Ms. Lai, 39 years old, developed health problems. "When I did work, planting vegetables or cleaning the floor, I felt so tired and my fingers felt numb," Ms. Lai says. Ms. Lai, along with 57 other villagers, was eventually diagnosed with high levels of cadmium, a heavy metal that can cause kidney disease and softening of the bones.*

—Wall Street Journal

China grows half of the world's vegetables and almost 20% of its fruit. China's people consume most of its produce, but an increasing

share is being exported to the United States, Europe, and the rest of the world. As with China’s toxic fish exports, this is not an altogether welcome development.

One of the biggest problems with eating Chinese fruit and vegetables is the rising risk of ingesting one of any number of highly toxic heavy metals, including mercury, lead, and the cadmium that felled Ms. Lai in the preceding excerpt. In fact, according to China’s own Ministry of Land and Resources, more than 10% of China’s arable land has already been contaminated by heavy metal detritus from China’s factories, mines, smelters, and power plants.

A second major health issue is the exceedingly high levels of pesticide residues often found in Chinese produce. As documented in the *Journal of Environmental Toxicology and Chemistry*, the underlying problem is the tendency for China’s farmers to overuse pesticides in an effort to boost their meager crop yields. As a result, the FDA has had to reject Chinese agricultural products ranging from ginseng and frozen red raspberry crumble to mushrooms.

Beyond the problem of food contamination from banned antibiotics, heavy metals, and pesticides, issues with bacteria and spoilage also arise because of China’s lack of an adequate “cold chain.” Any country’s cold chain begins with refrigerators to cool fruit and vegetables upon harvest. The cold chain extends to refrigerated trucks or rail cars in which the produce can be transported. Still another set of refrigerators and freezers are necessary to store the produce in warehouses before it is shipped to market. On all three counts, China is woefully deficit.

For example, China has only about 30,000 cold storage trucks compared to almost 300,000 in the United States, and its cold storage capacity tops out at a meager 250 million cubic feet. However, according to a study conducted by the consulting firm A.T. Kearney, over the next 10 years, China is going to need about 365,000 refrigerated trucks and 5 billion cubic feet of cold storage.

The kinds of contamination problems that arise from the lack of an adequate cold chain are even worse for meat and poultry, as indicated by this passage from the *Wall Street Journal*:

It's a scene that James Rice, head of the China operations of Tyson Foods Inc., has seen numerous times in his three years with the poultry giant there: tons of featherless, frozen chickens loaded on the backs of flatbed trucks under thick blankets in the summer heat, awaiting a long-haul journey across China. "It's my Achilles heel," says Mr. Rice. He says the lack of everything from temperature-controlled trucks and warehouses to a shortage of general refrigeration know-how limits Tyson to a handful of major cities in China.

## Assassins in Toyland

*Apparently when you tickle Elmo he's not laughing, he's having a seizure.*

—Jay Leno

*In an attempt to assure the world's children that millions of Chinese-made toys currently being recalled for containing toxic lead paint and tiny choking hazards can no longer hurt them, high-level Chinese officials announced Tuesday that millions of playthings are being rounded up and immediately put to death.... According to the Xinhua News Agency, in the past three days alone, factory owners roused an estimated 365,000 Barbie dolls from their dream homes in a violent series of raids. During these raids, the Barbies were separated from their Kens, stripped naked, and had their heads shaved. They were then taken to an undisclosed area, leaned against the wall and shot by a firing squad as toy soldiers were forced to watch.*

—The Onion

These satirical treatments of China’s toy recall crisis from America’s top banana, Jay Leno, and parody newspaper, *The Onion*, provide at least some comic relief from a situation that has been extremely troubling, particularly to parents with young children. Although most people are already well aware of many of the details of this crisis, it is worth at least briefly recapping the extent to which America’s toys have been turned into instruments of death by unscrupulous Chinese manufacturers. Here’s just a brief scorecard of the kinds of toys that have been recalled from the shelves by the likes of Toys “R” Us, Target, and Wal-Mart:

- 3.8 million Magnetix magnetic building sets that can kill by perforating the intestines if the magnets are swallowed
- 1.5 million Fisher-Price lead-contaminated toys, including popular Sesame Street characters such as Giggie Grabber Soccer Elmo, Chef Dora, Rev & Go Cookie Monster, Ernie and Bert, and Oscar the Grouch
- 1.5 million Thomas & Friends lead-painted wooden trains, and 1 million Hasbro “Easy-Bake” ovens that can trap children’s fingers in the oven and burn them
- 253,000 of Mattel’s die-cast cars modeled after “Sarge” in the cartoon movie *Cars*, and 90,000 units of Mattel’s GeoTrax locomotive line
- 31,000 “Skippy” plastic fish that can break and slash a child’s hands, and 15,000 Laugh and Learn Kitchen Toys posing a choking hazard

For concerned parents and grandparents shopping for toys, it is critical to point out that whereas well-known brand companies such as Mattel and Toys “R” Us have had their fair share of bad headlines, the bigger problem is often with those ultra-cheap, “no brand” toys that wind up at deep-discount stores. It is precisely in stores such as these that a variety of Halloween toys have been found to represent far more tricks than treats. Here’s just a small sampling:

- 142,000 purple witch buckets, 63,000 green Frankenstein cups, and 55,000 candy-filled skull pails posing a lead hazard
- 120,000 “Creepy Cape” costumes capable of bursting into flames, and 97,000 Mr. Potato Head “Make a Monster Pumpkin” sets deemed a choking hazard

It is precisely these kinds of statistics that raise this overarching question: How can China’s toymakers turn something as innocent and pure as children’s toys into a profanity of poisons and choking hazards? It is a very good question to which we will return shortly.

## Crash Dummies on the Volga

*Add another product to the list of Chinese exports whose safety is being called into question: cars. In one of the few crash tests to date of a Chinese-made vehicle outside China, a Chery Amulet sedan’s front end folded like a concertina in a recent trial in Moscow. The Russian car magazine that organized the test said it was one of the worst performances ever and called upon Chery Automobile Co. to withdraw the car from the market.*

—*Wall Street Journal*

It’s not just agricultural products and low-priced toys and trinkets that consumers have to fear when it comes to the “Made in China” label. As Chinese manufacturers move up the value chain into big-ticket items like automobiles and aircraft and top-line pharmaceuticals, a wide range of consumer risks is emerging.

Consider China’s rapidly growing auto industry. It might surprise you to know that China *already* produces more cars than Detroit once you subtract light trucks and SUVs from the equation. However, unlike U.S.-made cars and the cars coming out of Europe and Japan, the safety of many of the Chinese-branded vehicles is exceedingly low.

For example, as indicated in the preceding excerpt, China’s Chery Amulet totally flunked its Russian crash test. Another typical data point is offered by the performance—or lack thereof—of the Chinese Brilliance BS6 sedan. In a standard European crash test, the BS6 sedan was driven at 40 miles per hour straight into a barrier. As described by analyst Chris Haak, the results were right out of a Ralph Nader nightmare:

In cars that ace these tests, the passenger compartment stays almost completely intact with no intrusion of the floor into the driver’s foot well or the instrument panel into the driver’s face. The best cars often still have functioning driver’s doors, yet sacrifice so much of their front end absorbing the crash energy that the occupants get out of the car relatively unscathed.

Instead, the poorly named Brilliance BS6 saw the pedals intrude into the driver’s space by 18 inches, and the dashboard by 7 inches. The driver’s door wouldn’t open without the technicians using a huge crowbar, and the rocker panel bent almost 90°, and stopped only when it hit the floor. The base of the windshield moved to the same vertical plane as the top of the windshield was before the crash, and the driver was left sharing space with the steering wheel, windshield, and the front end of the car. He or she would have almost certainly been killed instantly.

Perhaps the worst aspect of China’s “unsafe at any speed” auto industry is China’s use of both Latin America and Africa as dumping grounds for cheap cars that would pass neither emissions or safety tests in European or U.S. markets. While these cheap cars are very attractive to lower income buyers, they are nothing but rolling death-traps and pollution factories. Nor are the Chinese particularly coy about this. As Zheng Guoqing, the head of sales to Africa for the Great Wall Motor Co. has soft-pedaled it: “The performance-price ratio of our products is high so African people like our brand. The emissions standard is not particularly high there. The requirement for safety is also not high.”

## The Origins of China's Flood of Contaminated, Defective, and Cancerous Products

*Many of the “Southern-style” catfish fillets on U.S. grocery shelves these days are indeed from the South—of China. The Chinese government’s own reports express alarm that many rivers in this region are so contaminated with heavy metals from industrial byproducts and pesticides including DDT, that they are too dangerous to touch, much less raise fish in.*

—Washington Post

At this point, it is critical to ask: Just why are Chinese products so unsafe over such a wide range of product categories? In their defense, Chinese officials routinely argue that their products are as safe as any other country in the world. Cold, hard statistics tell a very different story. China’s failure rate consistently outpaces its market share over a wide range of products across a number of countries and continents.

In Japan, for example, China accounts for about a third of all contaminated foods but accounts for only 15% of Japan’s food imports. Similarly in Europe, almost half of all defective products identified by European Union regulators come from China. A fourth of these defective products are Chinese-made toys, but other products range from electrical appliances and cars to lighting equipment and cosmetics. This pattern holds equally true in the United States. China accounts for 60% of all consumer-product recalls in the United States and nearly all of its toy recalls—far outpacing the failure rates of other developing countries such as Brazil and Mexico on a market-share adjusted basis.

### ***The Bait-and-Switch Quality Fade***

*Some quality issues are not all that serious, but others are downright frightening. One of the most disturbing examples I have encountered while working in China involved the manufacture and importation of aluminum systems used to construct high-rise commercial buildings. These are the systems that support tons of concrete as it is being poured, and their general stability is critical.*

*The American company that designed and patented the system engineered all key components. It knew exactly how much each part was supposed to weigh, and yet the level of engineering sophistication did not stop the supplier from making a unilateral decision to reduce the specifications. When the “production error” was caught, one aluminum part was found to be weighing less than 90% of its intended weight. Where did the missing aluminum go? Into the factory owner’s pocket as a cost saving. The only thing passed on to the customer was an increase in product risk.*

—Forbes.com

One of the most important reasons for the high failure rates of Chinese products is a variation on the old tactic of “bait and switch” known as the *quality fade*. Here’s how it works:

An American, European, or Japanese company goes to China to offshore the production of its product. A Chinese company wins the order by producing a prototype of the desired product *exactly* to the specifications of the offshoring company. That’s the “bait.”

The switch comes sometime after the Chinese company begins mass producing the product. At some point, after it has gained the confidence of its foreign client, the Chinese company begins cutting costs by substituting inferior materials and/or

altering the design. If the foreign company does not have adequate safeguards in place to detect the quality fade, the result of this quality switch can be disastrous.

A telling case in point is the “Aqua Dots–date rape drug” fiasco described earlier. The toy’s distributor, Australia’s Moose Enterprises, lost millions of dollars in sales and took a very heavy hit to its brand name in the wake of this scandal. The company’s investigation eventually led it to a Chinese factory that it had contracted for production. In classic and deadly quality fade, the factory managers substituted the toxic date rape chemical for a safe glue during manufacturing—all to make a few extra bucks.

### ***Silence of the Whistleblowing Lambs***

*If you want to have a good system of consumer protection, protecting whistleblowers is an essential requirement.*

—Wang Hai, Chinese consumer rights advocate

There are no gold stars awarded in China for whistleblowing—a critical policing mechanism in any supply chain for consumer protection. Instead, the much more likely result for employees who publicly expose flaws in their companies’ products is jail, a terrible beating, or both. The grim fates of three whistleblowers in China, as documented by the *Financial Times*, graphically illustrates the extreme dangers:

The first whistleblower, Dr. Tang Zhixiong, accused his fellow doctors of conducting unethical transplant surgeries. In addition, Ms. Zhou Huanxi and Mr. Shi Yuefu each separately denounced their former companies for producing fake medicines.

Dr. Tang is now on the run after receiving violent threats, and he fears arrest on trumped up charges. Dr. Tang’s fear of arrest is hardly unfounded. After Ms. Zhou revealed that a tonic being marketed to pregnant women as a health enhancer was nothing but snake oil, she

was arrested on a phony charge of blackmail and jailed for almost four years. Meanwhile, Mr. Shi was not quite as “lucky” as Dr. Tang and Ms. Zhou. He was run over by a van with a bogus license plate and left with serious brain injuries.

### ***First We Kill All the Trial Lawyers***

Although “ambulance-chasing” trial lawyers are often ridiculed and reviled in America, the fear of multimillion-dollar lawsuits undeniably leads to more socially responsible corporate behavior. In contrast, it is almost impossible for Chinese citizens or injured consumers outside of China to sue Chinese companies making contaminated or defective products. As noted in *Fortune* magazine, “While suing companies in foreign countries is always more difficult than pursuing a domestic lawsuit, the complexities of filing a case against a Chinese firm are compounded by the country’s regulatory and legal systems and by political relations between Washington and Beijing. As one lawyer put it, ‘You’re spitting into the wind.’”

Indeed, when sued, Chinese companies often simply do not show up to U.S. courts; and it’s next to impossible to get access to any of their records. Pinning these companies down is further complicated by the fact that their headquarters are often simply bare-bones operations—glorified fronts for purveying their poison. Nor do any mutual agreements between the United States and China enforce legal judgments. By some estimates, a lawsuit against a Chinese company takes at least ten years and costs five times as much to prosecute. Only big companies can afford to pay that much and wait that long. Everybody else is out of luck.

### ***That Cold Black Heart—A Poison-for-Profit Culture***

*Actions from the top down will not solve this problem, because the problem goes much deeper than Beijing. There still remains that uneasy question lurking in the shadows of*

*China's rapid growth: Why would so many people be willing to cut corners to make an extra dollar, even at the cost of human lives?*

—Emily Parker

Perhaps the most unsettling and controversial part of the “Made Badly in China” problem is framed in the words of Emily Parker in the preceding excerpt. This is the possibility that in the godless state of China, far too many entrepreneurs lack the ethical fiber and moral compass to do anything other than to try to make a buck any way they can—no matter what the health and safety consequences for their consumers. In this regard, the World Christian Database reports that China has by far the largest percentage of “unbelievers” in the world.

Two high-profile cases illustrate how the cold, black, godless hearts of at least some Chinese entrepreneurs strongly suggest the absence of any moral compass in China’s “poison-for-profit” culture.

One such case involves the recall of almost half a million “killer tires” made by the Hangzhou Zhongce Rubber Company. At some point in the production process, in a classic quality fade, this Chinese manufacturer began leaving out an important safety feature called the “gum strip” to further boost its profit margin. This 0.6mm layer of rubber is added to steel-belt radial tires to prevent tread separation. The inevitable result of leaving out the gum strips is exploding tires that can kill a family of four in an SUV faster than a drunk driver on a Saturday night.

A second case that similarly illustrates China’s poison-for-profit culture involves the oft-reported case of the spiking of pet food with the chemical melamine. This heinous act killed as many as 40,000 pets in America; and it’s critical to explain just exactly why the Chinese manufacturers added melamine to the pet food mix.

Melamine is an acutely toxic organic chemical that has little or no nutritional value. It was added to the pet food for one simple reason:

to *falsely* give the appearance of higher protein levels in the feed so that the feed could command a higher price. American pets and their owners paid a very high price indeed.

### ***Of Corporations and Consumers with Eyes Wide Shut***

While China’s government officials and entrepreneurs must shoulder much of the blame for the “Made Badly in China” problem, at least some of that blame must fall on consumers as well as on those American, European, and other foreign companies that outsource their production to China.

On the corporate front, the sad fact is that foreign companies that outsource to China often do not install adequate quality-control systems. That’s exactly why a company such as Mattel got quickly neck deep in a toy recall involving tens of millions of toys. As Professor Shih-fen Chen described that particular event, “We are not talking about a few random errors in production that escaped the eyes of quality-control managers, but about a colossal failure of the outsourcing firm that let 19 million pieces of unsafe toys slip into the marketplace.”

As for consumers, most buyers focus on *product brand* rather than *country of origin* when making their product choices. In other words, we buy Chinese iPods, Chinese Barbie dolls, and Chinese spark plugs not because we trust China but because we trust Apple, Mattel, and Bosch. That’s a buying strategy all of us need to seriously rethink!

# INDEX

## A

- acid rain, 78, 83-84
- Africa, Chinese imperialism in, 64, 70-71
  - South Africa trade imbalance, 68-69
  - “weapons of mass construction,” 65-66
  - Zambia copper mines, 67-68
  - Zimbabwe crops, 69-70
- agricultural resources, Chinese imperialism and, 69-70
- agricultural sources of water
  - pollution, 95-96
- AIDS crisis, 120-123
- air force (Chinese), 152. *See also* military buildup
- air pollution, 77-78
  - reasons for, 81-83
  - statistics, 79-81
- Aldrin, Buzz, 180
- algal blooms, 96, 105
- Allen, Paul, 199
- Angola corruption, 54-55
- anti-satellite capabilities of Chinese
  - space program, 170-174
- antibiotics in fish, 30
- antimicrobials in fish, 30
- aquifers as nonrenewable resources, 100
- arms buildup. *See* military buildup
- army (Chinese), xii, 151. *See also* military buildup
- Asia Times*, xiv
- “asymmetrical warfare,” 150
- auto parts, counterfeiting of, 19-20

## B

- bait-and-switch quality fade, 37-38
- Barnes, John, 180
- Beidou* (Chinese GPS), 174-176
- Bezos, Jeff, 199
- “blood for oil” wars, 44
  - Chinese oil-security strategy, 47-55
  - current Asian conflicts in, 55-56
  - oil consumption statistics, 44-45
  - oil embargo, fear of, 45-46
- bloodheads, 121-122
- book reviews of *The Coming China Wars*, xiv
- Brazil, natural resources in, 73
- Buddhist nuns and monks as targets of repression, 137-139
- Burma protests, 50-51
- Burma-China pipeline, 51
- business executives, role in *China Wars* strategy, 201-203
- Butterfly Effect scenarios, xvi-xix
- buying strategies of consumers, 41

## C

- Cambodia, effect of China’s dams on, 107
- capital punishment, 145
- cars, health/safety risks of, 34-35
- casualties in Gulf War (1991), 169
- CCP (Chinese Communist Party), strategy of, 163
- censorship. *See also* repression
  - of Internet access, 130-132, 194-195
  - of news media, 128-130

- Chambers, John, 132  
*Charm Offensive* (Kurlantzick), 191  
 Chavez, Hugo, 161  
 cheap labor, 2-5  
 Chile copper production, 72  
 China, progress within, 203-205  
 China Price, 1  
   essential truths of, 183-184  
   reasons for  
     *cheap labor*, 2-5  
     *counterfeiting and piracy*, 10-11, 15-26  
     *currency manipulation*, 7-9  
     *environmental regulations*, lack of, 6-7  
     *FDI (foreign direct investment)*, 11-13  
     *protectionism*, 9-10  
     *summary of*, 13-14  
   South Africa trade imbalance and, 68-69  
 China Problem, worsening of, xi-xii  
 Chinese Air Force, 152. *See also* military buildup  
 Chinese Army, xii, 151. *See also* military buildup  
 Chinese Communist Party (CCP), strategy of, 163  
 Chinese Navy, 152. *See also* military buildup  
 Chinese products  
   alternatives to, 184-185  
   defense strategy against, 201-202  
   failure rate of  
     *bait-and-switch quality fade*, 37-38  
     *"poison-for-profit" culture*, 39-41  
     *quality control*, lack of, 41  
     *silencing of whistleblowers*, 38-39  
     *statistics*, 36  
     *suing Chinese companies*, lack of ability to, 39  
   health/safety risks of, 27-28  
     *cars*, 34-35  
     *food*, 28-32  
     *origin of problem*, 36-41  
     *toys*, 32-34  
   quality control of, xii  
   regulating, 189-190  
 Chinese workers, productivity of, 2  
 "chog" (Chinese smog), 78-80  
 churches as targets of repression, 135-136  
 cigarettes, counterfeiting of, 18-19  
 Cisco Systems, 130-132  
 climate change. *See* global warming  
 coal usage, effect on air pollution, 81-83  
 cold chain, lack of, 31-32  
 colonization of space, 180-181  
*The Coming China Wars* (Navarro), reasons for writing, xi-xiv  
 Confucianism, 26  
 consumers  
   buying strategies of, 41  
   role in *China Wars* strategy, 184-185  
 contamination. *See* Chinese products;  
   environmental regulations, lack of;  
   poisoning of food  
 contractual slave labor, 4  
 corporate executives. *See* business executives  
 corruption  
   of government officials, 113-115  
   in health-care system, 118-120  
 counterfeiting, 10-11, 15-26. *See also* piracy  
   of auto parts, 19-20  
   of cigarettes, 18-19  
   defined, 17  
   economics of, 24-25  
   of fish, 30  
   "ghost-shift" scenario, 18  
   health/safety risks of, 16  
   politics of, 25-26  
   of prescription drugs, 21-23  
   reverse engineering, 18  
   statistics, 17  
   zero tolerance for, 188-189  
 crash tests of Chinese-made cars, 34-35  
 cruel and unusual punishment, 144  
 Cuba  
   nickel reserves of, 73  
   as warfare trigger, 160-161  
 cultural norms, effect on  
   counterfeiting and piracy, 26  
 currency manipulation, 7-9, 188

**D**

- Dalai Lama, 138
- dams, problems with, 101-103  
 Mekong River dams, 106-109  
 Three Gorges Dam, 103-106
- dangers. *See* health risks; safety risks
- Darfur genocide, 48-50
- defective products. *See* Chinese products
- defense against China  
 business executive role in, 201-203  
 consumer role in, 184-185  
 government role in  
*Chinese products, regulating, 189-190*  
*counterfeiting/piracy, zero tolerance for, 188-189*  
*educational system, improving, 192*  
*energy efficiency, increasing, 190*  
*global warming, addressing, 193-194*  
*imperialism, countering, 191-192*  
*Internet censorship, addressing, 194-195*  
*military threat, containing, 195-198*  
*omnibus trade bill, 187-188*  
*space exploration, encouraging, 198-201*  
*U.N. veto, 190*  
 voter role in, 186-187
- defense lawyers, 143
- Desert Storm. *See* Gulf War (1991)
- desertification, 84-86
- diseases, breeding grounds for, 97-98
- dollar (U.S.), exchange rate with yuan, 7-8
- domestic conflicts. *See* “wars from within”
- Dominica, Taiwan diplomatic isolation and, 74
- drugs. *See* prescription drugs
- dust storms, 78, 84-86

**E**

- economic slave labor, 4
- economics. *See also* imperialism  
 of counterfeiting and piracy, 24-25  
 oil consumption and, 44-45  
 politics and, xiii
- Economy, Elizabeth, 6
- educational system, improving, 192
- Eisenhower, Dwight D., 155
- elderly. *See* retiree rebellions
- electronic warfare, 153
- Encounter With Tiber* (Aldrin and Barnes), 180
- energy efficiency, increasing, 190
- environmental impact. *See* flooding; pollution; water scarcity
- environmental regulations  
 addressing global warming, 193-194  
 lack of, 6-7, 11-13, 88-91. *See also* pollution
- ethical issues of Internet censorship, 131-132
- ethnic divisions, 123-126
- eutrophication process, 96
- exchange rates, 7-8
- executions, 145
- exploration of space. *See* space exploration
- export markets. *See* China Price
- export-driven growth rate, 13

**F**

- failure rate of Chinese products  
 reasons for  
*bait-and-switch quality fade, 37-38*  
*“poison-for-profit” culture, 39-41*  
*quality control, lack of, 41*  
*silencing of whistleblowers, 38-39*  
*suing Chinese companies, lack of ability to, 39*  
 statistics, 36
- false arrests, 143
- Falun Gong as targets of repression, 139-142
- FDI (foreign direct investment), 11-13, 90

fear of legal system, 142-145  
 Fengyun-1C satellite, 170-171  
 fertilizer, role in water pollution, 96  
 financial policies, effect on trade  
 imbalance, 202-203  
 financing for military buildup, 151  
 fish  
   counterfeiting of, 30  
   poisoning of, 29-30  
 Five-Year Plan, 203-205  
 flooding, dams and, 101-103  
   Mekong River dams, 106-109  
   Three Gorges Dam, 103-106  
 food  
   import/export statistics, 28  
   poisoning of, 28-32  
 foreign corporations, role in quality  
 control failures, 41  
 foreign direct investment (FDI),  
 11-13, 90  
 foreign policy, Chinese oil-security  
 strategy and, 47-55  
 freedoms (of Americans), totalitarian  
 rule versus, 127-128, 142-145  
 fruit, poisoning of, 30-31

## G

“ghost-shift” scenario  
 (counterfeiting/piracy), 18  
 Global Positioning System (GPS),  
 168-169  
   *Beidou* (Chinese GPS), 174-176  
 global warming, 78, 86-88, 193-194  
 Google, 130  
 Gore, Al, 193  
 government, role in *China Wars*  
 strategy  
   Chinese products, regulating,  
   189-190  
   counterfeiting/piracy, zero tolerance  
   for, 188-189  
   educational system, improving, 192  
   energy efficiency, increasing, 190  
   global warming, addressing, 193-194  
   imperialism, countering, 191-192  
   Internet censorship, addressing,  
   194-195  
   military threat, containing, 195-198

omnibus trade bill, 187-188  
 space exploration, encouraging,  
 198-201  
 U.N. veto, 190  
 government officials, corruption of,  
 113-115  
 GPS (Global Positioning System),  
 168-169  
   *Beidou* (Chinese GPS), 174-176  
 Great Firewall of China, 130-132  
 greenhouse gases, 86  
 Grenada, Taiwan diplomatic isolation  
 and, 74  
 groundwater extraction, 100-101  
 Gulf War (1991), casualties in, 169

## H

Han versus Uighur ethnic division,  
 123-126  
 health risks. *See also* pollution  
 of Chinese products, 27-28  
   *cars*, 34-35  
   *food*, 28-32  
   *origin of problem*, 36-41  
   *toys*, 32-34  
   of counterfeit prescription drugs,  
   21-23  
   from counterfeiting and piracy, 16  
   lack of health/safety standards, 2-5,  
   11-13  
 health-care system, corruption in,  
 118-120  
 heavy manufacturing model, 61-63  
 Heinlein, Robert, 177  
 history of violence, 153, 155  
 HIV/AIDS crisis, 120-123  
 “hot wars.” *See* warfare  
 “house arrest,” 144  
 “house churches,” 136  
 human rights abuses, xiii  
 human species, survival of, 180-181

## I

imperialism, 59-60  
 in Africa, 64, 70-71  
   *South Africa trade imbalance*,  
   68-69  
   “*weapons of mass*  
   *construction*,” 65-66

*Zambia copper mines*, 67-68  
*Zimbabwe crops*, 69-70

countering, 191-192

in Latin America, 71-75

methods of, 62-63

reasons for, 61-63

incarceration without conviction, 144

India

Chinese fear of attack from, 154

HIV/AIDS crisis in, 120

industrial sources of water pollution,  
94-95

international trade. *See* China Price

Internet access, censorship of,  
130-132, 194-195

Iran

sanctions, 51-54

as warfare trigger, 158

iron rice bowl system, dismantling of,  
116-117

## J-K

Jai Junming, 178

Japan

Chinese fear of attack from, 154

U.S. oil embargo against, 43

as warfare trigger, 160

journalists as targets of repression,

133. *See also* news media

jury trials, lack of, 143

Korea, as warfare trigger, 158-159

Kurlantzick, Joshua, 191

## L

labor practices in China, 2-5

Lake Tonle Sap, 107

landslides, 105

“laogai camps” (slave labor camps),  
4, 145

Latin America

Chinese imperialism in, 71-75

as warfare trigger, 161

legal system, 142-145

Li Daguang, 179

Li Hongzhi, 140-141

“living within one’s means,” 202-203

## M

“Made in China” products. *See*  
Chinese products

malachite green (poisonous dye), 29

manufacturing. *See* China Price

Maoism, 26

meat, contamination of, 32

Mekong River dams, 106-109

melamine, 40

Microsoft, 130

Middle East, as warfare trigger, 158

militarization of space, 165-166

anti-satellite testing, 170-174

avoiding, 200-201

*Beidou* (Chinese GPS), 174-176

nuclear weapons, 178-179

rail guns, 176-177

U.S. military usage, 169

military buildup, xii, 149. *See also*  
warfare

financing for, 151

lessons learned in Taiwan, 156

motivation for, 153-155

size of, 152-153

U.S.-China troop imbalance,  
151-152

military threat, containing, 195-198

Monroe Doctrine, 72

moon, natural resources on, 167

*The Moon is a Harsh Mistress*  
(Heinlein), 177

moral compass, lack of, 39-41

morality of Internet censorship,  
131-132

Mugabe, Robert, 70

Musk, Elon, 199

Muslim minorities, 123-126

## N

natural resource curse in Angola,  
54-55

natural resources

imperialism and, 59-63, 66-68

on moon, 167

in Tibet, 137

navy (Chinese), 152. *See also* military  
buildup

news media, censorship of, 128-130.

*See also* journalists as targets of  
repression

North Korea, as warfare trigger, 158-159  
 nuclear fusion energy, 167  
 nuclear technology provided to Iran, 51-54  
 nuclear weapons  
   in space, 178-179  
   threat of, 153-157

## O

ocean pollution, 98-99  
 oil consumption statistics, 44-45  
 oil embargo. *See also* "blood for oil" wars  
   Chinese fear of, 45-46  
   U.S. embargo against Japan, 43  
 oil-security strategy of China, 47-55  
 omnibus trade bill, 187-188  
 organ trafficking, 145  
 organized crime in counterfeiting and piracy, 24

## P

Paracel island chain, conflict over, 55  
 peaceful benefits of space  
   exploration, 166-168  
 peasant rebellions, 113-115  
 pensions, dismantling of, 116-117  
 People's Liberation Army, 151  
 pesticides, role in water pollution, 96  
 pet food spiked with melamine  
   example, 40  
 petitioners as targets of repression, 133-135  
 piracy, 10-11, 15-26. *See also*  
   counterfeiting  
     defined, 17  
     economics of, 24-25  
     "ghost-shift" scenario, 18  
     health/safety risks of, 16  
     politics of, 25-26  
     reverse engineering, 18  
     statistics, 17  
     of vehicle designs, 20  
     zero tolerance for, 188-189  
   "poison-for-profit" culture, 39, 41  
   poisoning of food, 28-32. *See also*  
     environmental regulations, lack of;  
     health risks; pollution; safety risks

political activists  
   role in *China Wars* strategy, 186-187  
   as targets of repression, 133-135  
 politics  
   of counterfeiting and piracy, 25-26  
   economics and, xiii  
   Mekong River dams and, 106-109  
 pollution, 6-7, 11-13, 77-79. *See also*  
   environmental regulations, lack of;  
   poisoning of food  
     acid rain, 78, 83-84  
     air pollution, 77-78  
       *reasons for*, 81-83  
       *statistics*, 79-81  
     dust storms, 78, 84-86  
     global warming, 78, 86-88  
     reasons for, 88-91  
     water pollution, 93-94  
       *from agricultural sources*,  
       95-96  
       *from industrial sources*, 94-95  
       *ocean pollution*, 98-99  
       *from sewage*, 97-98  
 pork production, pollution from, 97-98  
 poultry, contamination of, 32  
 prescription drugs, counterfeiting of, 21-23, 189  
 presumed innocence, lack of, 143  
 pricing. *See* China Price  
 prison labor camps, 145  
 prisoners, treatment of, 143-147  
 private-sector space program, 199-200  
 produce, poisoning of, 30-31  
 production. *See* China Price  
 production efficiencies of  
   counterfeiters and pirates, 24  
 productivity of Chinese workers, 2  
 products (Chinese). *See* Chinese  
   products  
 profitability of counterfeiting and  
   piracy, 24-25  
 propaganda dissemination, 128-130.  
   *See also* censorship; repression  
 property rights, Maoism and, 26  
 protectionism, 9-10, 188  
 protesters as targets of repression, 133-135  
 psychiatric hospitals, 144  
*Publishers Weekly*, xiv

**Q–R**

- Qiao Ling, 150
- quality control  
 lack of, 41  
 of products from China, xii
- quality fade, 37-38
- rail guns, 176-177
- recalls of Chinese-made toys, 32-34
- Red Army, xii, 151. *See also* military buildup
- red tides, 98-99
- reeducation through labor (RTL)  
 camps, 144
- refrigeration, lack of, 31-32
- regulating Chinese products, 189-190
- religious beliefs  
 Buddhist nuns and monks, 137-139  
 Falun Gong, 139-142
- religious freedom, lack of, 135-136
- religious worshippers as targets of repression, 135-136
- repression. *See also* censorship  
 examples of, 146-147  
 targets of, 132  
*Falun Gong*, 139-142  
*journalists*, 133  
*protesters and petitioners*, 133-135  
*religious worshippers*, 135-136  
*Tibetans*, 137-139
- “reserve army of the unemployed,” 3
- retiree rebellions, 116-117
- reverse engineering, 18
- reviews. *See* book reviews
- rights (of Americans), totalitarian rule versus, 127-128, 142-145
- The River Runs Black* (Economy), 6
- “rocks in space,” 176-177
- RTL (reeducation through labor)  
 camps, 144
- Russia  
 Chinese fear of attack from, 154  
 as warfare trigger, 159
- S**
- safety risks  
 of Chinese products, 27-28  
*cars*, 34-35  
*food*, 28-32  
*origin of problem*, 36-41  
*toys*, 32-34
- of counterfeit auto parts, 19
- of counterfeit prescription drugs, 21-23
- from counterfeiting and piracy, 16
- safety standards, lack of, 2-5, 11-13
- satellites. *See* space program
- scarcity of water, 99-100  
 dams and, 101-103  
*Mekong River dams*, 106-109  
*Three Gorges Dam*, 103-106  
 groundwater extraction, 100-101
- seafood. *See* fish
- search engines, censorship of, 130-132
- search warrants, lack of, 143
- seawater contamination of  
 aquifers, 101
- self-censorship of journalists, 133
- Senegal, Taiwan diplomatic isolation and, 74
- senior citizens. *See* retiree rebellions
- sewage, pollution from, 97-98
- Shi Tao, 131
- Shobert, Benjamin, xiv
- silencing of whistleblowers, 38-39
- Skype, 130
- slave labor, 2-5, 115, 67-68
- South Africa trade imbalance, 68-69
- South-South diplomacy, 60  
 in Africa, 64, 70-71  
*South Africa trade imbalance*, 68-69  
*“weapons of mass construction,”* 65-66  
*Zambia copper mines*, 67-68  
*Zimbabwe crops*, 69-70  
 in Latin America, 71-75  
 methods of, 62-63  
 reasons for, 61-63
- space colonization, 180-181
- space exploration, encouraging, 198-201
- Space Operations* (Jai), 178
- space program (Chinese), xiii, 165-166. *See also* militarization of space  
 anti-satellite capabilities of, 170-174  
*Beidou* (Chinese GPS), 174-176  
 benefits of, 167-168  
 nuclear weapons in, 178-179

space program (U.S.). *See also*  
 militarization of space  
 benefits of, 166-167  
 future policy for, 198-200  
 GPS and, 168-169  
 military usages for, 169  
 superiority of, 168-169  
 spoiled food, 31-32  
 Spratly island chain, conflict over, 55  
 Strait of Malacca, 46  
 subsidence, 101  
 suing Chinese companies, lack of  
 ability to, 39  
 survival of human species, 180-181

## T

### Taiwan

diplomatic isolation of, 73-75  
 importance of resolving  
 threat to, 196  
 risk from anti-satellite testing, 173  
 as warfare trigger, 155-157

### targets of repression, 132

Falun Gong, 139-142  
 journalists, 133  
 protestors and petitioners, 133-135  
 religious worshipers, 135-136  
 Tibetans, 137-139

### technology transfer, preventing, 197-198

### terrorists, Chinese definition of, 125-126

### Three Gorges Dam, 103-106

### Tibet, natural resources in, 137

### Tibetans as targets of repression, 137-139

### tires example, 40

### tobacco farming in Zimbabwe, 70

### totalitarian rule, U.S. Bill of Rights versus, 127-128, 142-145

### toxicity. *See* poisoning of food

### toys, health/safety risks of, 32-34

### trade imbalances. *See also*

#### China Price

avoiding, 202-203  
 omnibus trade bill to address,  
 187-188  
 as warfare trigger, 162

trial by jury, lack of, 143  
 trial lawyers, lack of ability to sue  
 Chinese companies, 39

### triggers for warfare

Cuba, 160-161  
 Iran, 158  
 Japan, 160  
 North Korea, 158-159  
 Russia, 159  
 Taiwan, 155-157  
 trade imbalances, 162  
 Venezuela, 161  
 "wars from within," 162-164  
 troop imbalance (U.S.-China),  
 151-152

## U

U.N. veto power, Chinese use of, 48  
 in Angola corruption, 54-55  
 in Burma protests, 50-51  
 in Darfur genocide, 48-50  
 influencing, 190  
 in Iran sanctions, 51-54

### U.S. Bill of Rights, totalitarian rule versus, 127-128, 142-145

U.S. oil embargo  
 against Japan, 43  
 Chinese fear of, 45-46

### U.S. space program. *See* space program (U.S.)

### U.S.-China Commission, 188

### U.S.-China troop imbalance, 151-152

### Uighur versus Han ethnic division, 123-126

### unemployment in China, 3

### United States

risk from anti-satellite testing,  
 172-174  
 triggers for war with  
*Cuba, 160-161*  
*Iran, 158*  
*Japan, 160*  
*North Korea, 158-159*  
*Russia, 159*  
*Taiwan, 155-157*  
*trade imbalances, 162*  
*Venezuela, 161*  
 "wars from within," 162-164

## V

- vegetables, poisoning of, 30-31
- vehicle designs, piracy of, 20
- Venezuela as warfare trigger, 161
- veto power (in U.N.), Chinese use of, 48
  - in Angola corruption, 54-55
  - in Burma protests, 50-51
  - in Darfur genocide, 48-50
  - influencing, 190
  - in Iran sanctions, 51-54
- Vietnam, effect of China's dams on, 109
- violence, history of, 153-155
- voters, role in *China Wars* strategy, 186-187

## W

- Wang Xiangsui, 150
- warfare, 149-150. *See also* military buildup
  - electronic warfare, 153
  - history of violence, 153-155
  - triggers for
    - Cuba*, 160-161
    - Iran*, 158
    - Japan*, 160
    - North Korea*, 158-159
    - Russia*, 159
    - Taiwan*, 155-157
    - trade imbalances*, 162
    - Venezuela*, 161
    - "wars from within," 162-164
- "wars from within," 111-113
  - ethnic divisions, 123-126
  - health-care system, corruption in, 118-120
  - HIV/AIDS crisis, 120-123
  - peasant rebellions, 113-115
  - retiree rebellions, 116-117
  - as warfare trigger, 162-164
  - worker rebellions, 115
- water pollution, 93-94
  - from agricultural sources, 95-96
  - from industrial sources, 94-95
  - ocean pollution, 98-99
  - from sewage, 97-98

- water scarcity, 99-100
  - dams and, 101-103
    - Mekong River dams*, 106-109
    - Three Gorges Dam*, 103-106
  - groundwater extraction, 100-101
- water tables, shrinking of, 101
- weaponization of space. *See* militarization of space
- "weapons of mass construction," 59, 64, 66
- "weapons of mass production." *See* China Price
- weapons provided to Iran, 51-54
- whistleblowers, silencing of, 38-39
- worker rebellions, 115
- working conditions in China, 3
- World Trade Organization (WTO), 10
- worsening of China Problem, xi-xii
- Wu Lihong, 90

## X-Z

- Xinhua news agency, 129
- Xinjiang province, ethnic division in, 123-126
- Yahoo!, 131-132
- Yang, Jerry, 132
- Yangtze River, 102-106
- Yellow River, 99-100
- yuan, exchange rate with dollar (U.S.), 7-8
- Zambia copper mines, 67-68
- "zero sum" oil-security strategy, 47-55
- Zimbabwe crops, 69-70