

ECONOMIC WAR ROOM: THE CHINA RX THREAT

America's medicines have been one of the most regulated industries in the United States. Rightly so, because medicines can make the difference between life and death.

With globalization, America is dependent on China for many prescription drugs and their key ingredients. Americans have died from contaminated prescription drugs made in China. U.S. dependence on China creates risks to the nation's public health, economic security, and national security.

YOUR MISSION - To understand the potential threats to you, your family, and America. Also, to join the Economic War Room team as a strong unified, economic voice with policy makers and to urge them to recognize America's medicines as a **strategic asset** no different than oil and other **energy supplies**.



**ASPRIN, ANTIBIOTICS
PENICILLIN, GENERIC
DRUGS, SUPPLIMENTS
VITAMINS**

(OSINT)- Open Sourced Intelligence Briefing

Conversation with Rosemary Gibson, author of *China Rx: Exposing the Risks of America's Dependence on China for Medicine*.

**While the U.S. drug supply is the safest in the world,
there are vulnerabilities the U.S. needs to fix now.**

Prescriptions drugs made in China and sold in the U.S.

A Well-Kept Secret:

- A. Millions of Americans are taking generic drugs made in China by Chinese companies and don't know it.**

Examples include: antibiotics, anti-depressants, cancer chemotherapies, medicines for Alzheimer's, Parkinson's, epilepsy, high blood pressure, and birth control pills. Many components in vitamins and aspirin are now produced in China.

- B. Mainstream media has virtually ignored this shift. Advertising revenues from the pharmaceutical industry compromise news and messaging. China has effectively censored the U.S. media and government officials.**

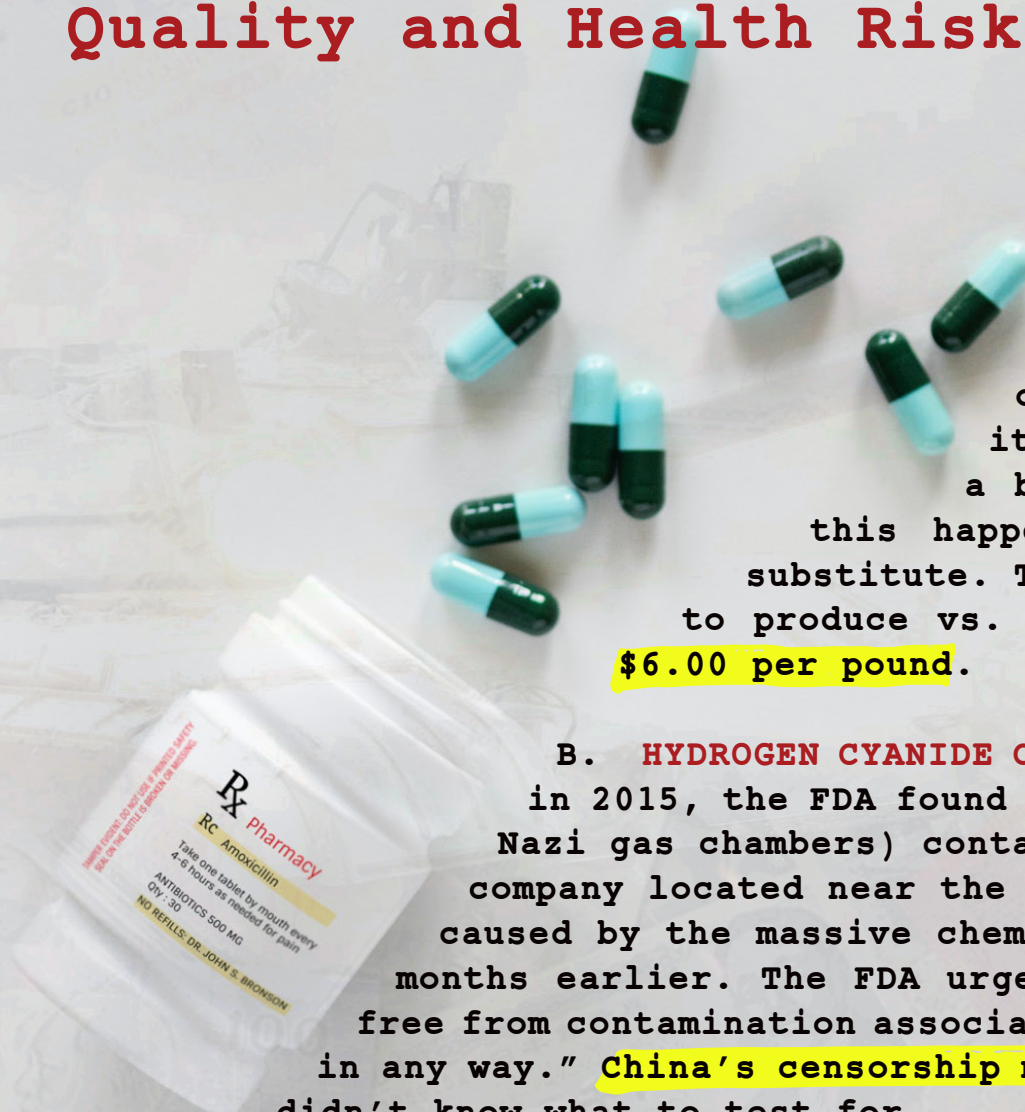
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- C. China's goal is to dominate and displace American companies in advanced industries including the pharmaceutical sector. China's goal is to become the pharmacy to the U.S. and rest of the world, part of its Made in China 2025 plan.**
- D. Industry sources say the pharmaceutical industry is enabling this shift because of lower manufacturing costs and demand among Chinese consumers for western pharmaceuticals. U.S.-based and other western companies see market opportunities but are paying a high price, falling into the "China trap" as China steals intellectual property for next generation drugs, manufacturing technology, and business information including distribution and pricing.**
- E. Country-of-origin labeling legislation was introduced in Congress a decade ago and defeated. An industry source said companies thought it wouldn't be good for their business if consumers knew where their medicines are made.**
- F. More than 90 percent of American's don't trust medicines made in China, according to polling data.**



Quality and Health Risks



A. **QUALITY RISKS** - More than 246 deaths in 2007 and 2008 reported to the Food and Drug Administration (FDA) were associated with the widely-used blood thinner that had been deliberately contaminated in China. The actual number of deaths is likely far greater because it is hard to show cause and effect between a bad drug and being harmed by it. How did this happen? Enterprising minds created a lethal substitute. The real product cost about \$600 per pound to produce vs. the China contaminated product that cost \$6.00 per pound.

B. **HYDROGEN CYANIDE CONTAMINATION** - Three days before Christmas in 2015, the FDA found hydrogen cyanide (the chemical used in the Nazi gas chambers) contamination in two shipments of drugs from a company located near the port city, Tianjin. The contamination was caused by the massive chemical warehouse explosions in Tianjin four months earlier. The FDA urged companies to ensure all shipments "are free from contamination associated with the explosion and not contaminated in any way." China's censorship made the task impossible because companies didn't know what to test for.



C. CARCINOGEN FOUND IN COMMON BLOOD PRESSURE MEDICINE - In the summer of 2018, half the U.S. supply of a common blood pressure medicine, valsartan, whose key ingredient made in China, was **taken off the market** because it **contained a carcinogen** whose presence was missed by the FDA and regulators in other countries. This event raises serious questions about our ability to monitor safety of medicines made in China.

D. FDA INSPECTIONS IN U.S.-BASED COMPANIES ARE DIFFERENT FROM THOSE IN CHINA - It is an uneven playing field in global markets. The FDA gives **4-6 weeks advance notice** of an inspection of a factory in another country, but U.S. inspections are unannounced. China withheld visas for FDA inspectors for several years even though the U.S. was buying billions of dollars of product from there.

E. DEPENDENCE ON CHINA FOR LAST-RESORT ANTIBIOTICS - Consider the antibiotic vancomycin, a treatment of last resort against multi-drug-resistant bacteria. A U.S.-based company sells vancomycin and it **obtains the active ingredient from a Chinese supplier**. An FDA inspection of the China plant found problems with the integrity of its data, compromising safety and effectiveness.

F. FOR NOW, MOST U.S. PATENTED BRAND NAME DRUGS ARE STILL MADE OUTSIDE OF CHINA BUT MANY GENERICS ARE BEING MADE THERE. China's biggest footprint is making the key ingredients, the "Intel inside" prescription drugs and over-the-counter products. It is a dominant world supplier of the essential ingredients needed to make hundreds, if not thousands, of medicines found in **American homes, hospitals, and military bases**. If China shut the door on exports, **within months hospitals would cease to function**.

Economic Warfare

A. HOW THE U.S. GOT HERE -

OUR TRADE POLICY AND SUPPLY OF MEDICINES

1. In 2000 the U.S. opened free trade with China and within four years **lost the last manufacturing plant** for aspirin's key ingredient, the last penicillin fermentation plant, and the last vitamin C (ascorbic acid) **plant to China.**
2. Chinese companies formed a **penicillin cartel**, initiated predatory pricing and drove out U.S. producers. **It is straight out of the "how to steal" playbook.**
3. Chinese companies targeted the U.S. over-the-counter supplement business. They created a cartel to undercut U.S. ascorbic acid pricing and drove out all U.S. producers. Once they owned the market they **drove the price up 700 percent.** Even our own U.S. law was used against us, to support China in the interest of international neighbors. It is now in U.S. Court of Appeals

- ### B. CHINA HAS TARGETED THE PHARMACEUTICAL INDUSTRY TO DOMINATE AND EVENTUALLY DISPLACE WESTERN COMPANIES.
- China has talented and educated chemists. It's just a matter of time as it migrates from making key components to developing and manufacturing brand name drugs for the U.S. and global market.



C. PHARMACEUTICAL COMPANIES ARE COMMITTED TO GROWTH IN CHINA AND WANT TO CONTINUE TO INVEST THERE FOR MARKET GROWTH. Yet predatory regulations typically prohibit foreign interests in China from reaping the full rewards of their innovation. Intellectual property theft cuts off those rewards.



1. Apple has **only a seven percent market share** of smart phones in China just 11 years after the introduction of a highly innovative product.



2. Google's initial foray into China **lasted just four years**. It left after its source code, the heartbeat of its company, was stolen.

D. UNINTENDED ECONOMIC CONSEQUENCES: 1984 GENERIC DRUG LAW, ESTABLISHED TO BE GOOD FOR CONSUMERS AND LOWER PRICING, BUT IT HAS DRIVEN MANUFACTURING TO CHINA. The U.S. saw migration of chemical components and key ingredients to China. With new trade deals, billions of dollars of brand name companies are moving to China who want access to their markets. If companies want to do business in China, they are required invest in China and do R&D in China.

E. MORE INTELLECTUAL PROPERTY THEFT AND JOB LOSS. The U.S. **lost 60,000 high paying jobs** as companies move to China and elsewhere.



National Security

- A. **DEPENDENCE ON CHINA FOR MEDICINES AFTER THE ANTHRAX ATTACKS** - After the anthrax attacks in September 2001, the U.S. government purchased doxycycline from a European company which obtained the raw material from China. For another anthrax antidote, ciprofloxacin, **China is the largest global exporter of the key building block.**
- B. **HERE'S HOW DEPENDENT WE ARE** The U.S. is so dependent on China that when **FDA banned drug products from a Chinese company**, the agency exempted 14 products, including key ingredients for **chemotherapies used in cancer treatment**, because of concerns about drug shortages.
- C. **DEPARTMENT OF DEFENSE DEPENDS ON CHINA FOR MEDICINE** Due to market trends, the Defense Logistics Agency in the Department of Defense was first compelled to buy Chinese-made drugs in October 2012, according to a press office statement.
- D. **MEDICINES CAN BE USED AS A STRATEGIC WEAPON.** **Medicines can be deployed as a weapon of war.** If bio-warfare occurs, what if the adversary controls the medicine to treat the afflicted?

Why you should care?

We are at risk of losing an entire industry. China is ramping up manufacture of generic drugs while stealing intellectual property for new drugs and those in the pipeline. America's pharmaceutical and manufacturing is an industry vital to America's public health, economic security and national security.

1. **It can be life or death, with contaminated or compromised medication.**
 - i. imagine if due to supply chain issues you could not get a medication you need.
 - ii. Or the vitamin or supplement you take every day is later found to be contaminated.

2. National Security/ Public Safety issue- Depending on China for medicines for public health creates risk. Medicines can be used as a strategic weapon against us. China or other adversaries could begin selling compromised medicines and America may not recognize it until it is too late. How easy would it be to take down America through compromised medicines sold to America and our soldiers?

3. It is Economic Warfare, the US China Security and Review Commission looked at anomalies in a global market. They found sophisticated cyber economic campaigns to designed to disrupt, dominate, and displace US companies. The U.S. pharmaceutical industry is a specific target.

"The loss of manufacturing capability, and control of the supply of critical medicines, and their component ingredients, endangers the future of the American public while posing a serious risk to our economy."

-Edwin Meese III,
seventy-fifth US Attorney General

Solutions:

1. **Medicines as a strategic asset.** Be careful of the high price of cheap. Our medicines need to be considered a strategic asset and not just a cheap commodity. Oil and food commodities are recognized as strategic assets by the United States. Our medicines should be treated as a strategic asset.
2. **A tracking and forecasting system.** We need a tracking and forecasting system that documents global supply and demand of medicines and their key components and conducts risk assessments to identify vulnerabilities in the quality and reliability of the supply chain. Country risk assessments are required to ensure we have diversified sources of critical ingredients and medicines. **America needs to know where we are vulnerable and act accordingly to mitigate the risks.**
3. **Targeted incentives for domestic manufacturing of high priority medicines.** Financial incentives are needed for domestic manufacturing of high priority medicines for procurement especially by the Department of Defense and the Department of Health and Human Services. We must ensure the U.S. has both the manufacturing facilities and people with the skills needed to make medicines, in the interest of public health and national security.



Action Steps- What You Can Do

1. **Become an Economic War Room (EWR) Patriot and stand with EWR as we seek to get an executive order or legislation that:**
 - a. requires the U.S. establish an ongoing capability to conduct continuous risks assessments of vulnerabilities in the quality and reliability of the supply of medicines for civilian and military use and dependence on strategic competitor countries.
 - b. establishes and implements a plan to **reduce the nation's reliance on strategic competitors.**
 - c. **identifies investment incentives for domestic manufacturing** of high priority medicines and critical components especially for procurement by the Department of Defense.
2. **Find out where your medicines are made.**
Call the company listed on the package. If it is an amber plastic bottle without a label, ask your pharmacist for the name of the manufacturer, distributor, or packager found on the drug package.

Or

Go to the website [DailyMed](#), type the name of your perscription drug, look for the manufacturer or distributor's name, and click on a photo of the label. Call the company and ask where the finished drug and active ingredients are made.

3. **Read the book, [China Rx](#):** Exposing the Risks of America's Dependence on China for Medicine, by Rosemary Gibson and Janardan Prasad Singh for more details and information on this important topic.

***Thank you for accepting this mission.
Together, we will make a difference!***

SHAREABLE FACTS:

Without firing a missile or hacking the electric grid, China can take American down.

The U.S. doesn't make penicillin any more - China dumped it on the U.S. market and drove out American producers.

If China shut the door on exports, within months America's pharmacy shelves would be empty and hospitals would cease to function.

The U.S. doesn't make penicillin anymore. The last fermentation plant closed in 2004 after Chinese companies flooded the global market and undercut U.S. and European producers, driving them out.

China is the dominant global producer of the active ingredient of the popular pain killer acetaminophen.

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The EWR Collection Deck From Kevin Freeman

About Rosemary Gibson

<https://www.thehastingscenter.org/team/rosemary-gibson/>
<http://www.rosemarygibson.org/about.html>
<https://www.amazon.com/Rosemary-Gibson/e/B001KJ15Z4>

About the Book

BUY China Rx

<https://www.c-span.org/video/?445077-2/china-rx>
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About the Challenges of China Controlling Drug Supply

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What we see as a MARKETPLACE
our enemies view as a BATTLESPACE™

ECONOMIC PATRIOT SCORE: 910

EPO6

CHINA RX - URGENT WARNING

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Solutions

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- <https://www.drugs.com/availability/generic-wellbutrin-sr.html>

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