



Americans Should Be Concerned About the CCP's Ownership of U.S. Land

SINGAPORE — Many observers have become increasingly worried that Chinese investments in U.S. agricultural lands and commercial and industrial properties may offer the CCP an unrestricted degree of influence on American supply chains — as well as access to vital national security information.

Such concerns are not unfounded. The Heritage Foundation has reported that since at least 2017, federal officials have investigated Chinese land purchases near crucial infrastructure, closed down a prominent regional consulate perceived by the U.S. government to be a center of Chinese spies, and obstructed what they saw as blatant attempts to install listening devices near sensitive military and government facilities.



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For instance, there was a North Dakota land sale to a Chinese company called Fufeng Group in the spring of 2022.

CNBC reported that the property in North Dakota is just about 20 minutes away from Grand Forks Air Force Base — where some of America's most sensitive and key military drone technologies are located.

The base also houses a new space networking center, which a North Dakota senator said is in charge of "the backbone of all U.S. military communications across the globe."

While Fufeng said that it planned to set up a milling plant in the newly acquired piece of land, the sale raised the eyebrows of several individuals and government officials, including North Dakota's Governor Doug Burgum, as the plant could provide Chinese intelligence unbridled access to the facility.

In a July 2022 <u>letter</u> to U.S. Treasury Secretary Janet Yellen and U.S. Defense Secretary Lloyd Austin, Burgum asked that the Committee on Foreign Investment in the U.S. (CFIUS, an interagency group that evaluates national security implications of foreign investments) evaluate the Fufeng Group's purchase.

"We ask that this review process be completed with the utmost urgency to aid Grand Forks officials in their decision-making process and provide clarity on whether this land purchase has national security implications," Burgum penned at the time.

Although Fufeng did agree to a voluntary CFIUS filing to provide more details about its intentions in North Dakota, the company's COO Eric Chutorash maintained that the firm had no links to the Chinese government, that all employees in the plant would be Americans, and that he could not "imagine" anyone in the facility participating in espionage.



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"I know we're not going to be asked to collect any intelligence on Grand Forks Air Force Base," Chutorash told the *Grand Forks Herald*. "I can't stress it any more than that. (But) me personally, I wouldn't provide it. I don't believe the team being built there would provide it.... Our HR director, commercial director and sales team and engineer, they're from here — they're not people transferred from China."

That is not the only time questions have been raised about China's increasing footprint in the U.S.

Another example is that of Chinese real estate mogul Sun Guangxin, who bought land in Texas' Val Verde County situated on the Mexico border at around \$110 million. Sun put aside 15,000 acres of that land for his company, GH America Energy LLC, to supervise the construction of a wind farm that could add to Texas' electricity grid, the Electric Reliability Council of Texas (ERCOT).

However, Laughlin Air Force Base, a training ground for military pilots, is located at Val Verde, and in 2019 critics tried to halt Sun's proposed 46-turbine project, called Blue Hills Wind Development. The incident sparked an uproar about Chinese investment and American security and escalated into a political maelstrom around national security and foreign investment. Some critics even opined that the turbines could be used to obtain military intelligence from the base.

Sun's ties to the CCP, including his company recruiting army and government officials and his personal relationship with authorities in CCP-controlled Xinjiang province, fanned the flames of anxiety of local and national politicians. Former Texas Congressman Will Hurd penned an op-ed in the *Houston Chronicle* calling for a prevention of cyberattacks on Texas energy infrastructure, and Senators John Cornyn and Ted Cruz lambasted Sun's project.

Notwithstanding the widespread protests against Sun's purchase, his wind farm passed federal regulatory inspection and CFIUS approved Blue Hills in December 2020.

Texas state senator Donna Campbell, author of the Lone Star Infrastructure Protection Act against foreign acquisition of American lands, rightly said in a 2021 interview with *Forbes*, "CFIUS and the Department of Defense, they need to watch what they're approving. There needs to be an in-depth look at what these foreign countries are really wanting to do."

From 2009 to 2016, China's agricultural investments in foreign countries like the U.S. increased more than ten times. Based on claims by China's Ministry of Agriculture, the communist country had over 1,300 agricultural, forestry, and fishery enterprises with registered overseas investments of \$26 billion at the end of 2016.

In 2007, China purchased six farms in California. The following year, they bought 30 in Arizona, Texas, and Missouri, and USDA reports state that Chinese investors' holdings of U.S. agricultural land rose from 13,720 acres in 2010 to 352,140 acres in 2020. The USDA's report on foreign landholding through December 31, 2020 reflected that foreign investors in general held an interest in almost 37.6 million acres of agricultural land in the U.S., a land area exceeding the size of Iowa state.

An official CCP 2013 food security initiative pushed Chinese companies to obtain greater control over agricultural supply chain imports. Beijing has supported this priority financially by tapping on the range of state-connected financial institutions. In addition, the Agricultural Bank of China has pointed out that it has "fully met the financial needs of the 'Going Global' of enterprises in agricultural cooperation."

Chinese activity in the U.S. should ring alarm bells for Americans. The Chinese Communist Party wants to hold overarching clout not only over its own citizens in China, but also over foreign countries, and



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particularly the U.S. One of the governing tenets of the CCP, according to Dean Cheng, a senior research fellow of Asian studies at The Heritage Foundation, is that of <u>civil-military fusion</u>: the amalgamation of civilian and military power as a holistic tool to know, influence, exploit, and overcome an enemy.

Hence, Chinese activities in the U.S., especially those linked to the Chinese military, government, state-owned enterprises, and the CCP, can possibly undermine the national security, economy, and civil society of the U.S. The CCP has to authorize activities by Chinese firms as well as prominent Chinese individuals overseas, and regards these entities and individuals as add-ons to state action. Another thing is that many enterprises harbor close ties to the CCP. Consequently, when they receive government orders to alter supply, distribute exports differently, or accelerate production at the expense of American companies or employees, they usually comply.

The ease with which Chinese buyers can purchase American land has not been reciprocated by China. While foreigners like Chinese citizens are allowed to purchase fixed-term land-use rights in the U.S., there are draconian rules pertaining to land ownership and purchases by foreigners in China. Each property purchase must undergo a stringent authorization process by the Chinese authorities, and government officials have to meticulously evaluate the intended use of land slated for commercial purposes.

If Chinese purchases of American lands continued unchecked with limited U.S. government oversight, the Beijing regime can regard this phenomenon as a sign of Chinese prowess and American weakness.





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