



Written by [Joe Wolverton, II, J.D.](#) on June 9, 2011

Idaho Governor Selling His State to the Chinese?

In a letter proudly publicized on a state-sponsored website, Idaho Governor Butch Otter (left, a Republican) describes a program designed to “grow Idaho's Gross Domestic Product” by creating “quality jobs for all Idahoans by fostering systemic growth, recruiting new companies to Idaho, and selling Idaho's trade and investment opportunities to the world.” The following is from Governor Otter’s announcement of the plan known as Project 60.



Project 60 is just a name. But it stands for a goal, and a way of getting there.

It means more than some abstract concept for increasing our gross domestic product. It means jobs and opportunity, hope and independence for the people of Idaho. That’s what I want you to think about when you hear about Project 60. This is an initiative in which we all need to be involved, to build Idaho’s economy together in a way that strengthens our businesses, people and communities.

No state or local agency, no government of any kind can successfully tackle this kind of goal alone. Project 60 belongs to all of us and it needs all of us to be champions of this effort. Today, I invite you to be a Project 60 Partner. This Web site is built for you to participate in the process.

Consider this “home base” for Project 60. This is where you will have the chance to offer “Top-to-Top” help in our efforts to recruit new and expanding businesses to Idaho, the chance to tell us about networking opportunities with your vendors and customers in other states, and the chance to become an ambassador for Idaho’s future. I want you to tell us about your own success stories and offer us tips and advice about what it takes to thrive in business here.

That brief introduction should be memorized by students trying to learn the craft of political speechifying. There is in Governor Otter’s letter nothing of substance, plenty of weasel words, and an extraordinary display of misdirection all designed to lull the citizens of the sovereign state of Idaho into a stupor while their state is sold to the Chinese.

A recent article described the goal of Project 60 in slightly less rosy terms. “Idaho, under the stewardship of Governor Butch Otter, has opened the door for a Chinese invasion....”

The details of the scheme seem to support that analysis. In very unclear terms, one of the principal [planks](#) of the Project 60 platform is known as “Inward Foreign Direct Investment.” As laid out on the Project 60 website, this portion of the plan will increase Idaho’s role “in global business” by providing foreign industry with “a strong impetus to economic development.”

The “impetus” is a two-pronged attack on Idaho’s domestic workforce (read: the middle class). First, through Project 60, foreign business interest are encouraged to take advantage of favorable national immigration laws.



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Specifically, "The U.S. Citizenship and Immigration Service administers an immigrant investor visa program called EB-5. The program grants foreigners permanent U.S. residency in exchange for helping create U.S. jobs." This prong will facilitate the immigration of Chinese nationals into the United States for the purpose of establishing a Chinese industrial beachhead in Idaho, under the guise of creating U.S. jobs.

The second phase involves the granting of tax breaks to the foreign companies. In exchange for an investment of between \$500,000 and \$1 million (depending on whether the target zone is rural or urban, respectively), the foreign investor receives tax incentives.

A story published recently on [cnsnews.com](#) explains how Idaho's plan dovetails perfectly into the overall scope of China's economic policy vis a vis its holdings in the United States. As [reported](#) by [cnsnews.com](#):

China has dropped 97 percent of its holdings in U.S. Treasury bills, decreasing its ownership of the short-term U.S. government securities from a peak of \$210.4 billion in May 2009 to \$5.69 billion in March 2011, the most recent month reported by the U.S. Treasury.

And:

Until October, the Chinese were generally making up for their decreasing holdings in Treasury bills by increasing their holdings of longer-term U.S. Treasury securities. Thus, until October, China's overall holdings of U.S. debt continued to increase.

Since October, however, China has also started to divest from longer-term U.S. Treasury securities. Thus, as reported by the Treasury Department, China's ownership of the U.S. national debt has decreased in each of the last five months on record, including November, December, January, February and March.

The Chinese, by wisely divesting itself of American treasury securities, can take advantage of our federal system (the co-existence of two equal sovereignties) and keep its fingers in American pies by establishing powerful outposts in the 50 states, thus by-passing the chokehold held over the national economy by the bust/boom cycle perpetuated by the Federal Reserve.

Put simply, Idaho (and reportedly other states, as well) are offering the Chinese a way to dump their useless treasury bonds without sacrificing the strength of their clamp on the economic pipeline of American industry.

The specifics of the wheeling and dealing between Idaho's state government and their Chinese counterparts are unclear with a few exceptions. What is known is that "top Idaho officials have been traveling to China and entertaining the Chinese here, in order to help facilitate this."

The result of these junkets? American Falls, Idaho will soon be home to a Chinese-owned fertilizer plant. A significant swathe of land south of Boise (about thirty thousand acres) was bought by China, a purchase Idaho's governor promises will "reinvigorate our American industrial base."

Idaho may be leading the race to court China, but according to *The New American's* own Bill Jasper, Idaho's southern neighbor is running full speed toward that same goal. From Jasper's [article](#) published last month:

Utah's Governor Gary Herbert, who led an April 2011 trade delegation to Beijing and Shanghai, said he was amazed by the scale of Chinese development and construction and impressed by the business community's "embracement of free market principles." Utah will host Governors from



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China's provinces at the U.S. National Governors Association in Salt Lake City this July.

Governor Herbert got considerable help with China connections from former Utah Governor Jon Huntsman, who has served for the past couple of years as the Obama administration's ambassador to China. Huntsman, the millionaire scion of the famous Huntsman chemical empire, is leaving the diplomatic corps to throw his hat in the GOP 2012 presidential sweepstakes. His ambassadorial slot is being filled by U.S. Commerce Secretary — and former Washington State Governor — Gary Locke, also an enthusiastic China booster.??When confronted directly by constituents with questions about the ethical, practical, and national security implications of questionable business deals with the communist-controlled "People's Republic," the usual response from the China boosters is a flippant remark along the lines of: "Heh, heh, don't you know, China is Communist in name only; they're more capitalist than we are."

Constitutionalists of all states must voice their opposition to the wide avenues being paved for China into our state economies. These agreements may soon leave us without the the [check](#) on "all encroachments of the national government" our Founders intended the states to be.

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