

Chinese state media masked the truth about melamine in milk

By GARY FEUERBERG
Epoch Times Staff

The official news agency for the People's Republic of China (PRC) printed a story last September about the safety of the melamine-contaminated milk which ChinaScope, a Chinese media watchdog group, says is highly misleading. The impression is given that a much respected U.S. regulatory agency, Food and Drug Administration (FDA), concludes from its laboratory tests that China's melamine-contaminated milk is safe to drink.



A saleswoman places a label saying 'Does not contain melamine' onto packs of liquid milk for sale at a supermarket in Chengdu, China, September 26, 2008, after at least 53,000 infants were poisoned by the industrial additive. LIUJIN/AFP/GETTY IMAGES

On Sept. 19, 2008, the Xinhua News Agency reported that the U.S. Food and Drug Administration (FDA) and the European Food Safety Authority (EFSA) had conducted scientific evaluations on the safety margin for melamine (see article in Chinese: http://news.xinhuanet.com/fortune/2008-09/19/content_10076583.htm).

This was at the time when reports on melamine-contaminated milk powder were mounting daily, and by late November, over 50,000 infants in China had been hospitalized, treated and discharged, according to China's Health Ministry, and at least four were reported dead.

In its report, Xinhua quoted the Central People's Government of the People's Republic of China regarding FDA testing of contaminated milk from China:

"According to medical experts, U.S. Food and Drug Administration (FDA), the European Food Safety Authority (EFSA), along with our own health authorities, had conducted scientific evaluations on the safety margin for melamine. By the strictest testing standards, it is safe for an adult with an average weight of [132 pounds] to drink less than two liters of milk (or 8 bags, with 250 ml per bag) with the above amount of melamine per day. To date there are no diagnosed cases of stones in urinary system due to drinking these milk products. [emphasis added]."

However, in response to an Epoch Times' inquiry, FDA spokeswoman Judy Leon said they have never published information on the safety margin of melamine. Instead, FDA released information warning

U.S. consumers not to purchase any infant formula milk powder from China.

ChinaScope concluded that because the Chinese authorities have no credibility on food safety, Xinhua brought the FDA and EFSA into its story. By combining the results of three sources, one of which was the FDA, Xinhua was able to either give the impression that the FDA conducted tests on the safety levels of melamine or endorsed such tests, and supported the conclusion that melamine was not a hazard to one's health.

Space story written before it happens

An instance cited by ChinaScope of a fabrication by the state-controlled news agency occurred when Xinhua published, on Sept. 25, a detailed news report about the success of its spacecraft orbiting in space, but dated Sept. 27, hours before the actual launch of the spacecraft.

On Sept. 27, Xinhua issued an apology stating it was an "operational mistake." The news report titled, "An Exciting Night on the Pacific: Shenzhou VII Orbits 30 Times" was attributed to reporters, Wu Dengfeng, Mei Shixiong, and Wang Yushan. It vividly described how the astronauts received signals

when the spacecraft was making its 30th circular orbit. However, all was neatly written prior to the actual happenings.

Given the state monopoly in media reporting of events of national impact in China, ChinaScope says that one cannot but wonder how much truth there is in the State media.

"From events like the 1958 Great Leap Forward to the Cultural Revolution, the 1989 Tiananmen Square Massacre to the persecution of Falun Gong starting in 1999, Xinhua has always been involved in fabricating news. Fabricated news stories against Falun Gong by Xinhua written in 1999 are estimated to be in the thousands," wrote the Epoch Times, Sept. 28.

Xinhua, the world's largest news agency is more and more regularly cited as a credible source. Nearly one third of the news reports on China selected by Google News originate from the agency, and its head holds the rank of minister, according to Reporters Without Borders.

Founded by Mao Zedong, Xinhua adopted its current name in January 1937. According to Reporters Without Borders, hand-picked journalists produce reports for the Chinese media Xinhua that give the official point of view, and others, classified "internal reference," for the country's leaders.

"Xinhua remains at the heart of the censorship and disinformation system established by the Chinese Communist Party (CCP) since it took power in 1949," said Reporters Without Borders in 2005.

ChinaScope (www.chinascope.org) is a media research entity that gathers and translates Chinese-language media reporting and documents that are generally inaccessible to the West. Its contents provide a window into the Chinese communist regime's policy making, official attitudes, social developments, and changing perceptions of the West, according to its website. The organization is based in the Washington, D.C. metropolitan area, and is owned by Global Communications Association, Inc., an independent, nonpartisan, 501(c)(3) nonprofit organization.



In a file picture taken on September 17, 2003, US-Iranian journalist Roxana Saberi takes footage in Tehran.

Iran charges former U.S. journalist with espionage

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An investigating judge said that Saberi will stand trial by next week, AP reported.

Saberi is being detained in the city of Tehran in the notorious Evin Prison, which is often used for jailing political prisoners. According to the CPJ, at least two journalists have died at Evin Prison in the past six years under suspicious circumstances. Omidreza Mirsayafi, a blogger who was serving a 30-month sentence for insulting religious figures, died there this month. In 2003, Iranian-Canadian photojournalist Zahra Kazemi died from a brain hemorrhage after being beaten in the prison.

Over 10,000 people internationally have signed a CPJ petition of concern about Saberi's detention,

which was presented to the Islamic Republic of Iran's Permanent Mission to the United Nations in New York. Her parents, Reza and Akiko Saberi, recently traveled from their home in North Dakota to see her in prison and found her pale and weak, but generally in good spirits.

The U.S. State Department has also sought Saberi's release, including pushing for consular contact with her. Secretary of State Hillary Clinton commented on her case in late March during a press conference in the Netherlands.

Saberi's arrest was first publicized by National Public Radio in the U.S. on March 1, following a phone call they had received from her father on Feb. 10.

Her father, Reza Saberi, told Reporters Without Borders (RSF)

that she stopped working formally as a journalist in 2006, and did not have access to news and information because she did not have press accreditation.

"Her writings were just personal notes and comments about cultural and literary subjects with a view to writing a book about Iran," Saberi's father told RSF last month. He added that she had been studying Farsi and Iranian culture at a Tehran university.

According to RSF, it is a common practice for journalists and bloggers to be arbitrarily arrested and held in unknown locations in Iran. Blogger Hossein Derakhshan, for example, has been held in an unknown location since 1 November, but his arrest was confirmed by the local judicial authority on Dec. 30.

Protesting students turn radical in France

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The government has accepted some changes, such as delaying the reform of teacher training, and maintaining the status of university teachers. The head of the Conference of University Presidents, Lionel Collet, thought this would be enough to resume classes, which turned out to be too optimistic.

In some places, radical leftist students are still stopping people from going to class. With the exam season approaching, radical strikers have also claimed that all students should automatically get their diplomas, so as not to suffer for having given so-called protection to the French educational system.

Coincidentally, in the context of this violence, a survey published by the French Institute of Public Opinion (IFOP) shows that 30 percent of French respondents understand and approve of such radical actions. This includes the phenomenon of so-called "boss-napping," a neologism referring to the growing tendency of employees in difficult situations to make their case heard by sequestering their manager. The past few weeks have seen half a dozen such cases in France, including one in which François-Henri Pinault, CEO of luxury group PPR, was blockaded for hours by angry employees.

Court freezes U.S. assets of 'Chinese Warren Buffett'

By JASON LOFTUS
Epoch Times Staff

The U.S. assets of Canadian investor Weizhen Tang have been frozen amid claims from the Securities and Exchange Commission (SEC) that he was running a multi-million dollar Ponzi scheme targeting Chinese-Americans, the SEC announced Monday.

A U.S. district court in northern Texas ordered the emergency freeze after the SEC filed its complaint on Friday. The order applies to Tang, four Canadian companies, and five U.S. entities including Texas-based WinWin Capital Management LLC and J.O.R. & Associates LLC.

Tang and his Canadian companies are already subject to a cease-trade order in Canada where authorities are investigating allegations of fraud.

Tang has largely avoided speaking with the press in recent weeks, but he was reached Monday evening by The Epoch Times.

"I know about this," Tang said of the U.S. action against him. "They wanted to sue me, and they did. What can I do?"

Tang said he had retained legal counsel in the U.S. and directed further inquiries to his lawyer.

The Epoch Times was unable to locate Tang's U.S. lawyer and his Canadian lawyer did not respond by press time.

His Canadian lawyer has said Tang is cooperating with the Ontario Securities Commission in its investigation in Canada.

Last week, The Epoch Times profiled the rise and fall of the flamboyant Mr. Tang, a self-described "Chinese Warren Buffett," who boasted one-percent-per-week returns and was a leading advocate for Beijing's views in Toronto's Chinese community.

According to the SEC filing, Tang raised \$17.3 million from investors in Texas and California, nearly \$9.6 million of which is now unaccounted for.

Tang is alleged to have attracted

between \$50 million and \$75 million from over 200 investors in the U.S., Canada, and Mainland China.

According to the SEC, Tang admitted to using the funds gained from new investors, mainly Chinese-Americans in the southern U.S., to pay old ones in a phone call with investors on March 6. The practice is known as a Ponzi scheme and is illegal.

Tang also admitted hiding losses of \$15 million in 2006 and 2007 and faking investors' profits to encourage more investment, the SEC charges.

The self-described investment "king" has admitted to erring in his work, but denies defrauding investors or profiting personally from any scheme.

"I am not like Ponzi or Madoff, because even my car is a leased one," he wrote in a letter to investors posted on the Weizhen Tang Corporation website Monday.

But Tang continued to solicit funds from investors even as the storm of controversy surrounded him in recent weeks, the SEC said, citing email correspondence with investors.

Tang reportedly told investors over the last two weeks that he was seeking to raise \$1 million that he would use to "recoup" their losses.

The SEC says Tang was creating additional entities and accounts to "evade government intervention that would prevent his trading activities." He is alleged to have lost more than \$500,000 in trading in U.S. accounts in recent weeks.

In addition to freezing assets controlled by Tang and those of his companies involved in the alleged scheme, the court froze assets of two more entities where Tang is alleged to have diverted investor funds.

Those entities, WinWin Capital Partners LP and Bluejay Investment LLC, control accounts containing more than \$750,000 of investor funds, and both were also under Tang's control, the SEC said.

Shippers Braced for Further Somali Hijackings

(Reuters) LONDON—Better equipped Somali pirates are expected to continue trying to hijack vessels in the Indian Ocean as foreign naval patrols remained stretched in remote waters, shipping industry officials said on Tuesday.

Since Monday, pirates have seized a British-owned ship and a Taiwan-registered fishing boat after snatching three vessels last weekend, marking a jump in the number of hijackings in the waters off Somalia this year.

Over 25 percent of the world's oil is estimated to pass through the Gulf of Aden and the Indian Ocean, which has heightened worries.

Pirates are increasingly shifting their focus to the eastern coast of Somalia away from the busy Gulf of Aden route after foreign navies deployed ships there to combat a wave of attacks last year, which has proven effective in that area.

"The situation outside the main corridor is difficult, challenging for people," said Rob Lomas of Intercargo, an industry group representing ship owners hauling dry commodities.

Peter Swift, managing director of the International Association of Independent Tanker Owners,

said better weather in the area had contributed to the spate of recent attacks.

"The incidents over the past 10 days have ratcheted it up quite a lot," said Swift, whose members own the majority of the world's tanker fleet.

"While there are targets and a potential good return for pirates and while the weather holds, there is no reason to believe it will slow down," he said.

Last year, heavily armed gangs from the lawless Horn of Africa nation hijacked dozens of vessels, taking hundreds of sailors hostage and earning millions of dollars in ransoms.

Roger Middleton, consultant researcher with Britain's Chatham House think tank, said that as the Gulf of Aden had become a more difficult place to operate, pirates had moved their operations further south out into the Indian Ocean where there was a sparser naval presence.

"They are better equipped than two or three years ago: they have GPS (navigation systems) and they have satellite phones and so they are able to operate in these quite enormous distances," he said.

Chatham House's Middleton

said navies lacked enough warships and the distances involved so far out into the Indian Ocean made it difficult for aircraft to carry out patrols.

"They don't have enough capacity to provide cast iron security in the Gulf of Aden and they certainly don't have anywhere near enough capacity to start providing very limited support in the Indian Ocean," he said.

"It is likely we will continue to see attacks in the Indian Ocean," he said.

The European Union, which launched anti-piracy patrols off Somalia in December, is among naval forces deployed.

Commenting on the recent spate of attacks off Somalia, a spokesman for the EU naval force said it had "lots of options open to us", without giving further details.

"The key question we have however is by diverting assets are we going to compromise the good work



The German frigate, Rheinland-Pfalz, makes port at Kenya's coastal city of Mombasa with nine Somali pirates captured by the German navy in the Gulf of Aden on March 10, 2009 on board. AFP/GETTY IMAGES

that we are doing in other areas?" he said.

Shipping officials said the attacks had so far not led to vessels being re-routed to avoid the area or any increase in insurance costs.

"This is an ongoing problem for insurers and for the shipping industry," said Neil Smith, senior manager of underwriting at Lloyd's Market Association in London.

Cairo accuses Hezbollah of planning Egypt attacks

CAIRO (Reuters)—Egyptian authorities accused the Lebanese group Hezbollah, on Wednesday, of planning attacks inside Egypt, a development that could plunge Cairo's relations with the Shi'ite group's backer, Iran, to new lows.

The office of Egypt's public prosecutor said it was investigating accusations that Hezbollah had recruited a 49-member cell with the aim of striking inside Egypt, a key U.S. ally in the Middle East.

Hezbollah angered Egypt earlier this year by accusing Cairo of complicity with Israel in its siege of the Gaza Strip.

"The public prosecutor received a note from state security about information confirmed by questioning about Hezbollah leaders sending some elements to the country to attract members to work with the organization ... with the aim of carrying out acts of aggression inside the country," a statement by the public prosecutor said.

The statement said the group had been trying to monitor Egypt's Suez Canal, its border with the Gaza Strip, and tourist installations in the Sinai Peninsula and sending information back to Hezbollah.

It also said the group had been establishing links with criminal elements to forge passports and setting up businesses to cover for spying activities.

It gave no details of any attacks being planned, but accused Hezbollah of trying to spread Shi'ite ideology in Egypt.

Hamas and Hezbollah

A lawyer for Hezbollah said on Tuesday that about 50 men, including Egyptians, Palestinians and Lebanese, had been brought in for questioning on Saturday on suspicion of helping Hezbollah and the Palestinian militant group Hamas, which runs the Gaza Strip.

The Egyptian government is

worried that public support for Hamas may boost the popularity of the Muslim Brotherhood, which has ideological and historical ties with the Palestinian group and is the strongest opposition group in Egypt.

Both Hamas and Hezbollah are supported by Iran, whose growing influence in the region has alarmed conservative Arab states, including many in the oil-exporting Gulf region.

Hezbollah leader Hassan Nasrallah called in December for the Egyptian people and armed forces to compel their leaders to open Egypt's border with Gaza to lift the Israeli-imposed siege on the coastal strip.

Egypt said Nasrallah's call was an appeal for mutiny and accused Nasrallah of insulting the Egyptian people.

"This will add some fuel to the Egyptian-Iranian political confrontation," said Abdel-Monem Said,

director of the Cairo-based Al-Ahram Centre for Political and Strategic Studies.

"If there is firm evidence, the people in the Gulf could take it seriously. If they (Hezbollah) try to branch into Egypt, that means the possibility in the much closer Gulf countries could be high."

Said said it would be feasible for Hezbollah to set up cells in Egypt, but members of the group could also be personal admirers of Nasrallah, whose opposition to Israel has made him a popular hero in the Arab world, rather than his agents.

Egypt is eager to show it is doing all it can to stop money or aid reaching Hamas, which is at odds with Fatah, the rival movement that holds sway in the West Bank.

Mainly Sunni Muslim Egypt and Shi'ite Iran have not had full diplomatic relations since Iran's 1979 Islamic Revolution, when Iran cut ties after Sadat hosted the deposed shah in Cairo.