

# BIDEN 2.0'S CHINA POLICY IS DANGEROUS FOR AMERICA

By Xiaodan

Within the first term of the Obama presidency, China emerged triumphantly onto the world stage by hosting the Beijing Olympic Games in 2008 and the World Expo in Shanghai in 2010. Moreover, in 2010, China surpassed Japan to become the world's second largest economy, and overtook the U.S. in manufacturing output and power generation.

China's meteoric rise can be attributed to Deng Xiaoping's "Open Door" policies in the 80's, its practice of "socialism with Chinese Characteristics" in the 90's, and its ascension to the World Trade Organization in 2001. From 2001 to 2010, China's GDP grew more than 10% per annum.

The Clinton-era policy experts had predicted that by "joining the club of nations well along the road to democracy," China would change its policies to adhere to WTO rules and speed up its transition to a market economy, while America would gain access to the world's largest untapped market.

However, the opposite happened. With heavy regulations, higher taxes and labor costs, American companies could not compete with Chinese state-owned enterprises, which had unlimited access to government funding, and were immune to social and environmental consequences. Furthermore, China refused to follow through its WTO commitments, which included market-based prices, non-discrimination in procurement, intellectual property protection, and no currency manipulation.

The U.S. trade deficit with China ballooned from \$50 billion in the mid 90's, to close to \$300 billion in 2010. The Economic Policy Institute estimated that America lost 2.7 million jobs as a result of the U.S.-China trade deficit between 2001 and 2011, 2.1 million of them in manufacturing. Wages of American workers also suffered due to the competition with cheap Chinese labor.

In this context, one would argue that a logical policy solution is for the Obama administration to slash taxes and regulations at home, and hold China accountable for not abiding by WTO rules. The U.S. held tremendous negotiation leverage at the time when China relied heavily on foreign investment and technologies to transform its industries, when one third of China's GDP depended on exports, and when the Communist Party needed economic growth to absorb the unemployed population and to maintain social stability.

But when Obama was elected for a second term, his China policy was based on the doctrine that "The world has a profound interest in the rise of a peaceful and prosperous China." In Obama's view, America should evolve from a global leader into a partner, and the United States "must be aware of the rise of emerging economies and its impact on the new world order."

2012 marked a pivotal turn of missed opportunities by the U.S. and the start of Communist China's ambition for world dominance. Xi Jinping ascended to the paramount leadership in

China by consolidating political power domestically. Obama got side-tracked by the negotiations of the Trans-Pacific Partnership (TPP), a trade framework that excluded China, and Secretary of State John Kerry shifted the focus from Asia to the Middle East, specifically to the Iran nuclear deal.

Across the Pacific, China was keenly aware of the relative decline of American power after the 2008 financial crisis, and the dysfunctionality of much of the multilateral systems. Chinese leaders concluded that the Communist country had become an indispensable global economic player. Xi Jinping embarked on the “China Dream” to regain the country’s rightful place in the world, and to challenge the U.S.-led system of global alliances in order to reorient them to be more compatible with China’s “core national interests.” The exclusion of China from the TPP also encouraged China to advance a new era of international activism.

During the eight-year Obama-Biden reign, the CCP expanded and consolidated its military position in the South China Sea. It turned the “Belt and Road” initiative into a multi-trillion-dollar trade, investment, infrastructure, and wider geopolitical/geo-economic initiative, engaging 73 countries across much of Eurasia, Africa and beyond. And China signed up most of the developed world to the first non-Bretton Woods multilateral development bank, the Beijing-based Asian Infrastructure Investment Bank. China also developed naval bases in Sri Lanka, Pakistan, and Djibouti, and participated in naval exercises with Russia as far away as the Mediterranean and the Baltic Seas.

Today, China continues to boost its presence and increase its say in U.S.-dominated frameworks. For example, China managed to include its RMB currency in the IMF’s SDR basket, appointed senior officials at the World Bank and the International Monetary Fund, increased its UN membership dues, and erected retaliatory barriers for countries that dared to challenge its foreign policies.

Clearly, how to manage and react to China’s rise requires serious leadership and a bold global strategy. Unfortunately, Biden 2.0 will resort back to Obama-Biden’s disastrous globalist philosophies. As written in Biden’s 2020 platform, America “should not exaggerate China’s weight,” and we should “rally friends and allies across the world to push back against China’s attempts to undermine international norms.”

Biden 2.0 failed to recognize that EU and parts of Asia have built significant economic ties with China and are reluctant to get in the middle of a clash between the two “titans,” as evidenced in their reluctance to condemn China for not containing the coronavirus. History tells us that international organizations such as the WTO are incapable of acting as checks on China’s illicit behaviors, and free markets can’t function when countries don’t play by the same set of rules.

By promising to rejoin the TPP and repeal Trump’s tariffs on Chinese products, Biden will do nothing to change China’s predatory policies, while sacrificing more U.S. jobs to overseas markets. For example, the TPP lowers the already too low NAFTA parts content standard, permitting Japanese car makers to export vehicles containing a large percentage of parts

produced in non-TPP countries, such as China. In addition, the TPP doesn't address two important barriers that impede U.S. exports - the Value Added Taxes on U.S. products, and currency manipulations. As Steelworker President Leo Gerard lamented, "TPP may be the final blow to manufacturing in America."

Most importantly, Biden's radical socialist agenda at home will sink the U.S. economy and further disadvantage America to compete with China on the global stage.

Since 2015, China has invested more than half a trillion dollars to implement Xi Jinping's "Made in China 2025" development plan, which highlights 10 key industries – from robotics and IT to biotech and aviation, and to transform China into a manufacturing super power. Underpinning its goals is artificial intelligence. The government has set the target to grow the value of its AI and AI-related industries to \$2 trillion by 2030. Vladimir Putin recently said whoever leads in AI would "rule the world."

Apparently, Biden has either been hiding in his basement for too long, or too busy helping Hunter to get money from the Chinese Communists. He completely ignores the warning signs. Instead, he has allowed socialists Bernie Sanders and AOC to hijack his domestic policies. Their tax-and-spend plans will burden corporate America with punitive taxes and regulations. Their free college programs will produce graduates with inadequate skills to meet 21st century challenges. Even if their \$2 trillion Green New Deal could achieve zero carbon emission in America by 2035, it will have little impact on reducing floods, hurricanes, or global warming. Currently, China contributes more than 30% greenhouse gas globally. To add insult to injury, the Paris Accord calls for America to send billions of dollars to China so it can continue to pollute.

President Donald Trump saw the potential threat from China, and in early 2018, he gathered some of the country's top business people to discuss the state of AI. It's no secret that the "Made in China 2025" blueprint was a key factor in the trade war between the U.S. and China, even the Chinese state media singled out the Trump administration for undermining the policy.

In his first term in office, President Trump disrupted three decades of failed foreign policies by confronting China head on in the South China Sea and in trade practices. The Trump administration succeeded in improving American competitiveness by lowering corporate tax rates from 35% to 21%, in shutting down corporate espionage on U.S. campuses and in Chinese consulates, in cutting off companies such as Huawei from accessing U.S. technologies, and in putting China on notice that the status quo is over.

President Trump also stood up for American workers instead of the interests of multi-national corporations. Even the Chinese Communist cadres recognized that Trump is not beholden to anyone, therefore rendering him too "unpredictable and difficult" to manipulate or manage. Their preferred candidate is Biden, not only because they want to recoup their investment in the Biden family, but also because Biden will wreck America without China having to lift a finger, while allowing China to continue reshaping the world order in the Communist mold.

America is at a crossroad. Do we want to choose Biden 2.0, who's malleable by Communist China, or do we want President Trump to continue his America First agenda, achieve peace through strength, and dictate the U.S.-Sino relationship for the benefit of the free world.