

Mr. Trump – China is not the enemy!!



As an “old China hand”, who has chosen to make my life, career and home in China, China is not the enemy. It is a country trying to raise its living standards through, education, opening-up its markets to foreign trade and investment, creating a competitive business environment, investing in infrastructure, and making innovation a top priority.

In essence, it is doing what any country would do when confronted with the historical reality of being poor and behind more developed countries. More than 850 million Chinese people have lifted

themselves out of poverty, and China is on track to eliminate absolute poverty by 2020.

Yet Mr. Trump wants to stop China's development. While US-China trade relations have been win-win in nature over the years, equating a trade deficit to being taken advantage of, is an error.

Inevitably some sectors of the US market have been left behind, most notably manufacturing which faces increasing competition due to rising productivity and comparatively low (though rising) labour costs in China. This is causing job losses in companies

that compete directly with China. But that is how trade works. And this is what happens with advanced economies – no one mentions the millions of better paying US jobs added in the US services sector! To accuse China of unfairness is wrong. Plenty of US companies have realised the benefits of manufacturing in China, packed up these US jobs and sent them to China, or exporting goods there.

US consumers enjoy higher living standards as a result of China's low-cost goods. The US and China should continue to negotiate and develop improved rules for trade

instead of stoking a trade war with extreme pressure and blackmail of swinging the big stick of trade protectionism.

US should understand that China is merely trying to make up for lost time after a very long period of political setbacks and related economic failures.

Think of it another way ...

In 1842, Treaty of Nanjing signed ending the 1st Opium War with Britain. This resulted in part to a mass uprising against the Qing Dynasty - the Taiping Rebellion.

In 1860, China was defeated in the 2nd Opium War against Britain and France forcibly opening China to more foreign trade.

In 1895 China lost the first Sino-Japanese War and was subjected to yet more trade demands by Europe and the US. This led to establishment of concessions in Shanghai and other coastal cities, and yet another rebellion.

China's Qing Dynasty fell in 1911 with the Republic of China proclaimed, after which China quickly succumbed to warlords, internal strife and Japan's second invasion of China in 1931.

With the end of World War II in 1945, this was followed by civil war, the creation of the People's Republic of China in 1949 and then the upheavals of Maoism, including the Great Leap Forward, which ended in the early 1960s, and the mass destabilization of the Cultural Revolution and its aftermath until 1977.

China's rapid development therefore did not start until 1978,

when Deng Xiaoping came to power and launched sweeping economic reforms.

While China has made impressive economic and social development gains in the past 40 years, the legacy of more than a century of poverty, instability, war and foreign threats is still fresh in memories. China wants to get things right, and why should they again bow to the US or other Western nations?

China has roughly followed the same development strategy as most other countries before it. It is not doing anything particularly unusual for a country that is playing catch up.

Yet, Mr. Trump complains that China 'steals' technology. Like any developing country, China has upgraded its technologies through study, imitation, purchases, foreign investments, use of off-patent knowledge and, yes, copying. This is true even among US companies today. The US relentlessly adopted British technologies in the early 19th century and recruited German know-how after World War II. It is simply a part of doing business in the global economy. We shouldn't be keeping our lead through protection – but through continued innovation?

If China were a smaller country, it would simply be regarded by the US as an impressive development story - which it is. But because it is so big, US refuses to accept China as a challenger.

Mr. Trump's real battle is not that US companies are making too much investment in China, it is that they are making too little

investment in the US. Many US companies push for tax cuts, more monopoly power and offshoring - anything to make a bigger profit - while rejecting any policies to provide affordable health care, better schools, modernized infrastructure, higher minimum wages and a crackdown on corporate greed.

Mr. Trump is lashing out against China, believing that it will once again bow to a Western power.

The US is wilfully trying to crush successful companies like Huawei by changing the rules of international trade abruptly and unilaterally. China has been playing by Western rules for the past 40 years, gradually catching up the way that US allies did in the past. Now the United States is trying to stop China by launching a new Cold War.

Trying to make China bow to the US won't solve the trade war or any economic problems.

Instead everyone needs to learn that we have far more to gain through cooperation with China rather than reckless and unfair provocation.

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