



# Biden's China Challenge



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China is the world's manufacturer. But if American political leaders get their way, Americans will buy fewer Chinese products each year. Republicans and Democrats agree that Chinese ascendancy endangers our economy and national security. More, China's efforts to subsume Taiwan and Hong Kong combined with its Belt and Road Initiative and global expansionism, and harsh deals with developing countries guarantee increasing tension with the West.

This tension stems directly from Chinese President Xi's strategies and policies. He created concentration or "re-education camps" for Muslim Uyghurs, blocked American social media companies and walled off the global internet so Chinese citizens can't access facts or political criticism, tightened press control so unfavorable or even factual stories cannot be written and began social rating of all Chinese citizens. Under Xi, dissidents disappear, the Constitution changed to give him greater longevity and control, and China is trying to test and expand its borders. Xi also kept COVID a secret from the world, continues to frustrate WHO investigators and only let them investigate in China if they kept alive the unsupported theory that Covid came from frozen meat imports to China. Meanwhile, several devastating cybersecurity intrusions to U.S. institutions are believed to have emanated in China.

An evil, expansionist China matters to countries which cherish basic human rights. Americans, along with our western allies, value their right to choose for whom they vote, read and give different points of view, practice their religion, maintain their privacy, and marry whom they want. Our very way of life relies on these freedoms and China's growing economic success, expansionism and increasing repression globally threatens these rights.

President Trump's administration acted forcefully against China, but focused mostly on China's economic threat. Trump did penalize Chinese companies for building technology enabling the Uyghur concentration camps but rarely spoke about China's human rights abuses. Trump focused mostly on economic issues with bluster, bravado and harmful tariffs. In fact, his unpredictable actions did more to drive business crazy than accomplish any real dent in Chinese policies. But Trump deserves credit for accelerating the move of many companies to build products in Vietnam, Indonesia and other countries. However, few if any companies moved manufacturing back to the U.S. Trump

did create a couple of partial trade deals with China which appear to have been more bravado than substance and in any case the agreement's ambiguity and COVID may have cleansed the Chinese commitments to buy more U.S. goods.

Candidate and President Biden vowed to rein China in and shift manufacturing to the U.S. with a combination of tax and other incentives. The Biden administration has identified certain high-tech categories as important for national security worthy of a type of industrial policy with government investment. President Biden has implied he is in no hurry to remove the Trump tariffs from products imported from China. He seems eager to put Chinese human rights and labor abuses on the table. But President Biden thus far has barely spoken in public on most issues. As of this writing he has not held a press conference since January 20, seems overly controlled by his aides, and appears to be more focused on domestic issues and putting out national security fires.

In any case, more shoes will drop unless China unexpectedly shifts its human rights and mercantilist approach to the world. With politicians and Americans united on the threat from China and President Biden most responsive to American unions, we should expect increasing roadblocks on importing products from China. The best course is to plan for increasing U.S.-China tensions and shift from sole sources of supply.

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