

# Much More Than a Trade War with China

by [Brandon J. Weichert](#) (June 2019)



*Qin Shi Huang Defeated Six States, Lu Yu*

**The United States is in the midst of a trade war with the People's Republic of China.** Many proud members of the American Democrat, globalist, Western elite are disgusted by what they perceive as the Trump Administration's desire to push China on what Trump has correctly identified as grotesquely unfair trade practices by China. Considering that many Western elites are now fabulously wealthy, thanks in large part to their undying support for "free" trade with China, this anger shouldn't be surprising. There should be no expectation that these Western elites, having benefited so long from business-

as-usual with China, will change their opinions on this matter. The disruption in trade relations between Beijing and Washington is often presented by the American press as an anomaly that will go away—particularly as American farmers and other members of the Trump coalition, as claimed by the press, are harmed by this trade war. Do not listen to these “experts.”

Trump and his supporters have honed-in on the fact that China has brazenly abused and misused us. In fact, we have not been engaged in true “free trade” with China wherein the Chinese get some benefits but so, too, does the United States. The relationship has been entirely one-sided. Yes, the West received some cheap consumer goods from China over the years. But China was able to learn from, pilfer, and replicate (at lower costs) American industrial practices. In so doing, China created entirely new industries in their country that ultimately compete with American companies and eventually posed grave national security threats to the United States. In other words, China has been engaged in an unremitting economic war against the United States since Deng Xiaoping, the man who succeeded Mao Zedong, opened China to Western trade.

As you will see in the paragraphs below, China’s ancient culture developed and perfected techniques for both controlling their own unruly populace and also handling foreigners whom they deemed to be “barbarians.” These “barbarian-handling” techniques are not only about conflict on the battlefield. In fact, they tend to focus on what [Tianxia](#), the “All under Heaven.” Zhao Tingyang, a distinguished academic at the Institute of Philosophy of the Chinese Academy of Social Sciences in Beijing (a Chinese government-funded entity) describes the *tianxia* as a concept relating to “the earth or all lands under the sky; a common choice made by all

peoples in the world, or a universal agreement in the 'hearts' of all people; and, a political system for the world with a global institution to ensure universal order." Zhao argues that in the Chinese conception, the world is the most important political unit (whereas the West views the nation-state as the most important political unit). Further, a central theme to the *tianxia* system is that it excludes "nothing and no one." Zhao believes that Western analysts mistakenly assume that totalitarianism resides at the heart of the *tianxia* concept. While Zhao is probably correct in stating that not all Chinese seek to establish China as the geopolitical center of the world—the hegemon, or *ba*—because, to these Chinese, *tianxia* is more of a metaphysical ideal rather than a political tool, the fact remains that the *tianxia* concept *has* historically been used by Chinese leaders to justify repression at home and aggression abroad.

At its core, the narrative *is* a totalitarian one forged by China's earliest rulers. The emperors of the Shang Dynasty crafted China's basic worldview some four-thousand years ago. Since its beginning, China's rulers have been obsessed with bringing a chaotic and barbarous world to order through the civilizing effect of Chinese rule. In bringing chaos to order through absolute Chinese rule, China was ensuring that it would be the world's hegemon. During the Shang Dynasty, its leaders espoused the need for the "Great Unity," or the requirement for the Chinese state to squelch any opposition to its rule, thereby ensuring China's hegemony. The Shang Dynasty was notably ruled by an autocrat who routinely referred to himself as "I the single one man" in public.

During this period, the rulers of the Shang Dynasty governed along an ethos of strict Legalism which effectively demanded totalitarian central authority. Later rulers would drape this

Legalist style of rule in the trappings of pacifistic Confucianism. China's rulers, whether the ancient emperors or the modern-day ones of the Communist Party, have long governed according to the absolutist and draconian Legalist tenets.

The Zhou Dynasty, which succeeded the Shang, expanded on the authoritarian traditions of its leaders. "All under heaven belongs to the King, and all people on the shores are subjects of the King," says the Zhou-era *Book of Odes*. It was here that the Chinese emperors gained their god-like status in Chinese civilization. From 1027-249 B.C., the Zhou kings committed their dynasty to the creation of one of the most complex bureaucracies in history—all intended to usurp the power of local feudal lords and to place as much power in the hands of the emperor and those loyal to him in the capital.

With the Chinese belief in the "All Under Heaven" concept, and given that Chinese emperors were believed to possess the "mandate of Heaven," order and unity radiated outward from the emperor, the center of Chinese power, and toward the farthest edges of the map. All of the world fell under the control of the Chinese emperor and all had to pay tribute to the emperor as a symbol of his supremacy. Those farthest removed from the emperor's power were considered barbarians. In the eyes of the Chinese, inevitably, all would be subordinated to the will of the all-powerful emperor and his potent, centralizing bureaucracy. Thus, going back to antiquity, the borders of China were fungible; always waiting for China to gain the strength needed to push to those farthest edges of the world map and bring barbarianism and chaos to civilized order.

**It's Not Thucydides, Stupid! It's the Warring States Period.**

The Harvard international relations scholar, [Thucydides Trap.](#)” It’s an interesting case and the research is compelling. Allison’s work has taken the Washington, D.C. policy community by storm—particularly the more hawkish elements who are advising President Trump on U.S. foreign and trade policies toward China.

Graham Allison’s *Destined For War*, is a fine book. Yet, as the preeminent China scholar, David C. Kang, has long advised audiences: don’t apply Western case examples onto China, a country with a rich 4,000-year history (most of which occurred without much interaction with the West). Allison refers to his thesis as the “Thucydides Trap.” This is a direct reference to the Peloponnesian War which was fought between the maritime Greek city-state, Athens, and the oligarchic Greek city-state Sparta (and its allies who comprised the Peloponnese League). At that time in Greece, Sparta was the established status quo power and Athens was on the ascendance. Sparta was troubled by the growing power—and what they perceived as the radicalism of Athenian democracy—compared to the declining militarism and oligarchy that had defined Sparta for centuries. Ultimately, the two powers engaged in a decades-long conflict that resulted in Athens being destroyed by Sparta.

It is easy for Western policymakers to conceptualize the current conflict with China in terms of the Peloponnesian War. After all, it was a Western conflict. Although, Chinese policymakers are *not* Westerners. Just as American policymakers draw on Western history and literature for comparisons and inspiration, the Chinese leadership looks upon their own country’s rich history for comparative analyses. In the case of their relations with the United States, within the

framework of the Westphalian nation-state international order, most Chinese conceptualize the world as being roughly akin to the environment that China found itself in during the [Edward N. Luttwak](#), argues that various Chinese leaders have created what he refers to as “barbarian-handling” techniques meant to protect the “core” of China from pernicious foreign influence and conquest—to be used even against technically superior foes. In this way, then, Chinese civilization is never truly defeated. As my colleague at *American Greatness* and noted China scholar, [Borg](#) from *Star Trek: The Next Generation*, China assimilated, annexed, and adapted many ideas, people, and technologies from others and integrated them into the dominant Chinese culture. This was done through trade, conquest, intermarriage, and a host of other interactions.

By the time of the Ming Dynasty, China had sent massive ships—known as the Treasure Fleet—to scour the edge of the known world’s oceans and return with rare gifts as a tribute to the emperor. Under the command of the eunuch, Zheng He, the Treasure Fleets sailed the Indian Ocean, reached the Horn of Africa, and voyaged toward the South Pacific. At this time, in the 15th century, though, China was undergoing a period of relative decline. When the Ming emperor died, he was succeeded not by a competent ruler, but instead by bureaucrats and courtiers who were more interested in preserving their status than achieving national greatness.

Under the rule of the short-sighted bureaucrats, China disassembled its Treasure Fleet and turned inward at precisely the moment that the Western states were coming out of their so-called “Dark Ages” in Europe. These countries were voyaging out to new and exotic lands, as China’s own Treasure Fleet had done, with intentions to claim these exotic lands and resources for their benefit. While China’s development

stagnated during this time, Europe's exploded. By the 18th and 19th centuries, the difference between China and its Western counterparts was clear. When representatives from the various Western powers made their way to imperial China during this time, they found a relatively backward country with a massive, untapped market for their goods. Slowly, over the next 150 years, the West spent considerable effort effectively colonizing and subjugating the insular-minded China.

Despite this clear imbalance, and the fact that they had been subjugated, China's leadership (and most Chinese) continued to view the technologically advanced Westerners as unclean barbarians. But China was helpless to counter the increasing potency of the Westerners who they viewed as having occupied their lands. To compound matters, neighboring Japan, a country that the Chinese have historically hated, had become a potent regional power in their own right and began imposing their will on China as much as the much-maligned Western powers had. And, the Japanese had adopted Western technology, capabilities, and patterns as their own, whereas the Chinese still clung to their antedated ways. This period has become known as the "Century of Humiliation" in Chinese state-run media. It was a period that challenged the very foundations of China's ancient assumption of greatness. The ontological shock experienced by China during this period resonates throughout history even to this day, where Chinese students are indoctrinated by their Communist Party minders to "Never Forget National Humiliation!"

There was, however, a flourishing of Chinese nationalist thought during the so-called "[Zhang's attempt](#) to ensure that China could be a great state again without losing its culture (the fear of losing their culture through increased interaction with an expansionist and technologically superior

West was what invited aggression from upstart Western powers in the first place). As Zhang argued in his essay (which was widely read by impressionable Chinese youths at the time), it was essential to “Keep China’s style of learning to maintain societal essence and adopt Western learning for practical use.” In this way, then, Zhang and his cohorts believed China needed to adopt Japan’s outlook on Western practices and technological development; that they should embrace the Western ways to modernize their country while at the same time preserving what Zhang believed to be China’s unique and superior culture.

### **The Next Great Dynasty: China’s Communist Party**

Zhang did not live long enough to see whether the Chinese people could accomplish the goal he set out in his seminal essay. By the turn of the twentieth century, China’s central authority was weakened to such a point that the Qing Dynasty inevitably collapsed—to be replaced by competing warlords. Disharmony and violence followed the collapse of any central Chinese authority (a pattern which, in itself, reaffirmed the historical Chinese claim that an all-powerful central authority was required to maintain harmony). Among the competing factions vying for central control over China were Chiang Kai-Shek’s Nationalist forces and Mao Zedong’s Communist forces. Both men were mortified by the leveling effect that China’s interaction with more advanced foreign states had on China’s development. Whereas the Nationalists sought to embrace Western methodologies for advancing indigenous Chinese capabilities, Mao’s Communists sought to separate their land from the West by embracing Marxism.

However, to claim that the Chinese Communist Party was as an



aberration to China's traditional cultural and political preferences would be inapt. In fact, Mao's version of Communism differed significantly from the Communism practiced in the neighboring Soviet Union. For starters, Mao adapted Marxist principles for China's mostly-agrarian society. This caused ideological cleavages between his movement and the Soviet regime—the Soviets believed that a true Communist revolution could only be achieved in an industrial state. Since China was not a fully industrialized society, the Soviets did not understand how Maoism would either take root or be truly complimentary to Soviet Communism. Nevertheless, the Soviets supported Mao in his mission to become the next ruler of China.

By the end of the Second World War, when their common Japanese enemy had been vanquished (mostly through the hard fighting of Chiang Kai-Shek's Nationalist forces), the Chinese Communists were able to focus their ire on defeating the Nationalists in the Chinese Civil War. By 1949, thanks to poor strategic decisions by Chiang and his Nationalist generals, as well as the fact that the Nationalists were severely depleted from years of having fought the Japanese invaders (whereas the Communists deftly hid out in the mountains and bided their time, for the most part), Mao's forces defeated the Nationalists. The remnants of the Nationalist forces fled across the Taiwan Strait and proclaimed the nearby island of Formosa (known now as Taiwan) as the home of the legitimate Chinese government. Meanwhile, Mao's forces marched proudly in the streets of Peking (present-day Beijing, the capital) and proclaimed themselves the true rulers of mainland China.

During his triumphal movement, Mao gave a speech in which he declared that China had finally "stood up." Mao was a blood-stained, jack-booted tyrant, but he was no fool. Mao had also

exhorted his people to "Overtake Great Britain and catch-up with America!" Yes, Mao was a committed communist who fought his entire adult life to win the class struggle that communists always ranted about. No, as has been evidenced above, Mao was not a pure communist. Communism was an ideology that sought to deracinate peoples around the world from their cultures, thereby replacing those purportedly petty, regressive, bourgeois cultures with the dictatorship of the proletariat. Mao spoke as a communist and used his power in China to squelch those he deemed to be class traitors and members of the bourgeois, but there was something more: Mao and his comrades in the Chinese Communist Party (CCP) could not let go of China's troubled past. In fact, the entire impetus for Mao's rise was the notion that for more than a century, China had been laid low and abused by colonial Western empires. Mao routinely played on themes of reclaiming historical Chinese greatness by standing up to the West and avenging the perceived injustices that their ancestors had visited on China, as evidenced by his speeches in which he exhorted the Chinese people to overtake Great Britain and catch up to the Americans.

One could almost see the spirit of Zhang Zhidong alive and well in the CCP. Since Mao, the CCP has sought to absorb advanced knowledge, at first from the Soviet Union and later from the West. Thus, the rhetoric of Communism fit nicely with the overarching Chinese ethos of the *Tianxia* and the need to centralize power in the hands of a potent, totalitarian leader. Tellingly, Mao's relationship with the Soviets was strained from the beginning. It's true that Mao admired Josef Stalin; Mao even fashioned his own cult of personality along Stalinist lines. Yet, once Stalin died and Nikita Khrushchev assumed power in Moscow, the battle lines between the Communist leadership in Beijing and those in Moscow were drawn.

Even before Stalin's death, Mao had refused the Soviet Navy access to critical Chinese ports. Rather than relying on the notion that China and the Soviet Union were brothers in a global, revolutionary ideological struggle against the pig-dog capitalists of the West, Mao rested his opposition to the Soviet request on the notion that the last time the Chinese government allowed foreign navies to operate from their ports, China had been colonized, brutalized, and exploited by those foreigners. "Never again!" became the battle cry of the bloody-minded Maoist regime. Things only got worse as the personal animosity between Stalin's successor, Khrushchev, and Mao intensified.

The moment Mao defeated the American-backed Chinese Nationalist forces in their civil war, Stalin had committed the Soviet Union to assisting China in its bid to industrialize. The reasoning was simple: for China to truly experience a workers' revolution, it needed to be an industrialized state. The Soviets shared critical manufacturing capabilities and weapons designs with the Chinese at the start of their alliance. But it soon became clear that Mao's desire for these capabilities was less to make China a better partner with the Communist bloc. Rather, his desire was to fulfill both his and Zhang Zhidong's calls to force China to catch-up and overtake the West. Communism was an ancillary concern in this way. The fact that many of the centralizing themes of Communism comported nicely with historic Chinese cultural and political patterns, such as those found in the Legalist, Confucian, and even Taoist schools of thought was, until very recently, missed by most scholars.

## The Sino-Soviet Split

Trade with the more advanced Soviet Union soon gave way to outright technological theft and industrial espionage, as the Chinese knew that the Soviets were holding back critical things, in order to keep their strategic advantage over the upstart Chinese. As the great China scholar, Dr. Michael Pillsbury, recounts in his excellent 2015 work, *The Hundred-Year Marathon*, by the 1960s, the Soviets had started to challenge China's commitment to their alliance. Not only had Mao's spies been stealing anything they could to leapfrog the Soviets in their Long March toward modernity, but Chinese forces had also started clashing militarily with their Soviet counterparts along their shared northern borders. In fact, there was growing concern that the skirmishes were becoming so caustic that a limited nuclear war could occur between China and the Soviet Union.

One of the main reasons for the Sino-Soviet schism revolved around the fact that Nikita Khrushchev's government was giving the Chinese government plans for nuclear weapons devices, as per their friendship agreement. Yet, when Mao threatened neighboring Taiwan—prompting American threats of major retaliation—Khrushchev begged Mao to stand down and negotiate a settlement. Mao's response was that he did not “fear nuclear war” because, ultimately, China had more people than their foes did and would come out of a nuclear exchange still standing whereas their rivals would not. Further, Mao insisted that Chinese women “would make up” whatever losses China incurred in a nuclear conflict with the West within a generation or two. At that point, Khrushchev believed he was dealing with a madman and ordered the nuclear weapons sharing project suspended.

It was in this morass that Mao and his ministers recognized the need to distance themselves from the Communist bloc. The United States and its Western allies were far more advanced than their Soviet rivals. Besides, China had acquired nearly everything of value they could from their Soviet "allies." China could therefore afford to now pivot away from Moscow's orbit and seek to gain access to far more advanced capabilities from the West. While the Americans had experienced a grueling defeat in the Vietnam War, the Chinese leadership understood that the Americans were looking for a game-changing event to help swing the momentum in the Cold War in favor of the West. Thus, the previously sealed off Middle Kingdom, under the direction of Mao Zedong, reached out to the Nixon Administration.

Recognizing the extraordinary opportunity that flipping Communist China offered the American effort against Soviet Communism—the chance to “drive a stake through the heart of the Communist alliance” as Nixon himself formulated—the White House took the opportunity. History was forever changed. It was a diplomatic coup for the besieged Nixon presidency, a crowning achievement in the career of Dr. Henry Kissinger, the foreign policy aficionado of the Nixon Administration, as well as a decisive moment in the Cold War. From this point on, the Soviet Union's days were effectively numbered. More importantly, though, [America's balance-of-power scheme](#) without the United States holding significant leverage over the Chinese. Once Beijing deftly managed to get Washington to de-link itself (however tacitly) from Taiwan, the precarious balance of power between the United States and the People's Republic of China shifted ever-so-slowly in China's favor—and the United States gave away its greatest bargaining chip for empty promises.

## **Death to American Manufacturing! All Hail China's State Capitalism!**

The 1980s proved to be a boon for the Chinese as Deng Xiaoping used China's newfound friendship with the dominant United States to create special free trade zones in foundering Chinese coastal cities, such as Shanghai. It was in these special free trade zones that a form of experimental market capitalism under the auspices of Chinese authoritarianism was allowed to occur. Inevitably, the promise of tapping into an economy with a billion people became too tempting for American and Western corporations to pass up. In the late 1970s and early 1980s, the first round of free trade deals was signed between American companies and China that would eviscerate the American manufacturing sector and help to build China's massive middle-class. It was during this period that China also became the workshop of the world, as American manufacturing firms uprooted seemingly overnight from their bases in the American Rustbelt and moved to China.

The short-term gains for American companies engaged in the deindustrialization craze of the 1970s and 80s was so great that it created a wider snowball effect for other American firms in other parts of the economy to seek greater linkages in China. There is a direct connection between the collapse of the American blue-collar community due to deindustrialization and the propulsive rise of the Chinese middle-class. Meanwhile, the coastal enclaves in the United States, where manufacturing was not as important, but where what James Burnham called the "Managerial Class" lived, benefited most. It was in these bastions of prosperity where the policies to push those industrial jobs out of the American Midwest and

into China were made—and these coastal metropolises rarely saw the negative downsides of these decisions. As American policy was increasingly determined by a conglomeration of corporatists, globalists, foreign-funded lobbyists, and airy academicians, the American economy was made susceptible to increasingly damaging Chinese economic attacks.

The Chinese moved with great alacrity to acquire more and more capabilities from the United States. This happened over the course of decades. Today, there is a trade imbalance between the United States and China. The U.S. manufacturing sector has been gutted. Entire communities have been eviscerated; parts of Ohio and Pennsylvania look as though bombs have detonated in what were once prosperous factory towns. More aptly, Chinese economic bombs have detonated, and the impacts are still being felt today. They will continue to be so until American corporations are punished for their short-sighted dealings with China.

Keep in mind that Chinese business practices are reprehensible. Not only has China, a long-time violator of any concept of basic human rights, been attractive to businesses because of its low-wage work force, but it is also known as a place where Western firms go to die, slowly. The first wave of Western firms to do business in China were the aforementioned manufacturing companies. They brought into China their advanced capabilities and knowledge. In order to do business in China, though, these Western corporations were told by the CCP to comport closely with their expectations and rules. Namely, U.S. firms had to divulge considerable amounts of trade secrets; the majority of their workers in China had to be Chinese (or the company had to bring their American employees who were about to lose their jobs and train the Chinese replacements); and the American firms usually had to

partner with a Chinese state-owned enterprise. In essence, the U.S. firms had to build up their own Chinese competition.

Several strange theories proliferated the halls of Western power at this time. One of them was what noted Libertarian economist, Eamonn Fingleton, referred to as “convergence theory.” In essence, American policymakers and greedy corporate leaders convinced themselves that, by doing greater trade with China, they were staving off another Cold War or worse. You see, the assumption was that American capitalism—as represented by our corporations—was the vanguard of democracy. Once China liberalized its Communist economic system it would inevitably have to liberalize its political system. And, since these theorists also subscribed to the equally idiotic “democratic peace theory,” which stated that fellow democracies do not wage war upon each other, true global peace would reign.

Yet, as Fingleton (and others, such as James Mann) have assessed, the Chinese government had no intention of liberalizing their political system. Once American companies got into China and saw the immense profit they could reap, they were like putty in the Chinese Communist leadership’s hands. Examples abound of American corporations, rather than acting as vanguards of democracy in China, soon began acting like vanguards of authoritarianism in the United States. A poignant case study comes from *Yahoo!* in the early 2000s. Back then, Chinese journalists were using *Yahoo!* email accounts, knowing that their communications would be protected by the company, as it was an American firm beholden to U.S. laws. China’s state security apparatus wanted access to the *Yahoo!* email accounts so that they could prosecute and imprison the journalists who were writing negative stories on the Chinese Communist Party. The government in Beijing pressured *Yahoo!* by



threatening their position in China. Ultimately, *Yahoo!* caved, and the journalists were summarily rounded up and disappeared by the government. Microsoft is responsible for similar actions in the early 2000s.

In this way, then, American firms are becoming conduits for Chinese authoritarianism. Imagine what Apple and Google will eventually end up doing to protect their budding artificial intelligence research centers in China? China's government has a plan to displace the United States and their trade and economic policies are at the forefront of those plans.

Around the 1970s, Agency Theory—better known as “[world's leading tech innovation hubs](#)”. Chinese students were not only forced to become masters of the STEM fields over the last several decades, but, Chinese Millennials and the subsequent generation of Chinese students have been raised on the “[wolf's milk](#)” of imperial nationalism while constantly hectored to “never forget national humiliation.”

Over the last several years, China has undeniably moved up the developmental ladder, away from the old world industrial, manufacturing-type industries and has started to absorb advanced industries from the West. Tech companies, like Google and Apple, have been only too happy to do business with Chinese state-owned enterprises—giving China considerable access to advanced Western technology and business practices. At the same time, Chinese students who've been educated at top-tier Western universities have returned home, where they were greeted as conquering heroes by the CCP. Once ensconced in China, these Western-educated Chinese citizens began disseminating the advanced knowledge they had acquired. As David P. Goldman recently assessed at a