

reform its policies toward



United States Trade, Diplomatic, and other Policies with People's Republic of China

Resolved: The United States Federal Government should substantially reform its policies toward the People's Republic of China.

Gregory Rehmke

www.EconomicThinking.org • grehmke@gmail.com
EconomicThinking.org



U.S./China Policy Reform & Rehabilitation vs. Retribution



Austin Area Economic Thinking

• Thursday, September 15th, Shenandoah Baptist Church



<http://debate-central.ncpa.org/>

CROSS EXAMINATION LINCOLN-DOUGLAS PUBLIC FORUM YOUNG PATRIOTS

Enter keywords... Search



DEBATE CENTRAL
with completely free access



Submit your debate case here for a free critique!

Newsletter Sign-Up

China's Economy: What Everyone Needs to Know® 1st Edition

by Arthur R. Kroeber (Author)
★★★★★ 14 customer reviews

Kindle \$8.79 Hardcover \$74.00 Paperback \$9.48 - \$15.12 Other Sellers from \$8.85

Buy used



CEO, China: The Rise of Xi Jinping

30, 2016
by Kerry Brown (Author)

★★★★★ 1 customer review

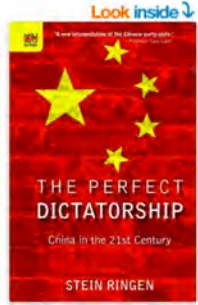
#1 New Release in Historical China Biographies

See all 3 formats and editions


Kindle \$15.66 Hardcover \$19.88 Prime

Read with Our Free App 6 Used from \$22.97 19 New from \$16.88

China has become the powerhouse of the world economy



The Perfect Dictatorship: China in the 21st Century Paperback – September 6, 2016
by Stein Ringen (Author)
★★★★★ 2 customer reviews



Markets over Mao: The Rise of Private Business in China Paperback – September 10, 2014
by Nicholas R. Lardy (Author)
★★★★☆ 4 customer reviews

See all 2 formats and editions

Kindle \$7.99	Paperback \$21.95 Prime
Read with Our Free App	9 Used from \$18.00 19 New from \$17.93

China's transition to a market economy has propelled its remarkable economic growth since the late 1970s. In this book, Nicholas R. Lardy, one of the world's foremost experts on the Chinese economy, traces the increasing role of market forces and refutes the widely advanced argument that Chinese economic progress rests on the government's control of the economy's 'commanding heights.' In another challenge to

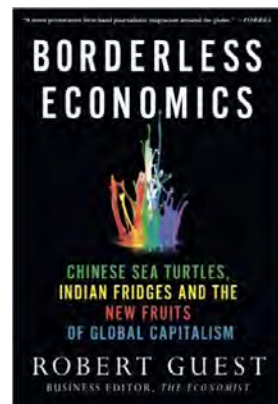
U.S./China Policy Overview/Timeline

- U.S./China policy over last 35 years: astonishing success!
- China average income up from **\$1,516/year in 1990**, to **\$13,400/yr in 2015**. [\$673/yr in 1986, \$312/yr in 1980]
- Nixon visits China in 1972 (U.S. “two China policy”).
- 1978: *Chinese government broke the communes down into small “family farms” such that every rural resident was allocated a small parcel of land.*
- Deng Xiaoping: 1980: SEZs (Special Economic Zones), inspired by free-market Hong Kong and Taiwan prosperity.
- 1994 President Bill Clinton: MFN status for China.
- December 11, 2001, China officially joins WTO.

Stanford FSE Center on Food Security and the Environment
April 24, 2013
Scott Rozelle on How Agriculture Vitalized China's Economy
Ashley Dean

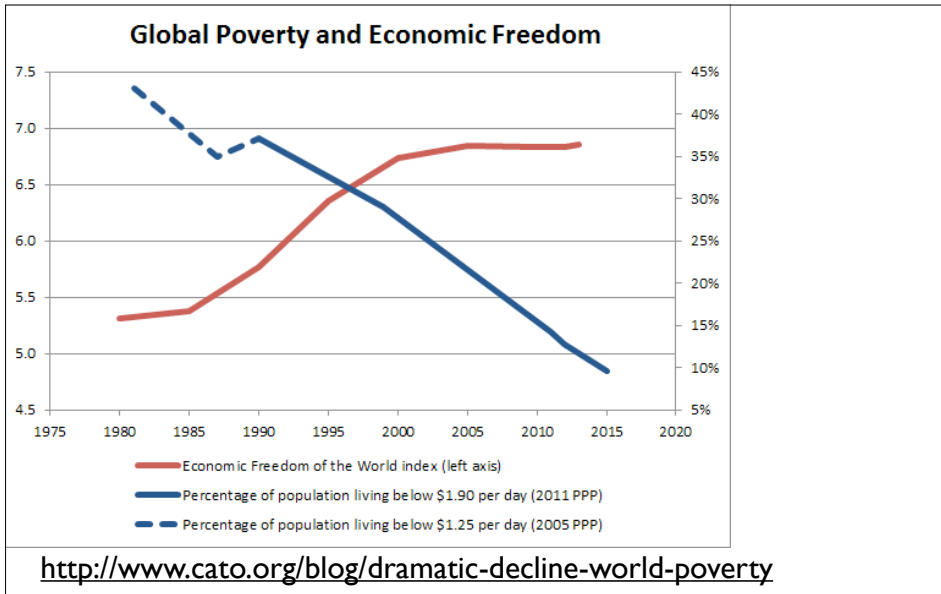
Why Post-Communist Success of China?

- Deng Xiaoping's economic reforms 1980s.
- And his 1992 “trip to the south” (cats and windows).
- Initial investment by the overseas Chinese (*sea turtles*)
- Private firms with profits and retained earnings, foreign investment: supply chain integration with HK, SK, Japan, Taiwan, US, EU.



China's Economic Success

- Market reforms: private family farms (99-year leases), *retained earnings (profits!)* foreign direct investment.
- Not State-Owned Enterprises (SOEs); not foreign aid.
- *Asian Tiger model: Hong Kong, S. Korea, Taiwan, Singapore.*
- *Lots of hard work by hundreds of millions of Chinese people, migrating to cities and working 9am to 9pm, 6 days a week.*
- High savings rate 30% to 50%. (Maryland family in news.)
- But what are “markets”? How and why do they work?
- Role of China's central, regional, and local governments?
- Private property and companies in market economy create new incentives. Market prices mobilize information.



U.S./China Policy Reform

History • Economics • Politics • Special Interests

Resolved: The United States Federal Government should substantially reform its policies toward the People's Republic of China.

- Trade policy (tariffs, anti-dumping (AD) countervailing duties (CVD))
- Trade w/ social policies (labor, environment, climate...)
- Investment policy (Foreign Direct Investment)
- Is China a “free-market economy”? (WTO upgrade)
- Diplomatic/military/fisheries (South China Sea status)
- Migration, education, work visas, policy reform.

- Today they would find out if she had been admitted to the college of her dreams, Wellesley, in far-off Massachusetts.
- Scenes like this are playing out across China with growing frequency. This fall [2015] more than 275,000 Chinese students will start classes on American campuses, nearly triple the number from any other country.

THE CHRONICLE OF HIGHER EDUCATION
July 7, 2015

Home News Global Opinion & Ideas Facts & Figures Blogs Advice Forums Jobs Search the site

July 6, 2015

The Chinese Mother's American Dream

Wu Liying (left) wants to give her daughter, Wang Beini, the opportunity to study overseas.

- China's economy has been fast expanding, with annual growth rates averaging near 10 percent.
- When Anne graduated from university, in 1992, she made just 106 yuan, or less than \$20, a month. ...
- Today she is a poised and polished executive with a Chinese company that hopes to compete with the ridesharing service Uber on Beijing's ... streets.
- Her husband works in satellite communications. Together they can comfortably afford to spend about a third of their salaries on Abby's education.

THE CHRONICLE OF HIGHER EDUCATION
July 2015

Home News Global Opinion & Ideas Facts & Figures Blogs Advice Forums Jobs Search the site

July 6, 2015

The Chinese Mother's American Dream

Wu Liying (left) wants to give her daughter, Wang Beini, the opportunity to study overseas.

Let Immigrant Graduates Stay in the U.S.

By Matthew La Corte

- It's economically destructive to identify the world's best and brightest students, equip them with valuable skills at American universities, and then disallow them from using those skills to energize the U.S. economy. Lawmakers should extend the grace period for all graduating foreign students to find jobs and opportunities.
- Each year, more than 800,000 foreign students attend American universities. China, India, and South Korea send the most students. Foreign graduates have spent four years at American universities ...
- In fact, the U.S. Dept. of Commerce finds that in the 2013-14 school year, international students contributed over \$27 billion to the U.S. economy. But immigration policy... offers... graduates... a limited range of options.

Gregory,

Three other reform I ideas I would suggest you explore with your students:

1. Privately Funded Refugee Resettlement
2. Start-Up Visas
3. Diversity Visas

Thanks,
Matthew

<http://AstoundingIdeasChinaTrade.blogspot.com/>

U.S./China Engagement & Policy Reform

Thursday, June 30, 2016

Does U.S. Policy Promote China's Costly Solar and Wind Power?

Wind and solar power subsidies jolted and damaged European economies, especially Spain and Italy. China's economy received a similar jolt in 2015. Below we consider the claim that U.S. trade policy encourages Chinese government subsidies for not-quite-ready wind and solar power projects.

Wednesday, June 29, 2016

Free Trade: Spurring Two Centuries of Innovative Protectionist Arguments

The Oregonian's OregonLive post, "Case for free trade confirmed by new research" (March 30, 2016) reviews recent debates among politicians, pundits, and economists over the benefits of international trade and new trade agreements (and the potential damage that protectionism and trade wars could cause). New research is discussed and the article's author reports:

For the U.S. as a whole, Chinese imports meant lower prices and higher real incomes. But, consistent with the privileged albeit local distribution, America's short-run net gains from greater trade with China are estimated to have been small – still positive, please note, but not much above zero. In the long term, the gains comfortably outweigh the costs. According to another study cited by Autor, the rise in trade with China yields an increase in long-term U.S. welfare of more than 8 percent.

About Me



Saturday, July 25, 2015

Is Faith in Free Trade Misplaced?

Jeff Madrick, a senior fellow with the Century Foundation, in "Our Misplaced Faith in Free Trade," an October 3, 2014 opinion column for the New York Times notes:

Trade is one of the few areas on which mainstream economists firmly agree: More is better. ...

But then Madrick reports polls showing public skepticism about the benefits of free trade, and writes:

Free trade creates winners and losers — and American workers have been among the losers. Free trade has been a major (but not the only) factor behind the erosion in wages and job security among American workers. It has created tremendous prosperity — but mostly



<http://astoundingideaschinatrade.blogspot.com/>



The Truth About Trade

What Critics Get Wrong About the Global Economy

[Doug Irwin's July/August, 2016 Foreign Policy article, "The Truth About Trade."](#)

[Free Trade: Spurring Two Centuries of Innovative Protectionist Arguments](#)

Against China Trade

- Claim: globalization is "hollowing out" U.S. middle class.
- U.S. losing manufacturing jobs to China.
- China unfair trade practices (IP, force partnerships to operate in China, large and ongoing subsidies for steel, shipping, solar panels).
- Limits to U.S. movies and television and news media.
- China pollution, CO2 emissions (coal), labor lawyers all locked up, political prisoner labor, repression of ethnic minorities (Tibet), political repression of media and dissent.

“Costs of Trade” with China?

- “Dependence” on imported goods.

Auto parts, electronics, computer chips, clothing...

... Richard Nixon's decision in 1973 to restrict soy exports from the **United States**. This greatly upset the **Japanese**, who were quite dependent on U.S. soybeans and therefore turned to **Brazil** for soy.

- Loss of manufacturing jobs.



Outsourcing to China Cost U.S. 3.2 Million Jobs Since 2001

By **Katherine Peralta**

Dec. 11, 2014 | 4:57 p.m.

New research shows that more than three-quarters of jobs lost were in manufacturing.

- Pollution & environmental harm in and from China.
- **Sweatshops**: Lack of control/influence over labor law.

<http://news.mit.edu/2016/united-states-lost-millions-jobs-china-0309>

<http://foreignpolicy.com/2016/05/08/did-china-trade-cost-the-united-states-2-4-million-jobs/>



Did China Trade Cost the United States 2.4 Million Jobs?

BY **PHIL LEVY**

MAY 8, 2016 - 6:42 PM

Trading places

Economists take a new look at the evidence that the U.S. has lost millions of jobs to China.

Peter Dizikes | MIT News Office
March 9, 2016

Press Inquiries

PRESS MENTIONS

- *research by three distinguished economists: David Autor, David Dorn, and Gordon Hanson. They argue that import growth from China cost the United States about 2.4 million jobs over a dozen years.*

A Nation Engaged SPARKING CONVERSATIONS THAT MATTER

China Killed 1 Million U.S. Jobs, But Don't Blame Trade Deals

5:18


+ Queue

Download April 18, 2016 · 7:01 AM ET

Embed Heard on All Things Considered


Transcript

CHRIS ARNOLD



U.S. Manufacturing Jobs, 1995-2015

18 million



Year	Jobs (Millions)
1995	17.5
2000	17.5
2005	14.5
2010	11.5
2015	12.5

- *If you look at NAFTA and trade with Mexico, Autor says, not that many U.S. workers have been harmed. But China, his research shows, is a different story. "China's rise is really a kind of a world historical event," Autor says. "This is the largest country in the world. It has caused a wholesale substantial contraction of U.S. manufacturing employment."*
- *Autor says from 2000 to 2007, trade with China destroyed nearly 1 million U.S. manufacturing jobs. That's apart from other job losses due to technology and productivity gains and automation.*

A Nation Engaged SPARKING CONVERSATIONS THAT MATTER

China Killed 1 Million U.S. Jobs, But Don't Blame Trade Deals

5:18

+ Queue

Download April 18, 2016 · 7:01 AM ET

Embed Heard on All Things Considered

Transcript

CHRIS ARNOLD



US CHINA TRADEWAR
International Trade, Customs & US Litigation
Impact on US & Chinese Companies

Home About This Blog Bios Contact Archives
Abbreviations Photography Links

JULY 14, 2016

<http://uschinatradewar.com/>

US China Trade War—Trump, Weak Strong Free Trade Arguments, Steel, 337

TRADE IS A TWO WAY STREET

"PROTECTIONISM BECOMES DESTRUCTIONISM; IT COSTS JOBS"

PRESIDENT RONALD REAGAN, JUNE 28, 1986

THBT that states with high unemployment rates should
Alternative: *have the right to reduce trade barriers and regulations that hamper job creation.*

Los Angeles Times
Op-Ed Globalization isn't killing factory jobs. Trade is actually why manufacturing is up 40%.

By Daniel Griswold

AUGUST 1, 2016, 8:00 AM

Foreign trade took a beating at both major party conventions, with speakers blaming free-trade agreements for all but wiping out U.S. manufacturing and eliminating millions of middle-class jobs. Both Donald Trump and Hillary Clinton have promised to renegotiate or abandon trade agreements with key U.S. trading partners such as Mexico and Canada. That would be a colossal mistake.

ARGO Open 2016

- The number of manufacturing jobs in the United States has indeed been in a long decline since the late 1970s, but that disguises the true story of American manufacturing. ...
- In the last 20 years, which include enactment of the North American Free Trade Agreement and China's entry into the World Trade Organization, real, inflation-adjusted U.S. manufacturing output has increased by almost 40%. ...
- We produce more manufacturing value with fewer employees...because today's workers are so much more productive. They are better educated, equipped with more sophisticated capital machinery...they are better paid, with total manufacturing payrolls rising during the last decade even as the number of workers declined.

Los Angeles Times
Op-Ed Globalization isn't killing factory jobs. Trade is actually why manufacturing is up 40%.

Continued [quotes from LA Times Op-Ed]

- productivity growth caused 85% of the job losses in manufacturing from 2000 to 2010, a period that saw 5.6 million factory jobs disappear.
- ... trade accounted for a mere 13% of job losses.
- In fact, globalization and trade agreements have made a huge contribution to the ongoing success of American manufacturing.
- This is why U.S. jobs in trade-oriented industries typically pay 18% more than non-trade-connected jobs.
- Measured in terms of value, more than half of what Americans import each year is not for consumption but for production.
- Being integrated into global supply chains allows U.S. manufacturers to source more affordable parts, components, raw materials and production equipment...

Los Angeles Times
Op-Ed Globalization isn't killing factory jobs. Trade is actually why manufacturing is up 40%.

The Economist

Ten years of China in the WTO Print edition Shades of grey

Dec 10th 2011 | From the print edition

It was right to let China in. Now the grow up

● **...China's trading partners ... have a variety of complaints:**

- that China exports too much, [with] cheap manufactured goods, subsidised by an undervalued currency;
- that it hoards essential inputs, such as rare earths, for its own firms;
- it still skews its own market against foreign companies,
- slow to implement WTO rules (notably on piracy),
- suddenly imposing unwritten rules unfavourable or unknowable to foreigners.
- The meddling state lets multinationals in, only to squeeze them dry of their valuable technologies and then push them out.

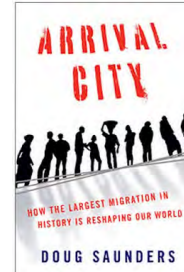
<http://astoundingideaschinatrade.blogspot.com/2015/06/arrival-cities-in-china-and.html>

Astounding Ideas for Trade Policy: China, Japan, South Korea, Taiwan

Friday, June 26, 2015

Arrival Cities in China, and Globalization at the Crossroads

Around the world, people are on the move. Across the United States and Japan, through the 1800s and 1900s, millions moved from farms and rural villages to the edges of fast-growing cities. China's economic transformation turns on the hundreds of millions who have and are still migrating to China's dozens of megacities and hundreds of large and mid-size cities and adjacent manufacturing regions.



Globalization at the Crossroads - with Hernando de Soto

<http://astoundingideaschinatrade.blogspot.com>

Astounding Ideas for Trade Policy: China, Japan, South Korea, Taiwan

Friday, June 26, 2015

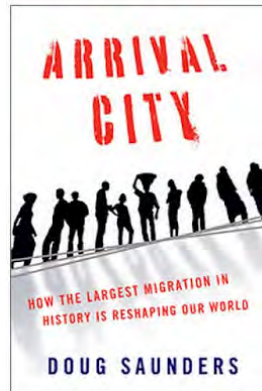
Arrival Cities in China, and Globalization at the Crossroads

Development came later for Taiwan and South Korea, as foreign direct investment through the 1960s and 1970s in and around cities added to domestic savings to fund vibrant export-based economies. A glimpse of this history is given in the first minutes of Hernando de Soto's *Globalization at the Crossroads*, which streams online.



Globalization at the Crossroads - with Hernando de Soto

A central economic reality in China, India, Africa, and Latin America, are the millions migrating to cities to join the exchange economy of world cities where they produce and consume goods and services exported to and imported from around the world. The U.S. and Japan had their migration a century ago, South Korea and Taiwan a few decades ago, and China's migration over the last two decades and still a work in process.



<http://arrivalcity.net/video/>

ARRIVAL CITY

HOME ABOUT VIDEO AUTHOR REVIEWS APPEARANCES BUY

INSIDE A CHINESE ARRIVAL CITY

In this multimedia presentation, Doug Saunders and photographer Sun Shaoguang take you inside Liu Gong Li, the haphazard, improvised neighbourhood on the edge of Chongqing that opens the first chapter of *Arrival City*, and introduce you to some of the book's personalities.

Liu Gong Li: Inside a Chinese Arrival City

Order Now

NATIONAL BESTSELLER
Winner of the Donner Prize

"Serious, mightily researched, lofty and humane, *Arrival City* is packed with salient detail and could hardly be more timely... It feels like a game changer; it should certainly be a policy changer."
—The New York Times

"This may be the best popular book on cities since Jane Jacobs' *The Death and Life of Great American Cities*"

Campaign ad in favor of higher tariffs on steel from China



Pittsburgh Post-Gazette
post-gazette.com

July 16, 2016 1:23 PM
84°
7-day Forecast

Search
Post-Ga

Home News Local Sports Opinion A & E Life

U.S. Steel complaint opposed by steel users

May 14, 2016 12:00 AM



U.S. Steel's campaign to exclude Chinese steel imports would make U.S. companies that manufacture products from steel less competitive, steel users told a federal agency.

They also said domestic steelmakers either don't want to make some of the steel they need or can't make it as reliably as Chinese suppliers do.

Losing or Gaining Apple jobs to Asia?

\$4 Extra cost if iPhones are assembled in the US. Apple's manufacturing strategy is motivated by scalability & supply chain risk rather than cost.

\$600 million Additional labor cost for reshoring iPhone production to the US.

35% Tax on profits Apple would have to pay for US-made iPhones, instead of the current 2% on overseas profits.

If Apple brought iPhone manufacturing to the US it would cost them \$4.2 billion
Tim Worstall, FORBES

Designed in the USA

598,500
US jobs created or supported by Apple



50,250 of 80,000
Number of US-based jobs at Apple of the worldwide total

26,000
Apple retail workers in the US

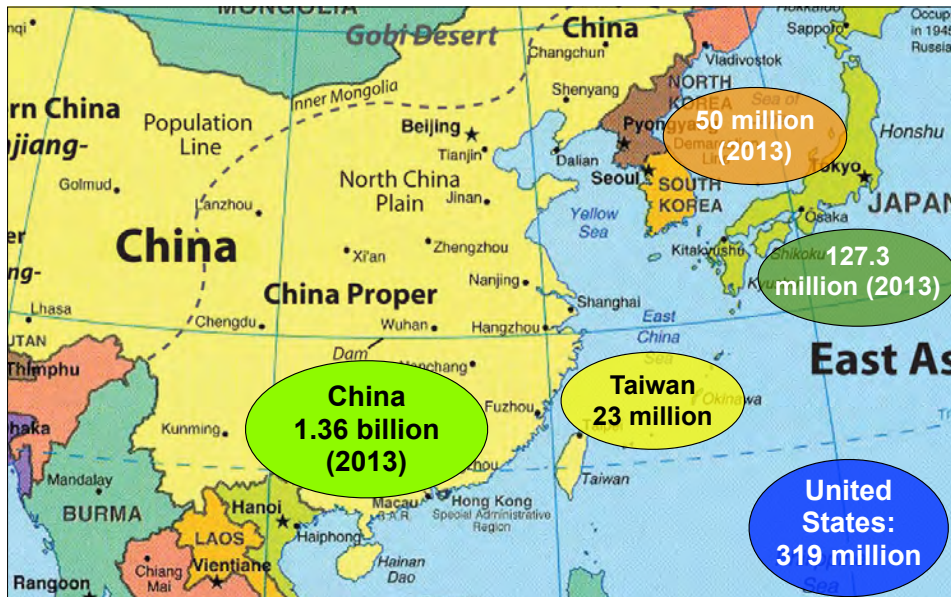
291,250
iOS app economy jobs

20,000
iOS jobs currently available

21,000
US jobs added since 2008

7000
Construction jobs in Apple's new Cupertino campus

6000
Construction-related jobs to build Apple stores since 2001



A bridge over troubled waters: Taiwan, Japan and South Korea employ huge numbers of mainland Chinese
 Nov 8th 2014
 The Economist

88,000 firms from Taiwan employ 15.6m Chinese workers. About 11m are employed at 23,000 Japanese firms or their suppliers. Throw in 2m more workers for South Korean enterprises, and companies from around the troubled East China Sea have approaching 30m Chinese on their payrolls.



The South China Sea

An online resource for students, scholars and policy-makers interested in development, environment, and security issues.

Territorial Claims – Maps

- 9-Dash Line Map – PRC
- 9-Dash Line Map – Taiwan
- Before and After: The South China Sea Transformed
- China Claims A Big Backyard
- China's New Military Installations in the Spratlys, 2015
- Chinese Building Projects in the South China Sea, 2015 – Images Analysis
- Disputed Claims in the South China Sea – AFP
- EEZ Claims and Hydrocarbon Resources – NGS
- EEZ Claims and Hydrocarbon Resources
- EEZ Limits in the Indian Ocean Basin – Forbes
- Exploration Blocks Offshore Vietnam – Buszynski and Iskander
- Interactive Map and Gazetteer of the Spratly Islands – southchinasea.org
- Joint Seismic Survey Area – Buszynski and Iskander
- Maritime Claims and Agreements, US State Department, 2013
- Overlapping EEZ Claims and Oil Fields – southchinasea.org
- Resource Sharing – Four Scenarios – Valencia et al

Map showing territorial claims and Exclusive Economic Zones (EEZs) in the South China Sea. Legend:

- China's claimed territorial waters (dashed red line)
- UNCLOS 200 nautical mile Exclusive Economic Zone (dashed blue line)
- Disputed islands (grey dots)

Geographic labels include: CHINA, TAIWAN, HAINAN, South China Sea, Paracels, Scarborough Shoal, VIETNAM, PHILIPPINES, MALAYSIA, BRUNEI, MALAYSIA, INDONESIA. SOURCE: UNCLOS and CIA

Trade Agreements

China has intensified its efforts recently to deepen diplomatic and trade relationships with international partners and secure its rapidly expanding interests globally. This new dynamic presents both challenges and opportunities for the United States. ...

THE WALL STREET JOURNAL

Home World U.S. Politics Economy Business Tech Markets Opinion Arts Life Real Estate

COMMENTARY

The U.S. Needs a Free-Trade Deal With China

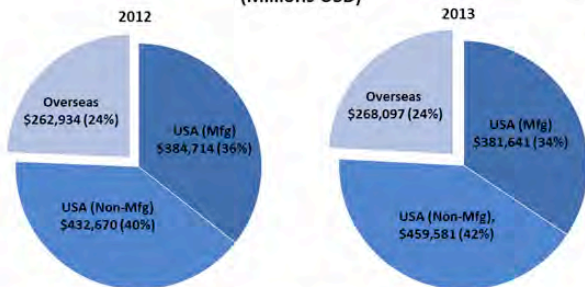
The benefits? How about an extra \$400 billion in American exports each year, and \$100 billion in national income.

By MAURICE R. GREENBERG and C. FRED BERGSTEN
 Dec. 16, 2014 9:45 a.m. ET

POPULAR ON WSJ

Investment policy (Foreign Direct Inv.)

U.S. Multinational Investment* Still Favors the USA by a Large Margin (Millions USD)



*Combined U.S. MNC spending on capital expenditures and R&D
 Source: BEA, Activities of U.S. Multinational Enterprises (2015)

Figure 2. Estimated FDI inflows: top 10 host economies, 2015 (Billions of US dollars)



the [Center for Automotive Research](#) estimates that, of the \$18.25 billion in additional North American investments that U.S. car companies announced in 2014, \$10.5 billion was earmarked for projects in the United States, while \$7 billion and \$750 million was planned for Mexico and Canada, respectively.

Investment policy (Foreign Direct Inv.)

Manufacturing Investment Surplus

Over the past 15 years, U.S. companies have invested \$739 billion in international manufacturing, but other nations have invested \$1.35 trillion in U.S. manufacturing operations, generating a \$614 billion surplus for the U.S.



CFR Backgrounders

The Future of U.S. Trade Policy

Author: James McBride, Online Writer/Editor, Economics
 Updated: June 25, 2015

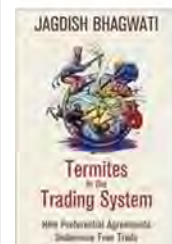
- After WWII, dramatic increase in international trade
- The global trade agenda stalled at the beginning of the twenty-first century (after 1999 WTO riots in Seattle)
- [So] United States turned to regional and bilateral free trade agreements (FTAs)

*The effects of globalization, however, have increased resistance to further trade liberalization. Many in the U.S. labor movement, as well as some economists, argue that trade agreements in their current form **hurt workers, degrade the U.S. manufacturing base, and exacerbate income inequality.***

Termites in the Trading System

How Preferential Agreements Undermine Free Trade

Author: Jagdish N. Bhagwati



Overview

In his new book, *Termites in the Trading System: How Preferential Agreements Undermine Free Trade*, CFR Senior Fellow for International Economics Jagdish Bhagwati argues that so-called free trade agreements (FTAs), which he maintains are in fact preferential trade agreements (PTAs) involving two or more countries, actually set back the cause of free trade and undermine the multilateral trading system.

- FTA** - Free Trade Agreement
- PTA** - Preferential Trade Agreement
- Bilateral Trade Agreements
- Multilateral Trade Agreements

He writes that FTAs make global multilateral agreements more, not less, difficult. "The current tide of preferences has been a result of politicians mistakenly, and in an uncoordinated fashion, pursuing free trade agreements because they think (erroneously) that they are pursuing a free trade agenda."

“Costs of Trade” with China?

- “Dependence” on imported goods.
Auto parts, electronics, computer chips, clothing...
... Richard Nixon's decision in 1973 to restrict soy exports from the **United States**. This greatly upset the **Japanese**, who were quite dependent on U.S. soybeans and therefore turned to **Brazil** for soy.
- Loss of manufacturing jobs.
- Pollution & environmental harm in and from China.
- **Sweatshops**: Lack of control/influence over labor law.



By [Katherine Peralta](#)
Dec. 11, 2014 | 4:57 p.m.

Outsourcing to China Cost U.S. 3.2 Million Jobs Since 2001

New research shows that more than three-quarters of jobs lost were in manufacturing.

Benefits from trade

- Increasing scope of trade (across regions and countries), enables... *More consumer choice, and more potential consumers (larger markets) for producers*
- *Increasing division of labor, increasing specialization, increasing productivity.*
- Consider production of iPhones...
- *Absolute and Comparative Advantage.*
- Breaking domestic monopolies, cartels, guilds, political unions, and interest groups.

- **...China's trading partners ... have a variety of complaints:**
 - that China exports too much, [with] cheap manufactured goods, subsidised by an undervalued currency;
 - that it hoards essential inputs, such as rare earths, for its own firms;
 - it still skews its own market against foreign companies,
 - slow to implement WTO rules (notably on piracy),
 - suddenly imposing unwritten rules unfavourable or unknowable to foreigners.
 - The meddling state lets multinationals in, only to squeeze them dry of their valuable technologies and then push them out.

The Economist

Ten years of China in the WTO Print edition Shades of grey

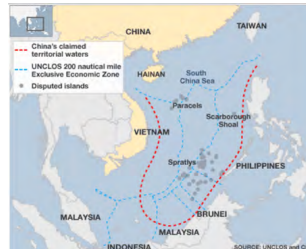
Dec 10th 2011 | [From the print edition](#)

It was right to let China in. Now the grow up

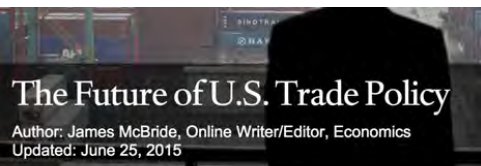


Thinking About South China Sea Conflict

- Economic value of islands?
 - Fishing?
 - Undersea oil, gas, minerals?
 - Nationalism?
- Shipping...
- What would be the consequences if China's military could not protect shipping lanes in some kind of trade embargo pressed by U.S.?



Disputed claims in the South China Sea



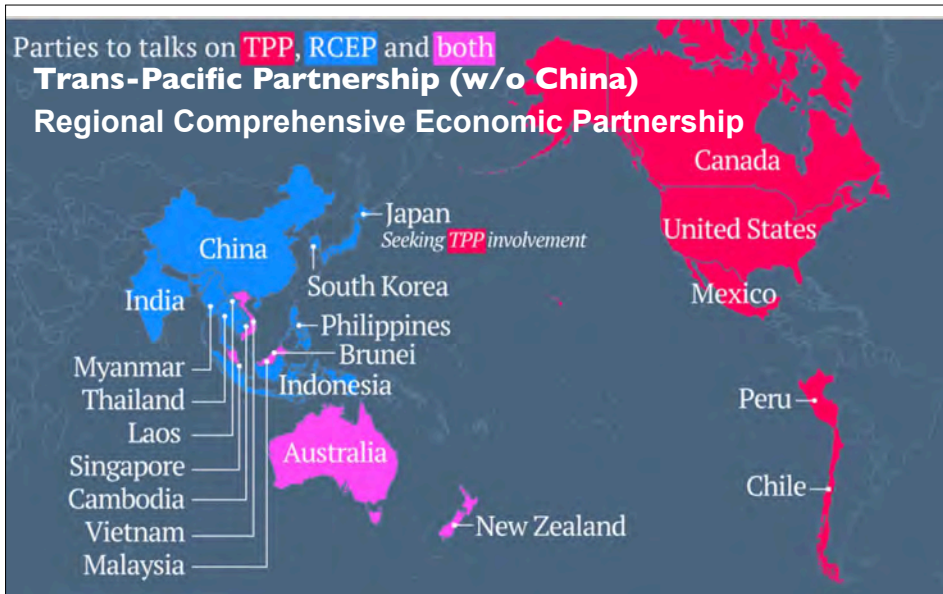
- After WWII, dramatic increase in international trade
- *The global trade agenda stalled at the beginning of the twenty-first century (after 1999 WTO riots in Seattle)*
- [So] United States turned to regional and bilateral free trade agreements (FTAs)



Trade Organizations & Globalization

- GATT - General Agreement on Tariffs and Trade
- WTO - World Trade Organization
- 1999 WTO Riots in Seattle





TRANS-PACIFIC PARTNERSHIP

Home / Trade Agreements / Free Trade Agreements

Trans-Pacific Partnership (TPP)

Unlocking Opportunity for Americans through trade with the Asia Pacific

Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam

o Comprehensive market access: to eliminate tariffs and other barriers to goods and services trade and investment, so as to create new opportunities for our workers and businesses and immediate benefits for our consumers.

The TPP will support Made-in-America exports

The TPP will make it easier to sell Made-in-America goods and services exports to some of the most dynamic and fastest growing markets in the world, and support homegrown jobs and economic growth.

The TPP will enforce fundamental labor rights

The TPP will level the playing field for American workers and businesses by building strong and enforceable labor standards.

The TPP will promote strong environmental protection

Environmental protection is a core American value. Through the TPP, the United States is negotiating for robust environment standards and commitments from member countries, and addressing some of the region's most pressing environmental challenges.

QUARTZ

How rival trade blocs between the US and China could be good for free trade in Asia

By Amy Kim

- Chinese officials have long said that the TPP is a ploy to contain the middle kingdom's rise (article in Chinese)—a kind of economic complement to America's increased military presence in the region. Former US trade representative Susan Schwab, who initiated America's participation in the talks in 2008, said "containing China" had nothing to do with the deal (pdf, p. 3) while other officials have said it's really more of a matter of "constraining China" (pdf, p. 4).