





Trans-Pacific Partnership to Facilitate U.S.-China Merger

According to some political pundits, a main reason for U.S. interest in passing the Trans-Pacific Partnership is to inhibit China's economic dominance, but that's far from the truth.

As if the current renegotiations for NAFTA (the North American Free Trade Agreement) weren't enough, the American political scene may soon be exploding into a larger war over so-called free trade agreements that could make both the current battle over NAFTA and that of the early 1990s seem but a scruffy scuffle by comparison. The major fronts in this war include the North American theater, where our policy elites are renegotiating the NAFTA agreement, which was originally designed to merge the United States with Canada and Mexico economically and politically — into a borderless North American Union (NAU), and now possibly the Pacific theater, where the same elites would like to merge us with the Pacific Rim countries — economically and politically — through the Trans-Pacific Partnership (TPP), now officially renamed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).



Economic Battle Against China?

We will be focusing here on the Trans-Pacific Partnership, which, most likely, may be the second of the two to see action in the U.S. Congress. But, unlike many of this magazine's previous articles on the TPP, we will not be focusing so much on the content of the TPP agreement as on a very deceptive tactical feint its proponents are employing to disarm potential opposition. Here is the deception: TPP proponents know that a large American constituency is already very alarmed over the outsourcing of jobs and industry to China and the huge inroads that China is making into the American economy, especially in light President Trump's recent announcement of placing tariffs on Chinese goods. So TPP advocates are telling this concerned audience that the TPP — which, at present, does not include China — will give American workers and companies a big new advantage against competition from China. In fact, this has been the same deceptive narrative of TPP advocates since President Obama and his





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administration were negotiating the agreement. However, these same TPP proponents are duplicitously telling other audiences that China will probably be admitted into the TPP and that, at any rate, the final game plan is to have the TPP subsumed into the larger planned Free Trade Area of the Asia Pacific (FTAAP), which will include not only Communist China, but Russia as well. As we will show below, the architects of the TPP have planned from the beginning to include China and openly acknowledge that the TPP is merely a "steppingstone" (their term) to U.S.-China convergence in the larger FTAAP.

An October 10, 2014 online article published in the *Diplomat* magazine reported: "China is open to joining the Trans-Pacific Partnership, a high-ranking Chinese official indicated on Wednesday at a think-tank in Washington, DC." When asked if China would be interested in joining the TPP, Zhu Guangyao, China's vice minister of finance and a member of the Communist Party of China since 1987, replied that "China was 'very open' to the global economy and plans to continue its decades-long process of 'reform and opening up' under Xi Jinping," according to the *Diplomat*. In the same article, the *Diplomat* further reported: "China's Commerce Ministry indicated that it was looking more seriously at the possibility of China joining the TPP."

On November 12, reporting on the 2014 Asia Pacific Economic Cooperation (APEC) summit, held in China, *China Daily*, the Communist Party of China's state-run newspaper, stated that China's goal is to "counter the growing trend of fragmentation in the region that directly undermines economic integration, not the TPP or any other specific freetrade agreement." China admits that it is not working to counter the TPP, but rather "the growing trend of *fragmentation* in the region." (Emphasis added.) Behind all the Leninist newspeak, "fragmentation" can be understood to mean the independence of nations. China wants greater economic integration for the Asia Pacific region, which means replacing independence with *inter*dependence.

Addressing APEC leaders at the summit, Chinese President and General Secretary of the Communist Party of China Xi Jinping <u>said</u>, "The world economic recovery still faces many unpredictable and destabilizing factors. We need to intensify regional economic integration and foster an open environment that is conducive to long-term development."

It is important to note that Xi Jinping and his American counterparts are using the term "integration" in the same way and with the same meaning as the architects of the European Union. Which is to say that, like the EU architects, they intend to use economic integration to pave the way for eventual political integration of APEC/FTAAP/TPP/CPTPP member countries into a Trans-Pacific Union.

Despite these movements on China's part and the overall integration plan of the TPP players, the American mainstream media have, for the most part, portrayed the TPP as a counterweight to contain the rise of China. One article published in *Forbes* magazine stated: "American trade policy is trying to contain China, notably through the mega-regional TPP (Trans-Pacific Partnership), from which China is excluded." Another article, from the *Wall Street Journal*, portrays the TPP as an American initiative rivaling the FTAAP, portrayed as a Chinese initiative:

In the run-up to the APEC summit, people familiar with the matter say, the U.S. blocked *China's efforts* to begin negotiations on a regional freetrade agreement, the *Free Trade Area of the Asia Pacific*, because it conflicted with a Washington-backed alternative known as the Trans-Pacific Partnership that excludes China. [Emphasis added.]

The Wall Street Journal article did however concede the following fact: "Beijing continued to promote





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its preferred deal in presummit meetings but won endorsement for the pact only as a long-term goal." (Emphasis added.)

On March 27, 2018, prior to Trump's announcement of considering to rejoin the TPP, the *Detroit News* published an <u>op-ed</u> entitled, "Want to hurt China? Rejoin the TPP." As one might expect, the *Detroit News* perpetuates the myth that the most effective way to curb China's influence and imports would be for Trump to re-enter the TPP agreement:

Donald Trump doesn't need to carry through with a trade war to pressure China to change its cheating ways on trade. The president instead should bring the United States back into the Trans-Pacific Partnership free trading pact and signal to the Chinese that America intends to be the dominant economic player in their region.

After elaborating on the need for the U.S. to join its allies in the Pacific to contain China, the editorial concludes, "If Trump wants to send China a strong message, rejoining TPP would get the job done."

Steppingstone to Increase China's Clout

The truth is that both China and the United States are members of APEC. The fact that China won endorsement for the FTAAP as a "long-term goal" at the 2014 APEC summit demonstrates the United States' willingness to abrogate its sovereignty and to economically integrate the United States with Communist China and Russia in a future Trans-Pacific Union based out of Beijing. Even as the previous Obama administration utilized the narrative that the TPP would contain China, the Obama White House simultaneously posted the following official APEC press release on the White House website. The release, dated November 13, 2010 states:

Based on the results of this work, we have agreed that now is the time for APEC to translate FTAAP from an aspirational to a more concrete vision. To that end, we instruct APEC to take concrete steps toward realization of an FTAAP, which is a major instrument to further APEC's Regional Economic Integration (REI) agenda.

Here the White House, under then-President Obama, not only admits its role, as a leader in APEC, in supporting a "free trade" agreement of the entire Asia Pacific that would include the United States along with Russia and China, but also we see it going the extra mile by calling on APEC to take action, instructing "APEC to take concrete steps toward realization of an FTAAP." The political Establishment elite of both political parties in the United States wants the FTAAP every bit as much as the Communist Party elite of China. The TPP is not designed to contain China; it's designed to converge with China. The press release goes on to say: "We believe that an FTAAP should be pursued as a comprehensive free trade agreement by developing and building on ongoing regional undertakings, such as ASEAN+3, ASEAN+6, and the Trans-Pacific Partnership, among others." (Emphasis added.) The TPP is the steppingstone for the FTAAP, and the White House acknowledged this in an APEC press release, available to the public on WhiteHouse.gov.

Another very important source that acknowledges China's role relative to the TPP's future is a pro-TPP book published in 2013 by the Peter G. Peterson Institute for International Economics (PIIE), entitled *Understanding the Trans-Pacific Partnership*, coauthored by Jeffrey J. Schott, Barbara Kotschwar, and Julia Muir. As *The New American* magazine's senior editor William F. Jasper previously reported, "The





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PIIE is one of the premier global think tanks and has played an especially important role in promoting the WTO, IMF, United Nations, and free trade agreements (FTAs), including NAFTA, CAFTA, TPP, and FTAAP." On page 3 of *Understanding the Trans-Pacific Partnership*, the authors reveal the TPP's true long-term objectives:

The TPP is regarded as an interim arrangement or *stepping stone* toward a broader, regionwide Free Trade Area of the Asia Pacific (FTAAP), possibly within a decade, as envisaged by APEC leaders in Bogor in November 1994 and reaffirmed more recently by them in their meeting in Honolulu in November 2011. TPP negotiators are not only thinking about new countries joining the ongoing talks but also planning and constructing the trade pact with a view toward *future linkages with other APEC members, including and especially China*. [Emphasis added.]

On page 51, in the book's sixth chapter, revealingly entitled "Moving from TPP to FTAAP," it further says:

The current TPP architects envision building an eventual FTAAP on the comprehensive foundations of the TPP accord, with other APEC countries joining the pact in coming years through an accession process similar to that provided in the WTO for new members. [Emphasis added.]

The book also describes how the FTAAP would serve as an umbrella agreement for both the TPP and the RCEP. The RCEP, or Regional Comprehensive Economic Partnership, is another proposed regional "free trade" agreement between 16 countries: the 10 member states of ASEAN, the Association of Southeast Asian Nations (Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Vietnam, Laos, Burma, and Cambodia); plus the three additional member states of ASEAN Plus Three (China, Japan, and South Korea); and Australia, New Zealand, and India. On page 63 it says:

[The] FTAAP — would be an umbrella providing reciprocal obligations applying to all TPP and RCEP countries while the more comprehensive and legally binding TPP provisions would remain in force among the TPP signatories. Importantly, the United States and China would deepen their commercial relationship without the strain of trying to fit China into the TPP or the cost diluting the TPP to accommodate China. [Emphasis added.]

The FTAAP's role as an umbrella for both the TPP and RCEP was also discussed in a Chinese publication. In an article entitled "FTAAP Roadmap Guess," on January 4, 2015, posted on the website of *China Top Brands* magazine, it stated:

Thus, the path to achieving the Asia-Pacific free trade zone, the international community has speculated may have the following four main paths: one is formed by TPP expansion FTAAP; the second is formed by a RCEP expansion FTAAP; the third is integrated into the TPP and RCEP FTAAP; TPP and RCEP around four to form a "umbrella agreement." FTAAP can be set in terms of tariff reductions, liberalization, intellectual property rules, standard level intervening between TPP and RCEP, thus forming a multi-level system of free trade in the Asia Pacific region, [that] people [will] look forward to the FTAAP, with TPP and RCEP [in] parallel existence. [Translated from Mandarin.]

Like TPP architects, China also favors the TPP and RCEP in relation to developing the FTAAP. On December 30, 2014, *China Daily* published the following:

In an institutional sense, the Beijing-led FTAAP, if successfully negotiated, will put an end to the economic fragmentation in the Asia-Pacific region. The co-existence of the US-led Trans-Pacific





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Partnership Agreement and the Regional Comprehensive Economic Partnership favored by China is feasible if both jointly serve the more inclusive FTAAP.

Similarly, *Understanding the Trans-Pacific Partnership* concludes reaffirming the TPP's economic objectives for the Asia Pacific region:

To conclude, in trade negotiations, good things come in big packages. A big TPP deal would yield substantial commercial benefits, a strong foundation for Asia-Pacific economic integration, and important precedents and impetus for renewed multilateral trade talks. [Emphasis added.]

Both *Understanding the Trans-Pacific Partnership* and the APEC press release on the White House website expunge any doubt or speculation of the TPP's true purpose.

However, if *Understanding the Trans-Pacific Partnership* and the APEC press release on the White House website are not enough to expunge any doubt or speculation about the TPP's true purpose, then one need not look any further than the <u>preamble of the TPP</u> document itself. On page two of the two-page TPP preamble, the final point reads:

EXPAND their partnership by encouraging the accession of other States or separate customs territories in order to further enhance regional economic integration and create the foundation of a Free Trade Area of the Asia Pacific.

Furthermore, <u>chapter 30 of the TPP</u> agreement, entitled "Final Provisions," opens TPP membership to APEC member states. Article 30.4 of chapter 30 of the TPP reads:

Article 30.4: Accession 1.

This Agreement is open to accession by:

- (a) any State or separate customs territory that is a member of APEC, and
- (b) such other State or separate customs territory as the Parties may agree,

that is prepared to comply with the obligations set out in the Agreement, subject to such terms and conditions as may be agreed between the State or customs territory and the Parties, and following approval in accordance with the applicable legal procedures of each Party and acceding State or customs territory.

Undeniably, despite much disinformation disseminated by the *Wall Street Journal* and Fox News, the facts speak for themselves: The TPP's goal is to serve as the foundation for the much larger Free Trade Area of the Asia-Pacific, which would not only include the United States but all APEC member states including Communist China and Russia.

Far from creating new American jobs and bolstering the U.S. economy or that of its allies in the face of a rising China or Russia, rather it is the engine fueling the drive toward a future unified Asia Pacific regional bloc or Trans-Pacific Union, in which the United States would be relegated to a subordinate member state, with Eastern-bloc Leninist states such as China, Vietnam, Laos and Russia at the helm.

The United States' possible reentry and passage of the TPP/CPTPP, especially given <u>President Trump's formal request for TPA extension</u>, would be a major step toward the realization of APEC's vision for the Free Trade Area of the Asia Pacific and an eventual Trans-Pacific Union, not only facilitating the economic convergence of East and West, but eroding the remaining vestiges of American sovereignty and independence.





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