



Written by [William F. Jasper](#) on April 13, 2018

Trade Expert to Trump: Use Bully Pulpit, Make the Case for Tariffs, Tough China Policy

In an April 9 posting on his RealityChek blog, economic analyst Alan Tonelson commends President Donald Trump for taking the long overdue step of tackling the issue of China's cheating and other trade abuses. He applauds Trump's "recognition that past efforts to discipline China's wide-ranging trade predation have failed miserably, and that the alternatives currently being touted by his critics (launching a suit at the World Trade Organization, further bilateral talks, mobilizing a global coalition to confront China) are simply old, spoiled vintages being poured into new bottles."



However, Tonelson also faults the administration "for not comprehensively describing its end game, and for not employing the considerable power of the presidential bully pulpit to make its case to the public." "The Trump administration is rightly concerned about China's many and varied efforts to steal American intellectual property," he writes. "The technological progress that this theft has enabled the PRC to make has displaced U.S. production and employment in advanced American manufacturing, and has helped China catch up with the United States militarily. And as analysts like Gordon G. Chang have warned, if dictatorial China gains supremacy in key cutting-edge technologies like telecommunications and artificial intelligence, privacy and individual liberty around the world could be profoundly threatened as well."

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"It should be obvious by now," says Tonelson, "that China's technology predation won't stop unless Beijing is made to suffer major consequences — or believes they're on the way."

For more than two decades, the vast majority of economists and other "experts," it seems — at least those economists most commonly quoted and most frequently trotted out by the media for comments — have been absolutely giddy with unalloyed optimism about America's trade relationship with China. There was no such thing as a downside to our "relationship" with Beijing's communist dictatorship. Massive U.S. trade deficits with China? Hah, they don't matter! Enormous loss of manufacturing jobs? Hah, that's "Rust Belt" stuff, not to worry! Loss of our microchip and high tech dominance? Hah, American consumers will benefit from cheaper China-made electronic gizmos! China's utilization of our technology for an aggressive military buildup? Hah, they're decades away from presenting any credible threat!

Alan Tonelson was not, and is not, one of those chirpy, cheerful voices of Panglossian optimism that blindly insist "all is for the best" with our China "partnership," and that obtusely refuse to see the destruction all around us and the looming danger ahead. For the past couple decades, Tonelson has



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been one of the few scholarly, outspoken and sensible voices pointing out the elephant under the doily in the living room. As a lead analyst for many years at the U.S. Business and Industry Council and the Economic Strategy Institute, he has been one of the few Cassandras who have accurately foretold the economic devastation that our suicidal trade policies would bring. But like the Trojan prophetess, he seemed doomed to be ignored by those in power. Now, however, views like his on trade issues, which were heretofore dismissed out of hand, have new currency and credibility.

In a recent [interview on CNBC](#), one of the network anchors expressed surprise at Tonelson's apparent frustration with the administration's tariff and China trade policy announcements, expecting that he would be a wholehearted cheerleader for the Trump agenda. While Tonelson is pleased that Trump is reversing decades of supine inaction before the Chinese steamroller, he faulted the administration for failing to lay out a more detailed plan of specific objectives and for not aggressively using the White House bully pulpit to answer the critics and explain to the American people the necessity of the new policies. Due to our past policies that have comprehensively entangled us with, and made us dependent upon, China for many of our wants and needs, there will be pain and sacrifice in restructuring our relationship. The American people need to be told what to expect.

In his blog post cited above, Tonelson acknowledges that, with regard to our trade policies with China, "American success would breed problems whose solutions aren't easy to see." "Principally," he asks, "how would Chinese promises to stop either the outright stealing of intellectual property or its extortion (in exchange for access to the Chinese market) be verified?" Yes, as far as China's communist leaders are concerned promises are, as Lenin said, "like pie-crusts, made to be broken."

That has been proven over and over again, with Beijing's string of broken promises stretching through the reigns of Reagan, Bush I, Clinton, Bush II, and Obama. With this fact in mind, Tonelson points out an obvious difficulty that must be addressed: "As I've asked previously, as with other proposals for improving Chinese behavior, like improving its labor or environmental standards, how many American officials would need to be running around how many Chinese corporate suites ensuring compliance? And would the U.S. tech and other companies victimized by Chinese rip-offs and blackmail suddenly start complaining loudly, and en masse, about practices they've meekly tolerated for decades in exchange for short-term China profits? At least, the burden of proof should be on the optimists."

Tonelson is also not an enthusiast of Commerce Secretary Wilbur Ross's proposal for China to reduce its trade gap with the United States by buying more of our natural gas. "Another idea that's been floated has been to close some of the trade gap with U.S. natural gas exports," he notes. "But much cheaper energy prices resulting from such fossil fuel extraction and reduction revolution has turned into a big advantage for domestic U.S. manufacturers. Do Americans really want to share this advantage with their Chinese competitors?"

Tonelson offers a number of observations and suggestions born from his decades of studying and writing on China's trade treachery. They warrant consideration. He notes, for instance: "The crucial question of imposing pain apparently needs to be examined more thoroughly as well. Assuming that the main U.S. objective is changing Chinese behavior by creating fearsome consequences for continuing with the status quo, is the best way to hurt Beijing (at least in the short run) tariff-ing its advanced, technology-intensive goods sectors — which employ relatively few Chinese? Such levies could well undermine China's long-range plans for supremacy in these fields. But isn't it likelier that in the short run, China would be much more worried about the job destruction that could result from curbing Chinese exports in labor-intensive consumer goods sectors, which are still mass employers?"



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Tonelson lauds President Trump's efforts to "reshore" production and jobs to the United States that were offshored to China and elsewhere. He points to the benefits that are already accruing due to Trump's earlier [tariffs on solar panels](#) and [washing machines](#). "America buys lots of Chinese manufactures that can't be procured from many other developing countries because they can't match China's industrial infrastructure, or from many high income countries because they can't match Chinese prices," he notes. "So it's reasonable to expect that the China tariffs will generate some further manufacturing reshoring."

"But," he adds, "many of the more sophisticated products imported by the United States can be supplied by other countries, so China-specific tariffs are unlikely to affect those shipments. This problem could be solved — and much reshoring spurred — by more sweeping tariffs."

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