Free Trade with Protectionist China Cheats America

by Phyllis Schlafly February 18, 2011

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It looks like the Russians fooled us again in nuclear treaty negotiations. After President Obama bamboozled the Senate into a hurry-up ratification of his New START Treaty, Russia impudently rejected the McCain "understanding" that we don't have to abide by the Preamble's language limiting the U.S. from building anti-missile defenses.

Russia then ratified New START with its own understanding that the points about anti-missile defense are "indisputable" and must not be ignored. Shame on the Republican Senators who voted to ratify Obama's dangerous treaty.

We no longer worry about a nuclear attack from Russia, but we should start worrying about China, North Korea and Iran. It's time Americans wake up to the fact that China is not merely a friendly trading partner who manufactures cheap goods we can buy at WalMart.

China is spending the billions of dollars it gets from its tremendous sales to Americans to build the most formidable military force in the world. China is building strategic nuclear weapons with delivery capabilities, submarines and ships, fighter planes and bombers, and a new anti-ship ballistic missile to sink U.S. aircraft carriers.

Communist China recently conducted a space test involving two satellites that rendezvoused several hundred miles above Earth in a maneuver that boosts Beijing's anti-satellite weapons program. That's a key capability for space warfare, intelligence gathering, and destroying enemy satellites.

Some people foolishly call our relationship with China "free trade." But there is nothing free or fair about it; we are in a trade war between a militantly protectionist Communist government and a U.S. shackled by obsolete illusions about trade.

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The whole notion of free trade with China is dishonest. China is pumping public funds into its government-run companies, such as the airlines and steel mills, and the proportion of industrial production controlled and subsidized by the government is increasing rapidly.

With the Communist Party in the driver's seat, China violates international law and trade agreements, slaps taxes and regulations on U.S. plants in China, and forces U.S. corporations to give away their trade secrets and manufacturing know-how to Chinese competitors. Chinese regulators have unlimited discretion to reward China's friends and punish enemies.

Communist China is the world's top producer of illegal copies of music, movies, software, designer apparel, medicines, and other U.S. products. Chinese agents stole or illegally bought high-tech, electronic, military, and communications systems.

China's strategy for economic development specifically includes stealing foreign innovations in order to develop domestic technology and manufacturing. China's goal is to be the world's biggest exporter based on stealing U.S. know-how and subsidizing Chinese manufacturers.

That's only part of China's strategy to cheat Americans. When U.S. companies build plants in China, Beijing forces them to disclose their technology in order to

gain contracts, and the result is that major U.S. corporations, including our biggest technology companies, have given away their most valuable industrial secrets.

It gets worse. China has adopted an official policy called "indigenous innovation."

That's China's label for anti-American trade rules that prohibit imports and U.S. manufacturing in China unless based on intellectual property developed and owned in China, with its trademarks registered in China. This new rule targets our most innovative manufacturing and service industries, including computers, software, and telecommunications.

The Chinese government's list of products subject to this obnoxious rule is constantly expanding. China's "indigenous innovation" policy forbids U.S. products from being sold in China unless the U.S. companies give China their current patents and technology plus information about their research and development of new products.

China has no plan to be a market for U.S. products. China's principal imports are and will continue to be U.S. jobs.

The right of inventors to own their own inventions is a precious American right written into our U.S. Constitution even before the famous rights of freedom of speech and religion. This inventors' right is uniquely American: it was an original creation by the Founding Fathers and it's still unique in the world.

That's why nearly all the world's great inventions are American. Our superiority in inventions and innovations is the principal reason for our world leadership and standard of living.

For years, foreign corporations have been trying to destroy our innovation superiority under the code word "harmonization," i.e., persuading us to harmonize our patent law with foreign laws, down to the levels of unfair European and Japanese systems.

Now Communist China has replaced the harmonization slogan with indigenous innovation, China's code word for theft. We are fools if we allow China to steal our innovations, which are the mainspring of our high standard of living.