



America is losing its ‘apple pie’

Michael Macdonald

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Contrary to what you may have heard, the US did not invent democracy, it does not make the best automobiles, and it is not winning the war on Covid-19.

According to the Human Freedom Index co-published by the Cato Institute, the Fraser Institute, and the Liberales Institut at the Friedrich Naumann Foundation for Freedom, the United States isn't even the country with the most "freedom," ranking 15th in 2019, tied with Estonia. Looking just at personal freedom, it ranks 26th. Regardless, the thrust for American supremacy runs deep, and American denial runs deeper.

The UK's decision on July 14 to ban its mobile-telecom providers from buying new Huawei 5G (fifth-generation) equipment after the end of 2020 is the result of a long campaign by US President Donald Trump's administration to maintain its hegemony. As if the UK's ban were a fairy getting its wings, Trump immediately told reporters at a news conference in the White House Rose Garden, "I did this myself for the most part."

Edward Brewster, spokesman for Huawei UK, said, "Regrettably our future in the UK has become politicized. This is about US trade policy and not security."

On the surface, the US campaign in the eyes of Americans has been based on fear, focused currently on security issues relating to 5G but ultimately predicated on a mistrust that the Chinese government won't, or can't, stay out of Chinese companies' business.

Its solution: Provide subsidies to operators that rip out or ban Chinese networking equipment, put economic sanctions on countries that refuse to cooperate, and propose that the US take a large stake in a 5G vendor. Pot, meet kettle.

The US has been using fear as a weapon for centuries to align a country of "the free" along political agendas. Had the truth been made known that this manipulation is really about politics, it would have been much harder to get support after explaining to Americans that this actually hurts American jobs, curbs American innovation and destabilizes America's leadership position in the world.

When pressure for a non-Chinese 5G Internet didn't work, Trump shifted to silicon, an attempt to knife the tires of China's sports car. The problem is that the world of semiconductors is a global ecosystem that involves multiple parties and countries.

Decades of investment have gone into building the semiconductor value chain, with the US, China, Europe, Japan, South Korea, India and more having built chip manufacturing plants with countless jobs. The entire success of the semiconductor market relies on these intimately intertwined relationships that span companies, countries and markets.

According to a Boston Consulting Group report, US protectionist measures on China have “caused the median Y-o-Y revenue growth of the top 25 US semiconductor companies to drop from 10% in the four quarters immediately before the implementation of the first rounds of tariffs in July 2018, to approximately 1% in late 2018.”

In an April 3 open letter to Trump, Ajit Manocha, president and chief executive officer of SEMI, expressed his deep concerns “regarding export control proposals that would disrupt the semiconductor and electronics supply chain – costing American jobs and putting US technological leadership at risk – while failing to advance US national-security goals.”

This type of unilateral control will disproportionately harm US exports and serve as a disincentive for further investments and innovation in the US. The letter said: “This proposal will also increase the US trade deficit because the US exports over \$20 billion of this equipment each year and this revenue sustains investments in future technology to ‘run faster’ than competitors and create jobs in the US.”

Manocha ends with a plea to the US president to “ensure a transparent process, allowing for public comment before proposals are finalized.”

An April 6 letter sent to US Commerce Secretary Wilbur Ross by a consortium that includes the Computing Technology Industry Association, the Information Technology Industry Council, the National Foreign Trade Council, the Semiconductor Industry Association, and others reads: “Abrupt changes to the export controls regulations for semiconductors will create uncertainty for the entire technology industry.

“Semiconductors are the foundation of modern electronics, information technology, cloud services, critical infrastructure and the defense industrial base.”

The world is reeling from the impact of Covid-19 and nations that have successfully emerged from the first wave desperately need technology to help rebuild their economies. Now is the time for nations to work together, share ideas, leverage joint innovation and ultimately make the world a better place. Instead, the US is running a race against its own shadow.

While the motivation is clearly political, the fear is real. But it’s not fear about security, it’s fear of a dwindling American hegemony. Being first isn’t always a good thing. The US was first with the nuclear bomb and also the first and only country to use it, somewhat ironic given its geographical isolation from the rest of the world.

The drive to be No 1 is as American as apple pie, but when it comes at the expense of the global economy, it demands to be questioned. Now is the time to hold leaders accountable and work together to achieve something bigger than any one of us. The survival of the world is arguably at stake. And after all, apple pie came from Asia, and the ice cream atop it, from China.