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## Don't abandon trade with China post-coronavirus

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American conservatives are furious with China — and rightfully so.

The Chinese Communist Party's lies, propaganda, and obfuscation kept the world in the dark about the threat of the coronavirus until it was far too late to prevent it from becoming a pandemic. But some conservatives are letting their well-warranted frustration with China push them into foolish, counterproductive, anti-trade extremist positions that would only leave us worse off.

From Sen. Lindsey Graham proposing a "pandemic tariff" on all Chinese goods to Turning Point USA's Charlie Kirk insisting that "if you love America you will never buy anything made in China again," many hawks are now calling for entirely ending or heavily limiting trade with China after the coronavirus crisis subsides. While total free trade isn't realistic given the reality of our adversarial relationship with China, to embrace such extreme economic nationalism and protectionism would harm low-income people the most.

The trade experts I spoke to underscored that China poses a challenge to our trade policy, but both insisted that only adjustments are needed and that the vast majority of our trade with China should continue unobstructed.

One of the populist Right's main anti-trade arguments is that due to China's malfeasance, we can no longer rely on them for crucial goods such as medical supplies and pharmaceuticals and that we need to "bring the supply chain back home." But the Cato Institute's Scott Lincicome rejects this argument on all counts. First, the trade attorney points out that the figures often cited by protectionists to show our "dependence" on China are false or flawed. For example, Reason fact-checked the oft-cited claim that "80% of the U.S.'s pharmaceutical supply comes from China" and found that it was essentially a fabricated statistic based on a total misreading of a government report.

Still, Lincicome acknowledges "that China presents a challenge." Even ardent free-traders agree we shouldn't be dependent on China for anything crucial, given the regime's malfeasance. But he says that the answer isn't protectionism to bring industries back to the United States at the expense of economic efficiency.

“The best thing we can do is diversifying our supply chain,” Lincicome told me. “One of the reasons free traders [supported the Trans-Pacific Partnership] was that it provided an alternative to the China supply chain ... the goal was to create a coherent Asia-Pacific agreement and liberalized trade framework to counterbalance the role of China in the region.”

The Cato scholar says we should simply lower trade barriers with other countries:

The answer is more globalization, not less ... it’s free trade agreements with countries like India and Vietnam — but that’s not what the nationalists want. They want to bring supply chains back home, and we know for a fact that this type of protectionism just does not work. It does not produce thriving industries ... what you end up producing are these kinds of zombie industries that are low output, high cost, and aren’t very innovative. That’s the literal opposite of what you want in medical and pharmaceuticals.

Both Lincicome and R Street Institute Trade Policy Counsel Clark Packard stressed that protectionist policies restricting trade with China would hurt the working class and lower-income consumers the hardest.

“[American businesses] would lose a significant customer base if we eliminated trade with China,” Packard warned. “And American consumers would see prices increase.”

“If you look at the products we import from China, you’re going to see clothing, shoes, toys, consumer electronics ... interestingly, the higher-end versions of those products are typically *not* made in China. Because of that, China trade disproportionately benefits lower-income Americans,” Lincicome concurred.

However, both experts agreed there are some limited instances when trade with an adversarial China simply is not feasible or appropriate, such as products with military applications and certain advanced technology. Yet this is *not* what populist critics are calling for; rather, many seek a total decoupling of the U.S. economy from China — but this would be a mistake for more than just economic reasons.

Packard cited the diplomatic benefits of maintaining trade with China.

"Countries that have trade and investment ties are less likely to go to war," he explained. "So, we should be skeptical of the hawks in the United States saying it will make the U.S. safer if we cut off trade with China. I think history has proven that to be exactly the wrong idea."

The post-coronavirus approach to U.S. trade policy China clearly calls for nuance — but there is little to be found in angry populist chest-beating and nationalist sloganeering.