



# *Why Obama and Romney Should Not Alienate China*

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March 25, 2012



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China is far too important as a trading partner for elected officials and presidential candidates, such as [Mitt Romney](#), to alienate for political points. [Anti-China rhetoric](#) hurts American citizens by encouraging retaliatory, protectionist policies that discourage trade and make valuable resources more difficult to obtain.

The most recent reiteration of China's importance to the United States has been a trade dispute over access to rare earth metals. The U.S. has joined the European Union and Japan in filing a complaint with the World Trade Organization to protest a Chinese trade policy that caps the amount of rare earth metals it exports. President Barack Obama accused China of breaking trade agreements and driving up the prices of [rare earth metals](#). China is responsible for [90%](#) of the world's rare earth metal production, and seven of these metals have been identified by the Defense Department as having [military applications](#).

China's cap on rare earth metal exports should be particularly concerning for America. If our need for these resources increases dramatically or unexpectedly, China's export limit will keep America from obtaining these resources until the U.S. finds a more reliable source. Since China controls such a large share of the rare earth metal market currently, however, trade relations with China

are all the more important to the U.S. and its ability to acquire needed resources. For this reason, the U.S. must find ways to promote free trade and discourage protectionism in its trade relations with China.

Villifying China has not worked to promote positive trade relations in the past. While protectionist policies within China cannot be blamed completely on rhetoric in the United States, there is a noticeable trend linking anti-China rhetoric within American politics and protectionist trade policies within China that illustrate how “China-bashing” can damage U.S.-China trade relations. For example, Dan Ikenson of the Cato Institute suggests that economic hardship in the US amid the recession of 2008 [created resentment](#) at China’s comparably better economic status at the time. A feeling among Americans that U.S. policies had too leniently allowed for China’s economic growth led to calls for protectionism that strained U.S. relations with China. American businesses in China also began to complain about Chinese policies that favored local Chinese businesses, leading these businesses to call for more protectionist policies. Obama acted on these sentiments by enacting a tax on tires to protect U.S. tire manufacturers in September, 2009. Shortly after, China [threatened tariffs](#) on American goods, such as chicken meat. This chain of events shows how anti-Chinese rhetoric and calls for protectionism in America have generated protectionist responses from China, which is in neither country’s best interest.

Demonizing China is not in the best interest of the U.S. especially given China’s economic importance, as demonstrated by its 90% control of the rare earth metal market, which the U.S. currently relies upon for military purposes. When anti-Chinese sentiment promotes protectionist policies, such as Obama’s tire tariff in 2009, the U.S. risks losing a vitally important trade partner. Moreover, Americans are forced to bear the costs of protectionism by [paying more](#) for Chinese goods that are tariffed, all so politicians can protect American industries from competition.

A healthy trade relationship with China is in the economic interest of all Americans, no matter what politicians say. Striving for a more cooperative, less antagonistic tenor in rhetoric regarding China will do much more to foster a cooperative, healthy trade relationship with China than making China a political punching bag.