

In Every Way, China Is More than the U.S. Can Handle

by Dr. George Koo

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May 17—The Biden Administration’s style of international diplomacy has been reduced to simply making loud demands and carrying a wiffle ball bat. In the case with China, it’s “if you do not do this or that then we will punish you in ways to be specified later.”

Prior to Treasury Secretary Janet Yellen landing in China, she declared to the world that China is guilty of making too many products that the world wants to buy and selling them way too cheaply. The new creative terminology she used was “overcapacity,” and she threatened more tariffs if China does not cease and desist.

Yellen did not propose that China make crappy products or raise their export prices. And, she could not publicly admit that the U.S. cannot compete and it’s costing American jobs, though that admission was tacitly obvious to most third-party observers, such as [Bloomberg](#).

Yellen seemed to imply China’s unfair advantage comes from large government subsidies, though she did not actually accuse China of selling below cost. She couldn’t, because she could not present any evidence to support such an accusation.

A clear example is China’s sudden rise to world

leadership in new energy vehicles or electric vehicles (EVs). From nowhere, China had become the dominant maker of EVs by 2023 and leader in export of EVs.

China Made the Strategic Decision To Go Electric

Is there government subsidy behind the rise of China’s EV industry? Yes, there is. The most important subsidy came in the form of government policy as Beijing decided to stop following the West in the internal combustion engine and leapfrog to the electric vehicle. Thus, China got a jump on the rest of the world by about a decade.

Hundreds of Chinese companies entered the market to design and make EVs. Not all succeeded in the cutthroat competition that ensued. By far the most successful is BYD Auto Co. in EVs and CATL (Contemporary Amperex Technology Ltd.) in batteries for the EV. Both achieved world leading positions. BYD is making plans to locate a car making plant in Mexico and CATL is forming a joint venture in [Hungary](#) with Mercedes to make EV batteries for the EU market that will create 9,000 jobs.

China has also accomplished global engineering leadership in constructing bridges, boring tunnels and building highways under extreme conditions, and now owns the leading-edge technology for laying high speed rail and the manufacturing of high speed railcars.

Huawei has so long dominated advanced tele-



Janet Yellen X page

Treasury Secretary Janet Yellen visits the Forbidden City in Beijing. She came to China to tell the government to eliminate China’s “overcapacity.”



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The Xiaomi Corporation's SU7, an advanced electric vehicle produced by robots.

communications technology that the West seems resigned to settling for second rate telecom networks and has spent billions tearing out Huawei's already installed advanced equipment to satisfy its innate paranoia and follow the U.S. lead in the name of protecting its national security.

The U.S. Hobbled by Paranoia and Short-Term Thinking

In fact, in every industrial sector where China has advanced beyond the best the U.S. can do, such advances are automatically rejected on the premise that everything made in China can be used to spy on Americans. Crop dusting drones, surveillance cameras, even container handling port cranes can be dastardly tools for violating American privacy.

While Washington has been busy castigating and belittling China's accomplishments, they seem oblivious to the most important difference in the American mindset and that of the Chinese. The U.S. kicks challenging problems down the street and measures results by quarterly reports.

China tackled challenges head on, especially when such challenges were made obvious by sanctions imposed by Washington that denied access to certain critical technology. China's government planners took the long view, and dug deep to develop home grown solutions, if necessary, over a time span of years if not decades.

President Donald Trump thought he could cut Huawei at the knees by denying the company access to advanced chip design and fabrication. For three years, Huawei was knocked out of the smart phone business. But then Huawei came back in 2023 with its own chip

design, made in China, and its own operating system, and became a formidable force in the smart phone sector.

Back in 2015, China's leadership drafted a ten-year plan called "Made in China, 2025." They made a mistake in making the document public and drove the Trump White House bananas and triggered a host of hostile actions attempting to suppress China from making their planned advances.

China Is Already Number 1

Recently, *South China Morning Post* made a [comprehensive review](#) of China's progress against its plan and, by their measurement and projection, China has already achieved 86% of its targets and will exceed 90% by the end of 2025.

The Chinese people are natural-born entrepreneurs, and China graduates eight times more science and engineering majors than in the U.S. It shouldn't surprise anyone, least of all the U.S., that China can produce a continuous stream of innovations powered by technical and engineering breakthroughs.

Xiaomi Corp., a Chinese manufacturer of electronic goods, including smart phones, just introduced the SU7, an electrical vehicle that it designed and made on a production line powered by robots. From inception to completion, the entire project took the company three years. Apple could not do it after trying for ten years.

Yellen went to Beijing accusing China of overproduction and threatened an intensified tariff war on imports from China. At the same time, she was hoping for China's willingness to buy more American debt. China gave Yellen a cool reception and did not show any support for the dollar.

Instead, China bought more gold in the open market and continues to shed its holdings of U.S. Treasury Bills. In the back of Beijing's mind must be that there is the possibility that Washington can abruptly cancel its debt to China and/or confiscate China's holdings in the U.S., as it did with Afghanistan and Russia.

Then America's chief diplomat, Secretary of State Antony Blinken, ahead of his China arrival,

demanded that China stop supporting Russia's war or face sanctions against Chinese enterprises. These sanctions would include delisting China from SWIFT, the international payment telecom system.

China gave Blinken an even frostier reception and basically told him that China's normal trade relations with Russia are none of his business. China has steadfastly maintained that it does not supply weapons to either side of the Ukraine war.

China as the World's Peacemaker

While Blinken was in Beijing, the leaders of Hamas and Fatah, heretofore hostile Palestinian factions, met in Beijing upon [China's invitation](#). This is a major step in reconciliation toward forming a united Palestinian front in order to deal with Israel and find a place as a member of the United Nations.

Since China brokered a peace agreement between Saudi Arabia and Iran, the international community is beginning to recognize China's rise in stature as a peacemaker. China does not guarantee security to any nation with empty promises that can be easily broken. It merely facilitates mutual discussion and promotes understanding for peace if both parties desire such an outcome.

Having dealt with the Biden White House for the last three years, China is quite accustomed to the Biden spokesperson expressing lavish statements of goodwill and lofty intentions while sending shivs of sanctions, embargoes, export restrictions and import tariffs.

China has reached a level of development that gives it the confidence that its policies are on the right track for itself and for the world. China does not have to allow the U.S. to pick and choose issues to work on and others to exclude. Furthermore, it does not accept whatever Washington has to say or do.

China the Manufacturing Superpower

In terms of relative strength of their respective economies, China already holds virtually all the cards except one. China is already acknowledged as the world's "sole manufacturing superpower," responsible for [35% of global output](#), almost three times the second place U.S., and more than the total of the next nine countries.

More than [half of the world's robots](#) are installed in China, an important component contributing to

China's manufacturing prowess. Organized labor in America resists the adoption of robots and is the reason relatively few are installed.

In shipbuilding the gap between China and the U.S. is even larger. According to the [Wall Street Journal](#), China owns more than 50% of the world's shipbuilding capacity while the U.S. has less than 0.5%. That's a ratio of more than 100 to 1.

China has the goods and has the ships: Small wonder that China has overtaken the U.S. as the leading trading nation in the world. China has established itself as the leading trading partner for most of the countries in the world. At this point, the U.S. needs China's products more than China needs the U.S. market.

The one card that the U.S. still holds is the chokehold on semiconductor technology. But as we have seen with Huawei, the U.S. action is just a delaying tactic and it's only a matter of time before China will work around the restrictions imposed by the U.S.

What about the relative strength of its military capability? In the name of protecting world order and national security, the U.S. maintains over 800 military bases around the world. In order to justify continued presence in those bases, the U.S. needs a threatening adversary. Increasingly that designated adversary is China.

Since the end of WWII, the U.S. has participated in conflicts all over the world. After Vietnam, there was Iraq, Afghanistan, Syria and Libya to name a few recent examples. In the cases of Iraq and Libya, their



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Western countries are tearing out existing Huawei networks because of paranoia about Chinese espionage.

local national leaders were decapitated.

In the case of Afghanistan, the U.S. hastily withdrew in the dark of night after a 20-year occupation, and the control of the country reverted to the religious government the U.S. tried but never could dislodge.

World Order Needs China's Help

The farce of the American idea of "rule-based international order" was evident for the world to see when the Biden White House had to beg Israel to stop the genocide in Gaza (because it's ruining America's image), only to be met with a deaf ear from the Netanyahu government.

The U.S. Navy had fits trying to stop the Houthis' missiles from disrupting passage for shipping from the Suez Canal through the Red Sea. Washington even asked Beijing if China could help and ask Iran to ask the Houthis to desist.

In Europe, the EU community is increasingly disenchanted with the U.S. insistence of supporting the Ukraine war. The war may be down to the last Ukrainian standing, but it's killing the EU economy with runaway energy prices and severe depletion of material and resources. Some EU countries, notably France among them, are reconsidering closer relationship with China as compared to a handcuff to the war mongering U.S.

China favors an international order for peace within the framework of the United Nations. It does not have military bases around the world and does not have troops outside of China except as part of UN peacekeeping forces.

Even the [New York Times](#) acknowledges that China is promoting a universal commitment of no first use of nuclear weapons, an idea the U.S. would never accept, but insists on the right to fire first and ask questions later.

Indeed a [recent poll](#) by an organization in Singapore showed that for the first time, over half of the people

of ASEAN countries view China more favorably than the U.S.

China Has a Second-Strike Answer

Of course, in order for China to maintain a credible second strike capability, it must have the ability to retaliate. Its most deadly weapon is its proven hypersonic missile that can fly with blinding speed in a low trajectory that's hard to detect in sufficient time to shoot it down.

With its more than a 100 to 1 shipbuilding advantage, China's navy is already bigger than that of the U.S. The U.S. still has far more aircraft carriers



CGTN

China builds ships a hundred times faster than its Western counterparts.

than China, but China has already successfully tested its advanced electromagnetic catapult on its third carrier and will be installing it in others being built. The U.S. version on the USS *Ford* may or may not be working.

China's military ability to react to U.S. aggression merely feeds the U.S. paranoia and justifies piling on the annual Pentagon budget. By the end of 2024, the [national debt](#) is expected to top \$34 trillion. Just to service the U.S. debt will cost the Federal government more than \$1 trillion per year.

The can that Washington used to kick down the road has grown to the size of a 55-gallon drum and there is no solution in sight. The world is watching with bated breath as to when Washington will finally break a leg.