

TRUMP

REFORMING THE U.S.-CHINA TRADE RELATIONSHIP TO MAKE AMERICA GREAT AGAIN

How We Got Here: Washington Politicians Let China Off The Hook

In January 2000, President Bill Clinton boldly promised China's inclusion in the World Trade Organization (WTO) "is a good deal for America. Our products will gain better access to China's market, and every sector from agriculture, to telecommunications, to automobiles. But China gains no new market access to the United States." None of what President Clinton promised came true. Since China joined the WTO, Americans have witnessed the closure of more than 50,000 factories and the loss of tens of millions of jobs. It was not a good deal for America then and it's a bad deal now. It is a typical example of how politicians in Washington have failed our country.

The most important component of our China policy is leadership and strength at the negotiating table. We have been too afraid to protect and advance American interests and to challenge China to live up to its obligations. We need smart negotiators who will serve the interests of American workers – not Wall Street insiders that want to move U.S. manufacturing and investment offshore.

The Goal Of The Trump Plan: Fighting For American Businesses And Workers

America has always been a trading nation. Under the Trump administration trade will flourish. However, for free trade to bring prosperity to America, it must also be fair trade. Our goal is not protectionism but accountability. America fully opened its markets to China but China has not reciprocated. Its Great Wall of Protectionism uses unlawful tariff and non-tariff barriers to keep American companies out of China and to tilt the playing field in their favor.

If you give American workers a level playing field, they will win. At its heart, this plan is a negotiating strategy to bring fairness to our trade with China. The results will be huge for American businesses and workers. Jobs and factories will stop moving offshore and instead stay here at home. The economy will boom. The steps outlined in this plan will make that a reality.

When Donald J. Trump is president, China will be on notice that America is back in the global leadership business and that their days of currency manipulation and cheating are over. We will cut a better deal with China that helps American businesses and workers compete.

The Trump Plan Will Achieve The Following Goals:

1. **Bring China to the bargaining table** by immediately declaring it a currency manipulator.

2. **Protect American ingenuity and investment** by forcing China to uphold intellectual property laws and stop their unfair and unlawful practice of forcing U.S. companies to share proprietary technology with Chinese competitors as a condition of entry to China's market.

3. **Reclaim millions of American jobs and reviving American manufacturing** by putting an end to China's illegal export subsidies and lax labor and environmental standards. No more sweatshops or pollution havens stealing jobs from American workers.

4. **Strengthen our negotiating position** by lowering our corporate tax rate to keep American companies and jobs here at home, attacking our debt and deficit so China cannot use financial blackmail against us, and bolstering the U.S. military presence in the East and South China Seas to discourage Chinese adventurism.

Details of Donald J. Trump's US China Trade Plan:

Declare China A Currency Manipulator

We need a president who will not succumb to the financial blackmail of a Communist dictatorship. President Obama's Treasury Department has repeatedly refused to brand China a currency manipulator – a move that would force China to stop these unfair practices or face tough countervailing duties that level the playing field.

Economists estimate the Chinese yuan is undervalued by anywhere from 15% to 40%. This grossly undervalued yuan gives Chinese exporters a huge advantage while imposing the equivalent of a heavy tariff on U.S. exports to China. Such currency manipulation, in concert with China's other unfair practices, has resulted in chronic U.S. trade deficits, a severe weakening of the U.S. manufacturing base and the loss of tens of millions of American jobs.

In a system of truly free trade and floating exchange rates like a Trump administration would support, America's massive trade deficit with China would not persist. On day one of the Trump administration the U.S. Treasury Department will designate China as a currency manipulator. This will begin a process that imposes appropriate countervailing duties on artificially cheap Chinese products, defends U.S. manufacturers and workers, and revitalizes job growth in America. We must stand up to China's blackmail and reject corporate America's manipulation of our politicians. The U.S. Treasury's designation of China as a currency manipulator will force China to the negotiating table and open the door to a fair – and far better – trading relationship.

End China's Intellectual Property Violations

China's ongoing theft of intellectual property may be the greatest transfer of wealth in history. This theft costs the U.S. over \$300 billion and millions of jobs each year. China's government ignores this rampant cybercrime and, in other cases, actively encourages or even sponsors it – without any real consequences. China's cyber lawlessness threatens our prosperity, privacy and national security. We will enforce stronger protections against Chinese hackers and counterfeit goods and our responses to Chinese theft will be swift, robust, and unequivocal.

The Chinese government also forces American companies like Boeing, GE, and Intel to transfer proprietary technologies to Chinese competitors as a condition of entry into the Chinese market. Such de facto intellectual property theft represents a brazen violation of WTO and international rules. China's forced technology transfer policy is absolutely ridiculous. Going forward, we will adopt a zero tolerance policy on intellectual property theft and forced technology transfer. If China wants to trade with America, they must agree to stop stealing and to play by the rules.

Eliminate China's Illegal Export Subsidies And Other Unfair Advantages

Chinese manufacturers and other exporters receive numerous illegal export subsidies from the Chinese government. These include - in direct contradiction to WTO rules - free or nearly free rent, utilities, raw materials, and many other services. China's state-run banks routinely extend loans these enterprises at below market rates or without the expectation they will be repaid. China even offers them illegal tax breaks or rebates as well as cash bonuses to stimulate exports.

China's illegal export subsidies intentionally distorts international trade and damages other countries' exports by giving Chinese companies an unfair advantage. From textile and steel mills in the Carolinas to the Gulf Coast's shrimp and fish industries to the Midwest manufacturing belt and California's agribusiness, China's disregard for WTO rules hurt every corner of America.

The U.S. Trade Representative recently filed yet another complaint with the WTO accusing China of cheating on our trade agreements by subsidizing its exports. The Trump administration will not wait for an international body to tell us what we already know. To gain negotiating leverage, we will pursue the WTO case and aggressively highlight and expose these subsidies. .

China's woeful lack of reasonable environmental and labor standards represent yet another form of unacceptable export subsidy. How can American manufacturers, who must meet very high standards, possibly compete with Chinese companies that care nothing about their workers or the environment? We will challenge China to join the 21st Century when it comes to such standards.

The Trump Plan Will Strengthen Our Negotiating Position

As the world's most important economy and consumer of goods, America must always negotiate trade agreements from strength. Branding China as a currency manipulator and exposing their unfair trade practices is not enough. In order to further strengthen our negotiating leverage the Trump plan will:

1. **Lower the corporate tax rate to 15%** to unleash American ingenuity here at home and make us more globally competitive. This tax cut puts our rate 10 percentage points below China and 20 points below our current burdensome rate that pushes companies and jobs offshore.
2. **Attack our debt and deficit** by vigorously eliminating waste, fraud and abuse in the Federal government, ending redundant government programs, and growing the economy to increase tax revenues. Closing the deficit and reducing our debt will mean China cannot blackmail us with our own Treasury bonds.

3. Strengthen the U.S. military and deploying it appropriately in the East and South China Seas. These actions will discourage Chinese adventurism that imperils American interests in Asia and shows our strength as we begin renegotiating our trading relationship with China. A strong military presence will be a clear signal to China and other nations in Asia and around the world that America is back in the global leadership business.