

Message

From: Americans for Limited Government [media@limitgov.org]
Sent: 3/9/2018 2:31:07 PM
To: Abboud, Michael [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=b6f5af791a1842f1adcc088cbf9ed3ce-Abboud, Mic]
Subject: Agree or disagree with the steel and aluminum tariffs, trade warfare is already being waged against the U.S.

Obviously, no one wants a trade war, but how do you know the other side isn't in a trade war already?



The Power Beat Daily
All The News That Doesn't Fit the Page

March 9, 2018

Permission to republish original op-eds and cartoons granted.

Agree or disagree with the steel and aluminum tariffs, trade warfare is already being waged against the U.S.

Last week the Trump administration announced it would impose a 25 percent tariff on imported steel and a 10 percent tariff on imported aluminum. Many in the media and were quick to lose their mind as usual. Before judging President Trump's actions, those criticizing should look at the real world instead of the utopian society they want to live in. In the real-world trade is used as a weapon and it is time the U.S. wake up to that reality.

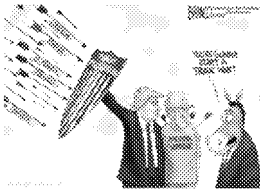
Republicans in Congress continue to dismantle oppressive regulations

Republicans in the House of Representatives have spent this week breaking down the oppressive regulatory regime the previous administration put into place. President Obama dramatically expanded the influence of the executive branch through agencies like the Environmental Protection Agency(EPA). House Republicans are now working to pass legislation that mitigates the impact of overreaching federal policies, but barriers in the Senate could make this a difficult task.

Foreign Policy Magazine: China's Long Arm Reaches into American Campuses

"While many countries, including the United States, fund educational activities abroad, the Chinese government's direct support for, and control over, student groups appears to be unique. Beijing's influence over these groups is also beginning to raise questions and concerns among students on American campuses, who fear they will be accused of being agents of espionage. The growing ties are also concerning U.S. government officials, who are wary of China's political and economic reach in the United States."

Agree or disagree with the steel and aluminum tariffs, trade warfare is already being waged against the U.S.



By Printus LeBlanc

Last week the Trump administration announced it would impose a 25 percent tariff on imported steel and a 10 percent tariff on imported aluminum. Many in the media and were quick to lose their mind as usual. Before judging President Donald Trump's actions, those criticizing should look at the real world instead of the utopian society they want to live in. In the real-world trade is used as a weapon and it is time the U.S. wake up to that reality.

A 2014 White Paper from U.S. Army Special Operations Command on Unconventional Warfare discusses different methods of warfare being used by various adversaries. With regards to China, it states, "China will use a host of methods, many of which lie out of the realm of conventional warfare. These methods include trade warfare, financial warfare, ecological warfare, psychological warfare, smuggling warfare, media warfare, drug warfare, network warfare, technological warfare, fabrication warfare, resources warfare, economic aid warfare, cultural warfare, and international law warfare."

This is more than abstract theory. There is actual recent historical evidence to prove nations use trade and economic warfare to accomplish a goal.

The U.S. and Saudi Arabia used the oil trade as a weapon against the U.S.S.R. in the 1980's. The Soviets, as the Russians are today, were wholly dependent upon revenue from the fossil fuel industry to fund the government. President Reagan's administration issued National Security Decision Directive 66 (NSDD-66) titled East-West Economic Relations & Poland-Related Sanctions. The actions targeted included:

- No new contracts to buy Soviet natural gas;
- Accelerate development of an alternate supply to Soviet gas for parts of Europe;
- A plan to substantially raise interest rates on credit to the U.S.S.R; and
- The requirement of higher down payments and shorter maturities on Russian bonds.

Officials calculated that for every \$1/barrel drop in the price of oil, it would cost the Soviets between \$500 million and \$1 billion in lost revenue. At the time the price of oil was in the mid \$30s, and a drop below \$20/barrel would have a catastrophic impact on the Soviet economy. In 1986, the price of oil dropped down to \$12/barrel, and we know what happened to the Soviet Union after that. Oil would not get back above \$20/barrel until Saddam Hussein invaded Kuwait.

Rare Earth Elements (REEs) are another example of trade being used as a weapon. The group of 17 elements with unusual properties is key to modern life. It is impossible to find technology that does not have one of these elements in them. Everything from lightbulbs and windmills to LED screens and cell phones have REEs in them.

The U.S. military enjoys an immense technological advantage against any foe it goes up against, and that technology has an Achilles' heel, REEs. Writing for Breaking Defense, Richard Whittle noted the importance of REEs in the defense industrial base:

- Each nuclear-powered SSN-774 Virginia-class fast attack submarine requires about 9,200 pounds of REEs;
- Each DDG-51 Aegis destroyer needs about 5,200 pounds;
- Each F-35 Joint Strike fighter needs about 920 pounds; and
- REEs are also essential to precision-guided munitions, lasers, satellite communications, radar, sonar and other military equipment.

As important as these elements are, the production of REEs is controlled by one country and has been used as an economic weapon recently. China produces more than 90 percent of all REEs used today. In a dispute over uninhabited islands that resulted in Japanese detention of a Chinese fishing captain, China halted shipments of REEs to Japan. The action sent a shockwave around the world. Suddenly, China had the power to bring the economy of a foreign power to a grinding halt.

After years of disputes in the WTO over the actions, China decided to flood the market with REEs. Flooding the market with cheap REEs ensured no other mines in the world could compete with China, including a U.S. mine, Mountain Pass mine owned by Molycorp, that would go bankrupt in June of 2015. China now controls the rare earth market.

China was able to turn an industry valued at \$4.3 billion in 2012, expected to reach \$10.9 billion in 2020, and turn it into the base for its technology manufacturing industry, valued at \$4.8 trillion. China was also able to demand the manufacture of products with REE components be relocated to China along with the transfer of Intellectual Property (IP). China did not get to be the second largest economy in the world by obeying the rules. China used trade warfare, and lawfare to rival the U.S. and the least policymakers can do is recognize that.

These are just two recent examples of trade warfare. It is a tactic that has been used since the beginning of time. Those complaining about what the administration did should study history. It is impossible to have a conversation about the issue if both sides cannot even admit that trade has been used as a weapon in the past. Obviously, no one wants a trade war, but how do you know the other side isn't in a trade war already?

Printus LeBlanc is a contributing editor at Americans for Limited Government.

Republicans in Congress continue to dismantle oppressive regulations



C/O American Energy Alliance

By Natalia Castro

Republicans in the House of Representatives have spent this week breaking down the oppressive regulatory regime the previous administration put into place. Former President Barack Obama dramatically expanded the influence of the executive branch through agencies like the Environmental Protection Agency(EPA). House Republicans are now working to pass legislation that mitigates the impact of overreaching federal policies, but barriers in the Senate could make this a difficult task.

The House has taken up two pieces of legislation this week to combat EPA overreach.

First, the Satisfying Energy Needs and Saving the Environment Act or SENSE. The legislation exempts certain coal power plants from 2012 environmental regulations in order to foster growth within the industry.

Pennsylvania Representative Keith Rothfus explained in a press release, “Huge piles of low-quality... ‘waste coal’... have become fixtures of our natural landscape. With the invention of circulating fluidized bed (CFB) technology, however, the private sector has been able to process this coal and use it to generate cheap, domestic energy.... Unfortunately, facilities that utilize CFB technology will soon be forced to shut down as a result of the compliance costs associated with the Environmental Protection Agency’s Mercury and Air Toxics Standards rule... the Satisfying Energy Needs and Saving the Environment Act... provides existing CFB facilities with relief from the unattainable hydrogen chloride and sulfur dioxide limitations of the MATS rule.”

Innovation within the private sector to lower national energy costs should be encouraged, not regulated out of existence. This is not a new idea. In fact, in 2013, just after the Obama Administration implemented ridiculous compliance demands, the House passed a nearly identical version of SENSE; however, the legislation lost momentum in the Senate when Obama announced his plans to veto the bill.

Additionally, the Blocking Regulatory Inference from Closing Kilns Act “prohibits the Environmental Protection Agency from requiring compliance with Clean Air Act rules concerning national emission standards for hazardous air pollutants with respect to brick and structural clay products manufacturing or clay ceramics manufacturing until judicial reviews of the rules are complete.” Since EPA rules are

so often challenged in the courts, this prevents companies from paying compliance costs just for a regulation to be removed.

Unlike the controversy surrounding SENSE, this Act has already received bipartisan support Senators such as Roger Wicker (R-Miss.) and Joe Donnelly (D-Ind.).

The Brick Industry Association (BIA), president and CEO Ray Leonhard, explained in testimony before Congress last September, "It's critical to complete the full legal review before manufacturers must spend millions for controls that may not be needed and could force some of them out of business."

BIA executives believe industry leaders have invested over \$100 million in EPA regulation since 2003 which have been later overturned in courts.

The second piece of legislation's bipartisan support in the Senate should mean easy passage, garnering the 60 votes necessary to pass most measures has proven consistently difficult. Even without President Obama to call for a veto on SENSE, the Act will inevitably struggle to find nine or ten Democrats willing align with the Republican agenda.

The best strategy for passing legislation right now for the Senate is an attachment to the funding bill coming in late March. With an omnibus spending rule, Republicans can attach critical items like these as amendments to the legislation to institute comprehensive and passable reforms.

The House's decision to combat the growth of the EPA regulatory regime could assist in protecting U.S. energy production and lowering energy costs, but only if they find an avenue to pass the legislation through the Senate as well. Senate Republicans should force Democrats to vote to close U.S. businesses and raise energy costs. But if and when that fails, attaching these items to the funding bill could be the only viable path forward.

Natalia Castro is a contributing editor at Americans for Limited Government.



ALG Editor's Note: In the following report from Foreign Policy Magazine: Bethany Allen-Ebrahimian reports on how China is influencing American educational institutions and injecting its brand of communism:



China's Long Arm Reaches into American Campuses

By Bethany Allen-Ebrahimian

When Chinese President Xi Jinping visited Washington on Sept. 24, 2015 on a state visit, hundreds of Chinese students lined the streets for hours, carrying banners and flags to welcome him. It was a remarkable display of seemingly spontaneous patriotism.

Except it wasn't entirely spontaneous. The Chinese Embassy paid students to attend and helped organize the event. Working with Chinese Students and Scholars Associations (CSSAs) at local universities — a Chinese student organization with branches at dozens of schools around the country — government officials from the office of educational affairs at the Chinese Embassy in Washington collected the contact information of about 700 students who had signed up to attend. Embassy officials communicated with students via WeChat, a Chinese messaging app, during the event and into the night, responding to messages as late as 3 a.m.

According to a Chinese student at George Washington University who attended the event, participants each received about \$20 for their effort, distributed through the CSSA a few months later.

This wasn't an isolated example of paid political mobilization. A similar arrangement had occurred in February 2012, when Xi visited Washington as vice chairman. In that case, it took almost a year for the embassy to transfer the promised funds to the George Washington CSSA. In January 2013, the student group sent a message, recently reviewed by Foreign Policy, to its members saying the compensation from Xi's welcome the previous year was finally available, and they could come pick up the cash at the campus community center if they brought a photo ID. The George Washington CSSA did not respond to a request for comment.

And when then-President Hu Jintao visited Chicago in 2011, the University of Wisconsin-Madison CSSA bused in Chinese students, excited about a free trip to the city and a chance to glimpse the president. The association also surprised the students at the conclusion of the trip with a small cash payment. The CSSA president told students not to speak to the media about the money, according to one student who attended. The association did not respond to a request for comment.

The embassy-sponsored welcome parties, which lend an aura of power and popularity to the visiting leaders, are just one example of the close relationship that the Chinese government maintains with Chinese student groups across the United States. That relationship often focuses on student safety and well-being. But in the past few years, as Xi has strengthened the party's control over every aspect of Chinese society and sought to extend his power abroad, consular officials have markedly increased their efforts to exert ideological influence over students — leaving some CSSA members wary to speak out against what they see as unwanted government intrusion.

While many countries, including the United States, fund educational activities abroad, the Chinese government's direct support for, and control over, student groups appears to be unique. Beijing's influence over these groups is also beginning to raise questions and concerns among students on American campuses, who fear they will be accused of being agents of espionage. The growing ties are also concerning U.S. government officials, who are wary of China's political and economic reach in the United States.

At a security hearing last month, FBI Director Christopher Wray said that American universities are naive about the intelligence risk of Chinese "nontraditional collectors, especially in the academic setting," and claimed that China poses a "whole-of-society threat."

Those comments have alarmed some Chinese students. Several Georgetown University student representatives wrote an open letter to the university president, asking the school to disavow Wray's statements and calling the comments a "witch-hunt" and a "McCarthyist craze." The article also cited FP's recent report revealing that the Georgetown CSSA has received Chinese government funding.

Although the extent of Chinese government funding and oversight of these organizations is not entirely clear and appears to vary from group to group, it seems to be more significant than previously known — and growing. FP spoke to more than a dozen members of the group across the country (including four current or former presidents), was given access to internal messages and documents, and reviewed the publicly available charters of dozens of these groups, in Chinese and English. All of the students who spoke to FP requested anonymity for fear of potential reprisals.

FP found that CSSAs regularly accept funds from their local consulates and many officially describe themselves as under the “guidance” or “leadership” of the embassy. Internal correspondence reviewed by FP also show that consular officials communicate regularly with CSSAs, dividing the groups by region and assigning each region to an embassy contact who is responsible for relaying safety information — and the occasional political directive — to chapter presidents. A few CSSAs explicitly vet their members along ideological lines, excluding those whose views do not align with Communist Party core interests.

The Chinese Embassy did not respond to a request for comment on any of the issues raised in this article.

Chinese Communist Party influence within the United States is a real concern, and the vessels of that influence “should be transparent and it should be disclosed,” says Bill Bishop, author of the influential [Sinocism newsletter](#), which offers insights into Chinese politics and government. But it’s important not to conflate party influence with all Chinese people, which is exactly what Wray’s comments did, says Bishop.

[Click here for the full story.](#)



[Subscribe in a reader](#)

Americans for Limited Government
10332 Main Street # 326None
Fairfax Virginia 22030
United States

This email is intended for abboud.michael@epa.gov.
[Update your preferences](#) or [Unsubscribe](#)