

Trans-Pacific Partnership to Facilitate U.S.-China Merger

According to some political pundits, a main reason for U.S. interest in passing the Trans-Pacific Partnership is to inhibit China's economic dominance, but that's far from the truth.

by Christian Gomez

The American political scene will soon be exploding in a new war over so-called free trade agreements that could make the battle over NAFTA (the North American Free Trade Agreement) in the early 1990s seem but a scruffy scuffle by comparison. The two major fronts in this war are the Atlantic theater, where our policy elites are attempting to merge the United States and the European Union — economically and politically — via the Transatlantic Trade and Investment Partnership (TTIP), and the Pacific theater, where the same elites are trying to merge us with the Pacific Rim countries — economically and politically — through the Trans-Pacific Partnership (TPP).

Economic Battle Against China?

We will be focusing here on the Trans-Pacific Partnership, which, most likely, will be the first of the two to see action in the U.S. Congress. But, unlike many of this magazine's previous articles on the TPP, we will not be focusing so much on the content of the TPP agreement as on a very deceptive tactical feint its proponents are employing to disarm potential opposition. Here is the deception: TPP proponents know that a large American constituency is already very alarmed over the outsourcing of jobs and industry to China and the huge inroads that China is making into the American economy. So TPP advocates



Xi Jinping and Barack Obama discussed a future Free Trade Area of the Asia Pacific (FTAAP) at the APEC China 2014 summit.

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are telling this concerned audience that the TPP — which, at present, does not include China — will give American workers and companies a big new advantage against competition from China. However, these same TPP proponents are duplicitously telling other audiences that China will probably be admitted into the TPP and that, at any rate, the final game plan is to have the TPP subsumed into the larger planned Free Trade Area of the Asia Pacific (FTAAP), which will include not only Communist China, but Russia as well. As we will show below, the architects of the TPP have planned from the beginning to include China and openly acknowledge that the TPP is merely a “steppingstone” (their term) to U.S.-China convergence in the larger FTAAP.

An October 10, 2014 article published in the Diplomat online reported: “China is open to joining the Trans-Pacific Partnership, a high-ranking Chinese official indicated on Wednesday at a think-tank in Washington, DC.” When asked if China would be interested in joining the TPP, Zhu Guangyao, China's vice minister of finance and a member of the Communist Party of China since 1987, replied that

“China was ‘very open’ to the global economy and plans to continue its decades-long process of ‘reform and opening up’ under Xi Jinping,” according to the Diplomat. In the same article, the Diplomat further reported: “China's Commerce Ministry indicated that it was looking more seriously at the possibility of China joining the TPP.”

On November 12, reporting on the 2014 Asia Pacific Economic Cooperation (APEC) summit, held in China, *China Daily*, the Communist Party of China's state-run newspaper, stated that China's goal is to “counter the growing trend of fragmentation in the region that directly undermines economic integration, not the TPP or any other specific freetrade agreement.” China admits that it is not working to counter the TPP, but rather “the growing trend of *fragmentation* in the region.” (Emphasis added.) Behind all the Leninist newspeak, “fragmentation” can be understood to mean the independence of nations. China wants greater economic integration for the Asia Pacific region, which means replacing independence with *interdependence*.

Addressing APEC leaders at the summit, Chinese President and General Sec-

retary of the Communist Party of China Xi Jinping said, “The world economic recovery still faces many unpredictable and destabilizing factors. We need to intensify regional economic integration and foster an open environment that is conducive to long-term development.”

It is important to note that Xi Jinping and his American counterparts are using the term “integration” in the same way and with the same meaning as the architects of the European Union. Which is to say that, like the EU architects, they intend to use economic integration to pave the way for eventual political integration of APEC/TPP/FTAAP member countries into a Trans-Pacific Union.

Despite these movements on China’s part and the overall integration plan of the TPP players, the American mainstream media have, for the most part, portrayed the TPP as a counterweight to contain the rise of China. One article published in *Forbes* magazine stated: “American trade policy is trying to contain China, notably through the mega-regional TPP (Trans Pacific Partnership), from which China is excluded.” Another article, from the *Wall Street Journal*, portrays the TPP as an American initiative rivaling the FTAAP, portrayed as a Chinese initiative:

In the run-up to the APEC summit, people familiar with the matter say, the U.S. blocked *China’s efforts* to

begin negotiations on a regional free-trade agreement, the *Free Trade Area of the Asia Pacific*, because it conflicted with a Washington-backed alternative known as the *Trans-Pacific Partnership that excludes China*. [Emphasis added.]

The *Wall Street Journal* article did however concede the following fact: “Beijing continued to promote its preferred deal in presummit meetings *but won endorsement for the pact only as a long-term goal*.” (Emphasis added.)

Steppingstone to Increase China’s Clout

The truth is that both China and the United States are members of APEC. The fact that China won endorsement for the FTAAP as a “long-term goal” demonstrates the United States’ willingness, under President Obama, to abrogate its sovereignty and to economically integrate the United States with Russia and China in a future Trans-Pacific Union based out of Beijing. Further evidence of the Obama administration’s duplicity can be found in an official APEC press release posted on the White House website. The release, dated November 13, 2010 states:

Based on the results of this work, we have agreed that now is the time for APEC to translate FTAAP from an aspirational to a more concrete vision.

To that end, we instruct APEC to take concrete steps toward realization of an FTAAP, which is a major instrument to further APEC’s Regional Economic Integration (REI) agenda.

Here the White House not only admits its role, as a leader in APEC, in supporting a “free trade” agreement of the entire Asia Pacific that would include the United States along with Russia and China, but also we see the White House going the extra mile by calling on APEC to take action, *instructing* “APEC to take concrete steps toward realization of an FTAAP.” The ruling political class of the United States wants the FTAAP every bit as much as the Communist Party elite of China. The TPP is not designed to contain China; it’s designed to converge with China. The press release goes on to say: “We believe that an FTAAP should be pursued as a comprehensive free trade agreement by developing and *building on ongoing regional undertakings, such as ASEAN+3, ASEAN+6, and the Trans-Pacific Partnership*, among others.” (Emphasis added.) The TPP is the steppingstone for the FTAAP, and the White House acknowledges this in an APEC press release, available to the public on WhiteHouse.gov.

Another very important source that acknowledges China’s role relative to the TPP’s future is a pro-TPP book published in 2013 by the Peter G. Peterson Institute for International Economics (PIIE), entitled *Understanding the Trans-Pacific Partnership*, coauthored by Jeffrey J. Schott, Barbara Kotschwar, and Julia Muir. As *THE NEW AMERICAN* magazine’s senior editor William F. Jasper previously reported, “The PIIE is one of the premier global think tanks and has played an especially important role in promoting the WTO, IMF, United Nations, and free trade agreements (FTAs), including NAFTA, CAFTA, TPP, and FTAAP.”

On page 3 of *Understanding the Trans-Pacific Partnership*, the authors reveal the TPP’s true long-term objectives:

The Free Trade Area of the Asia Pacific (FTAAP), shown in red, is the shared long-range objective of TPP architects and APEC leaders for the economic and political “integration” of the Pacific Rim into an EU-style Trans-Pacific Union, which would include Communist China and Russia.





Xi Jinping and Vladimir Putin at the APEC China 2014 summit agree on long-range East-West convergence via the proposed Free Trade Area of the Asia Pacific (FTAAP).

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The TPP is regarded as an interim arrangement or *stepping stone* toward a broader, regionwide Free Trade Area of the Asia Pacific (FTAAP), possibly within a decade, as envisaged by APEC leaders in Bogor in November 1994 and reaffirmed more recently by them in their meeting in Honolulu in November 2011. TPP negotiators are not only thinking about new countries joining the ongoing talks but also planning and constructing the trade pact with a view toward *future linkages with other APEC members, including and especially China.* [Emphasis added.]

On page 51, in the book’s sixth chapter, revealingly entitled “Moving from TPP to FTAAP,” it further says:

The current TPP architects envision building an eventual FTAAP on the comprehensive foundations of the TPP accord, with other APEC countries joining the pact in coming years through an accession process similar to that provided in the WTO for new members. [Emphasis added.]

The book also describes how the FTAAP would serve as an umbrella agreement for both the TPP and the RCEP. The RCEP, or Regional Comprehensive Economic Partnership, is another proposed regional “free trade” agreement between 16 countries: the 10 member states of ASEAN, the Association of Southeast Asian Nations (Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Vietnam, Laos, Burma, and Cambodia); plus the three ad-

ditional member states of ASEAN Plus Three (China, Japan, and South Korea); and Australia, New Zealand, and India. On page 63 it says:

[The] FTAAP — would be an umbrella providing reciprocal obligations applying to all TPP and RCEP countries while the more comprehensive and legally binding TPP provisions would remain in force among the TPP signatories. *Importantly, the United States and China would deepen their commercial relationship without the strain of trying to fit China into the TPP or the cost diluting the TPP to accommodate China.* [Emphasis added.]

The FTAAP’s role as an umbrella for both the TPP and RCEP was also discussed in a Chinese publication. In an article entitled “FTAAP Roadmap Guess,” on January 4, 2015, posted on the website of *China Top Brands* magazine, it stated:

Thus, the path to achieving the Asia-Pacific free trade zone, the international community has speculated may have the following four main paths: one is formed by TPP expansion FTAAP; the second is formed by a RCEP expansion FTAAP; the third is integrated into the TPP and RCEP FTAAP; TPP and RCEP around four to form a “umbrella agreement.” FTAAP can be set in terms of tariff reductions, liberalization, intellectual property rules, standard level intervening between TPP and RCEP, thus forming a multi-level system of free trade in the Asia Pa-

cific region, [that] people [will] look forward to the FTAAP, with TPP and RCEP [in] parallel existence. [Translated from Mandarin.]

Like TPP architects, China also favors the TPP and RCEP in relation to developing the FTAAP. On December 30, 2014, *China Daily* published the following:

In an institutional sense, the Beijing-led FTAAP, if successfully negotiated, will put an end to the economic fragmentation in the Asia-Pacific region. The co-existence of the US-led Trans-Pacific Partnership Agreement and the Regional Comprehensive Economic Partnership favored by China is feasible if both jointly serve the more inclusive FTAAP.

Similarly, *Understanding the Trans-Pacific Partnership* concludes reaffirming the TPP’s economic objectives for the Asia Pacific region:

To conclude, in trade negotiations, good things come in big packages. *A big TPP deal would yield substantial commercial benefits, a strong foundation for Asia-Pacific economic integration, and important precedents and impetus for renewed multilateral trade talks.* [Emphasis added.]

Both *Understanding the Trans-Pacific Partnership* and the APEC press release on the White House website expunge any doubt or speculation of the TPP’s true purpose. Far from creating new American jobs and bolstering the U.S. economy or that of its allies in the face of a rising China or Russia, rather it is the engine fueling the drive toward a future unified Asia Pacific regional bloc or Trans-Pacific Union, in which the United States would be relegated to a subordinate member state, with Eastern-bloc Marxist states such as China, Vietnam, and Russia at the helm.

TPP’s passage would be a major step toward the realization of APEC’s vision for the Free Trade Area of the Asia Pacific and an eventual Trans-Pacific Union, not only facilitating the economic convergence of East and West, but eroding the remaining vestiges of American sovereignty and independence. ■