Biden pledges to “manage” economic war with China

Andre Damon
15 November 2022

US President Joe Biden had his first face-to-face meeting with Chinese President Xi Jinping since his inauguration, pledging to “manage” the United States’ trade war with China, which he referred to as “competition.”

Biden, in the words of the White House readout of the discussion, “reiterated that this competition should not veer into conflict and underscored that the United States and China must manage the competition responsibly and maintain open lines of communication.”

The readout continued: “President Biden explained that the United States will continue to compete vigorously with [China], including by investing in sources of strength at home and aligning efforts with allies and partners around the world.”

Speaking after the meeting with Xi, Biden declared, “We’re going to compete vigorously. But I’m not looking for conflict, I’m looking to manage this competition responsibly.”

Biden’s emphasis on “managing” tensions and keeping open lines of communication may indicate a tactical shift by Washington and a temporary deescalation of sharp tensions with Beijing.

Over the past several months, the Biden administration has relentlessly escalated pressure on Beijing. House Speaker Nancy Pelosi staged a visit to Taiwan in a deliberate provocation against Beijing’s claims of sovereignty. Biden declared that the US would commit troops to defend Taiwan in the event of an invasion by mainland China.

Washington placed a ban on trade in advanced microchips with China, a measure of economic warfare targeting China’s core interests.

At the same time, China is isolated in a world in which every other country, led by Washington, has abandoned all public health measures to deal with the pandemic. China’s Zero-COVID policy is under intense attack.

With its war games and military deployments, Washington has brought the Korean Peninsula, vital to China’s own interests, to the brink of the resumption of armed conflict.

Biden has repeatedly and baselessly accused China of “genocide.”

The war in Ukraine, provoked by the US and NATO, has profoundly destabilized the Eurasian landmass and ruptured China’s trade and political connections throughout the region. And all this in less than a year.

The meeting between Biden and Xi on the sidelines of the G20 summit in Bali witnessed a stepping back by Washington from this year of unrelenting incendiary rhetoric and military provocation. In his remarks to the press after a three-and-a-half-hour meeting with Xi, Biden characterized Xi as “direct and straightforward” and “willing to compromise.”

There would be no “new cold war” between the US and China, Biden declared, and added that he believed China had no imminent plans to invade Taiwan. This is a reversal of numerous earlier warmongering statements issued by the Biden administration, Congress and the Pentagon.

The term “New Cold War” was used to describe the 2018 speech by Vice President Mike Pence that raised the prospect of economic “decoupling” between the United States and China in order to prevent China from seizing the “commanding heights of the 21st century economy.” While denying he is seeking such a “New Cold War,” Biden has in fact embraced the doctrine of “strategic competition” with China pioneered under the Trump administration.

Biden said that Washington would “oppose unilateral change in the status quo” of relations between mainland China and Taiwan “by either side.” This was the first time that the US president had spoken against a growing Taiwanese separatist movement to which he had until now been giving open encouragement.

Biden announced that as a means of “managing” the “competition,” Secretary of State Antony Blinken would travel to China to meet with his counterpart, and various US and Chinese teams would meet to set in place mechanisms for meetings to discuss the resolution of differences.

The *Global Times* quoted Xi as responding that he “looks forward to working with the US president to push bilateral relations back on the track of healthy and stable development.”

The United States is committed to a strategic course that leads inescapably to war with China. China’s economic growth directly threatens US hegemony and Washington will use trade war measures and open military conflict to hold onto its world dominance.

The changed rhetoric at Bali may express Washington’s attempt to drive a wedge between Russia and China as it pursues the imperialist breakup of Russia coming out of the war in Ukraine. The tactical deceleration of its drive to war against Beijing is being coupled with the institutionalization and normalization as “competition” of its trade war measures against China.

These trade war policies were initiated by former US President

© World Socialist Web Site

Donald Trump and are expressed in the doctrines of economic "decoupling" and deglobalization that have been embraced by the entire US political establishment.

An editorial in the *Financial Times* explained the meaning of Biden's efforts to "manage" its "competition" with China:

> Washington's determination to restrain Beijing's ambitions to surpass it as the world's leading military and economic power means further decoupling from China is inevitable. But Washington must at the same time manage relations with Beijing with care. It should be guided by three principles: that decoupling should not crash the global economy; that war must be avoided; and that China's co-operation is still needed on a range of global issues.

The newspaper continued:

> Washington's drive to slow Beijing's acquisition of leading-edge military technologies should be combined with co-operation in areas of mutual concern. These extend not just to the green transition, but also nuclear proliferation, pandemic prevention and debt restructuring for emerging markets.

In other words, the economic doctrines of free trade and globalization, in which the flourishing of global economic activity would "lift all boats," has been entirely rejected by the political establishment, replaced with two alternatives: mercantilist trade war aimed at achieving military supremacy without the use of force, or open military conflict.

The line between the two, however, is entirely fluid. For all of Biden's declarations that he is merely seeking a trade war and not a military conflict, his statements are openly contradicted by his own policy documents. While its tactics may shift, the explicitly stated strategy of Washington is preparation for military conflict with China.

Just one month before the meeting of Biden and Xi, Biden penned an introduction to the new US National Security Strategy in which he declared the United States will "seize this decisive decade to advance America's vital interests" and "position the United States to out maneuver our geopolitical competitors."

Biden declared, "We are in the midst of a strategic competition to shape the future of the international order."

He added, "In the contest for the future of our world, my Administration is clear-eyed about the scope and seriousness of this challenge. The People's Republic of China harbors the intention and, increasingly, the capacity to reshape the international order in favor of one that tilts the global playing field to its benefit, even as the United States remains committed to managing the competition between our countries responsibly."

In other words, Biden's declarations about "managing" its economic war with China are fundamentally consistent with his administration's plans for military conflict with China in what he called the "decisive decade."

There are growing signs that in an effort to deescalate tensions with the United States, China is making moves to adopt the mass infection COVID-19 policies championed by the US and other imperialist powers.

In an editorial, the *Economist* declared that Chinese "officials released 20 measures adjusting zero-covid policies to make them a little less onerous and costly to administer." It called these moves "the biggest relaxation of the country's pandemic stance since covid began to spread," while likewise hailing the abandonment of measures to reduce real estate speculation.

There can be no doubt that the United States, the world's leading imperialist power, has the skill and shrewdness to provide Chinese officials rewards in exchange for sacrificing the lives of tens of thousands of Chinese workers, in the process boosting the profits of American corporations—all the while continuing their long-term plans to economically and militarily subjugate China.

There also appear to be quiet moves by China to distance itself from Russia amid the US-led proxy war.

Reuters wrote, "Chinese Premier Li Keqiang emphasized the 'irresponsibility' of nuclear threats during a summit in Cambodia, suggesting Beijing is uncomfortable with strategic partner Russia's nuclear rhetoric, a senior U.S. official said on Monday."

Hailing these statements, US proxy and Ukrainian President Volodymyr Zelensky declared, "In particular, it is important that the United States and China jointly highlighted that the threats of using nuclear weapons were unacceptable. Everyone understands to whom these words are addressed."

The US, Russia and China are each facing massive social and domestic crises. Despite the talk of "decoupling" and "deglobalization," the inflationary surge and looming economic recession are threatening every single country of the world. The upsurge of the class struggle in the United States, exemplified by a looming rail strike, will weigh heavily on the White House's plans.

Under these conditions, the United States may be seeking to make tactical reorientations, including accepting concessions from China or even Russia, in order to temporarily stabilize surging prices and head off an economic collapse.

The overall policy of the United States remains, however, the militarist and war-mongering strategy expressed in last month's National Security Strategy, pledging to "win the competition for the 21st century" through trade war, military threats and the massive buildup of military spending.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site