

Is Trump About to Invite In the Biggest Predator in the World?

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“If you look at my old speeches when I was young, very handsome,” President Trump [said](#) while announcing his “Liberation Day” tariffs last year, “I’d be on a television show. I’d be talking about how we were being ripped off.” For someone who’s been known to change his opinion from time to time, he has been remarkably consistent on this point: Other countries are swindling America, and China is the worst offender.

In an earlier era when the political class was infatuated with free trade, Mr. Trump’s concerns marked him as an extreme outlier. Since then, the country has largely come around to his way of thinking. The Biden administration doubled down on Mr. Trump’s first-term China tariffs, increasing rates even further, and imposed strict export controls on critical technologies. A House select committee issued [bipartisan recommendations](#) to drastically limit China’s access to the U.S. market.

Anti-China sentiment helped sweep Mr. Trump back into office, and he packed his second administration with prominent China hawks, most notably Vice President JD Vance; Secretary of State Marco Rubio; the Pentagon policy chief, Elbridge Colby; and Jamieson Greer, the U.S. trade representative. The assumption on the part of many Americans was that Mr. Trump would do everything in his power to sever economic ties between the two countries.

Instead, he may be on the verge of tying the United States to China irrevocably: Mr. Trump and Xi Jinping are [reportedly](#) considering a deal to allow China to invest \$1 trillion in the United States, largely to build factories on American soil. It would be an unforced error of world-historic proportions.

As mind-boggling as that prospect might seem, however, it doesn't come out of nowhere. Other than the steep tariffs he imposed (and then lowered), Mr. Trump's approach to China has frequently put him at odds with his own administration. The White House's high-level [National Security Strategy](#) seeks merely to "rebalance America's economic relationship with China." When the Pentagon's draft of the more detailed National Defense Strategy described China as the top security threat, the president [sent the authors back](#) to the drawing board.

After Mr. Trump reached a "trade truce" with Mr. Xi at their October summit in South Korea, he directed Stephen Miller, a White House deputy chief of staff, to limit any agency actions that might antagonize China. He made the case for [granting 600,000 Chinese student visas](#). And he pushed to allow China access to advanced A.I. chips — even though his administration's own [A.I. Action Plan](#) states: "Denying our foreign adversaries access to this resource" is "a matter of both geostrategic competition and national security."

What is going on?

The answer is that Mr. Trump sees the problem with China as simply a bad deal. And what's the remedy for a bad deal? Why, a better deal, of course. End the rip-off and all is forgiven. "I don't blame China," he [told](#) business leaders in Beijing in 2017. "After all, who can blame a country for being able to take advantage of another country for the benefit of its citizens? I give China great credit." Campaigning in 2024, he said [he would welcome](#) the arrival of Chinese automakers, a position he [reiterated](#) this past January in Detroit: "If they want to come in and build the plant and hire you and hire your friends and your neighbors, that's great. I love that. Let China come in." Indeed, he may even view such investment as a prize worthy of concessions.

A trillion-dollar infusion of capital would exceed the total direct investment in the United States made by any other country since the Declaration of Independence. Even a fraction of that amount would blow apart what remains of our economic defenses, weakening national security and supply-chain resilience, handing the Chinese Communist Party a powerful tool with which to subvert our market, undermining the basic logic of the president's own trade agenda and kneecapping our efforts at rebuilding domestic industry.

In recent weeks, Mr. Greer and Howard Lutnik, the commerce secretary, have both cast doubt on accepting Chinese investment. With Mr. Trump, though, it's always hard to know what's a firm no and what's a negotiating posture. If he continues on his current course, the president who did more than anyone else to call out the danger of the China relationship could become the one to embed that relationship, and that danger, into the foundation of the nation's economy.

China has changed a great deal in recent decades. It has grown wealthier and become a global leader in technology. It has moved no closer, however, to market democracy.

Whereas American companies pursue their own goals with relatively little political interference or concern for the national interest, Chinese companies operate at the pleasure of the Chinese Communist Party and succeed when the party wants them to. If the party decides to dominate an industry, it can offer virtually unlimited financial support and access to a virtually unlimited labor pool, as it has done for companies engaged in rare earth processing, at the beginning of the supply chain, as well as iPhone assembly, at the end of it, and many others in between. If a company's success is no longer deemed to be in the interest of the party, support vanishes, investigations start, executives land in jail. No rights stand above the obligation to serve the state.

As Robert O'Brien, the national security adviser in Mr. Trump's first term, [put it](#), the idea that "individuals are merely a means to be used toward the achievement of the ends of the collective nation state" remains "as fundamental to the Chinese Communist Party as the Constitution and the Bill of Rights are to us as Americans."

Welcoming that model to our shores would be a catastrophe for the United States. The U.S. auto industry is Exhibit A.

Consider what happened when China invited some of the crown jewels of American industry, like General Electric, Intel and Tesla, to set up shop across the Pacific. In exchange for that market access, the American companies willingly shared their technology with Chinese businesses, which, having gotten what they needed, began to push the Americans out.

China [ran its playbook](#) to perfection on Tesla, using a [tariff on cars](#) manufactured in other countries and [subsidies for those produced domestically](#) to lure Elon Musk to Shanghai in 2017. Tesla got generous subsidies, a sweetheart deal on premium

industrial land and quick approval on all necessary infrastructure and regulatory matters — for just long enough to allow Chinese engineers to learn about the company’s innovations, then [head off](#) to share them with Chinese competitors. That’s when China withdrew the subsidies. By 2025, Tesla was [getting steamrolled](#) in China as sales [plummeted](#) and its market share fell below 5 percent.

The United States cannot run that playbook in reverse. If those Chinese companies come to the United States, they will share no technology that the party does not want shared. To the contrary, there is ample reason to fear that they would use their new perch to steal American technology and gather [sensitive data](#) on American citizens, our economy and our infrastructure. Indeed, China’s [2017 National Intelligence Law](#) doesn’t just grant China’s intelligence services access to all private-sector business data; it affirmatively imposes the obligation that “any organization or citizen shall support, assist and cooperate with the state intelligence work.”

In recent years, prominent Chinese firms and Chinese nationals have been accused in [countless incidents](#), such as [stealing software source code](#) from an American supplier, [removing equipment](#) from an American lab and even [digging up proprietary seeds](#) from a test field in Iowa. Now they’d be doing it with a hall pass from the American government. And American companies striving to maximize profit in a free market would be up against competitors bolstered by almost limitless subsidies from Beijing and with no obligation to turn a profit at all.

The problem isn’t foreign investment per se. Mr. Trump has been right to pursue major investment commitments from Japan, South Korea and Taiwan as part of trade negotiations, just as President Ronald Reagan used the threat of an import quota to [force](#) Japanese automakers to invest in building their first U.S. factories in the early 1980s. Those countries are market democracies, and their economies run on the same general principles as ours. So when their companies set up shop here, they operated the way you’d expect an American company to operate: They established assembly plants, then expanded supply chains and eventually opened research and development centers as well. Today, those companies pursue profit by creating good jobs across the supply chain for hundreds of thousands of Americans and competing fairly against American

carmakers for their share of the market. Honda is a leading sponsor of the U.S. Olympic Team.

China is a different story. Thanks in no small measure to the U.S. technology it appropriated, China now has the world's best electric vehicles, and [leads in nearly all other](#) advanced industrial technologies as well. Allowed into the United States, Chinese carmakers will flood the market with cars that American firms cannot make and sell for anywhere near a comparable price. "The existential risk to the U.S. auto industry isn't Chinese E.V.s alone. It's the combination of sustained government support, vertically integrated supply chains and speed," [said](#) Elizabeth Krear, the chief executive of the Center for Automotive Research. And once these companies devastate the U.S. auto industry, Beijing could decide to pull back leading-edge technologies, or relocate production back to China altogether, leaving the United States with fewer jobs, a weaker industrial base and no choice but to import.

Cars present the most obvious example, but the same logic will apply to any other industry opened to Chinese investment. Vulnerability to China's control over particular inputs like critical minerals has already proved a disaster for American security and resilience. Allowing China to develop vertically integrated control over entire supply chains on both sides of the Pacific would multiply that disaster many times over; it would be as damaging as the choice to welcome China into the World Trade Organization a generation ago.

Mr. Trump's broader reset of the global trading system would collapse, too. Since he took office last January, his negotiators have steadily increased pressure on trading partners to match the United States' tariff rates on China and reject investment controlled by the People's Republic. Treasury Secretary Scott Bessent [warned](#) European leaders in April that choosing to team up with China rather than the United States "would be cutting your own throat."

But how does that threat work if Mr. Trump welcomes huge Chinese investment, treating it as an important achievement? If the United States adopts a strategy of just pursuing the best deal it can get with China, there is no chance that our trading partners will hold their own line.

Mr. Xi undoubtedly understands the stakes. His position on the matter is considered so central to Chinese ideology that it has been written into the curriculum of the People's Liberation Army. According to one textbook, "Xi Jinping has emphasized that our state's ideology and social system are fundamentally incompatible with the West. Xi has said, 'This determines that our struggle and contest with Western countries is irreconcilable, so it will inevitably be long, complicated and sometimes even very sharp.'"

The textbook calls for luring adversaries into exactly the lopsided deal that China is now proposing: "We must gain a grip on foreign government leaders and their business elites by encouraging our companies to invest in their local economies." If Mr. Trump grants Mr. Xi that grip, he will lose his own hold on the era's key strategic conflict, entranced by China's siren song as foolishly as the "globalists" he made his name railing against, this time with consequences more irreversible.

The grand bargain that Mr. Trump wants, establishing a balanced economic relationship between the two nations, is not one that he can get, because the relationship is not one that can exist. The asymmetry of the two economic systems guarantees that any deal with China ends with the United States ripped off. Any accomplished deal maker also knows when to walk away.