

Many people in the West are ramping up the anti-China rhetoric by calling for lawsuits against Beijing. They argue that since the COVID-19 outbreak started to spread at alarming levels in Wuhan, central China's Hubei Province, the country should be held liable for paying coronavirus reparations to other nations.

Such lawsuits are routinely deemed frivolous and would get thrown out of a court of law. A normal judge will realize that a class-action lawsuit filed against a foreign government will be fraught with peril since a foreign government will unlikely appear in court and ignore the final ruling if it's a judgement against them.

Read: [The 'Blame China' Treatment Will Not Cure Your Coronavirus](#)

Collecting the settlement money is not as easy as it sounds. A foreign government, if required to pay restitution, will avoid making direct payments to ordinary Americans. Law firms, claiming that if their lawsuit wins clients will receive cash from Beijing, are delivering false hopes. The law firms will not receive the money from the Chinese government since it will go through the US federal government and then distributed to agencies, not individual citizens or law firms.

To understand how reparations are paid, you can review history books and read up on the Versailles Treaty after World War I, in which [Germany had to pay reparations to other nations](#). Berlin paid off its debts, by debasing its national currency.



Cartoon illustrating the forced reparations on Germany for WWI

China, if forced to pay reparations, must take extreme actions as well in order to respond. Beijing could consider it a declaration of war and that may spark World War III. China could inflict an economic war on Western countries suing China instead. They could block cross-border trade and investments; ban their respective currencies; cash-in on all foreign bond holdings and forbid foreigners and foreign-owned businesses from entering the China market.

China has every right to respond with extreme measures if foreign governments accuse Beijing of intentionally creating and spreading the virus worldwide. One could only prove that by providing evidence showing China had deliberately created the pathogen in the Wuhan lab and had deliberately infected others knowing it will spread like a pandemic.

Yet, the World Health Organization (WHO) officials had earlier visited China to conduct an inspection tour, which included trips to Wuhan and the lab in question. WHO concluded the coronavirus was not man-made but an act of nature, hence acts of nature demonstrate China is not liable.

Nevertheless, Washington continues to spread conspiracy theories about the Wuhan lab, which fan the flames for US-based law firms to launch class-action lawsuits against China. Many Americans do indeed believe they will succeed because they listen to so-called legal scholars - Fox News TV host Judge Jeanine Pirro.



Last week, Judge Pirro was screaming on camera, claiming “China lied, people died,” and she holds a Law degree, which means her fans conclude she’s qualified to provide a professional legal opinion in regards to Americans suing China. But her fans are sorely mistaken. Just because a former judge turned TV commentator rants against Beijing that should not infer she is speaking the truth.

As we enter the Twilight Zone over the US response to the COVID-19 outbreak, US Senator Martha McSally (R-AZ) is introducing a bill requesting the US Treasury Department default on its bond-holdings owned by China. If the bill is approved by a majority vote in US Congress and Senate then signed into law by President Donald J. Trump that would usher in horrendous damage to the US and global economy.

The US dollar and US Treasuries stand strong because they are both backed with guarantees from the US federal government. Central Banks, including the People’s Bank of

China (PBOC) and Central Bank of India, are major purchasers of US public debt holdings for their foreign reserves.

Just imagine if Washington informs Beijing they can't redeem their US bond-holdings. The bond markets would crash, interest rates would soar and US dollar valuations would plummet. Don't expect other central bankers to ride to the rescue of the US either.

New Delhi witnessing such actions may conclude they should sell off their US Treasuries as well, just in case Washington has a diplomatic dispute with them in the future and the US Federal Reserve plays the same game and defaults on the Central Bank of India's holdings of US T-bills.

Indians might think they will never succumb to the same fate as the Chinese, but if Washington defaults on China that could embolden Americans to bully other nations, including their closest allies. President Trump has already demonstrated that he is not shy about making threats against New Delhi.

A few weeks ago, he called Modi to request India permit more exports of its pharmaceuticals to the US, so American hospitals can prescribe hydroxychloroquine pills for COVID-19 patients. The White House request sounds reasonable since the US has emerged as the world's epicentre for the virus, reporting over 40,000 deaths from it in the country.

Nevertheless, Trump sounded aggressive when saying at a press conference that if Modi refuses to follow through, the White House hinted it could assign White House Trade Advisor Peter Navarro to write up new Executive Orders to place added trade sanctions on New Delhi.

Accordingly, the US is playing with fire by threatening to carry out lawsuits against China, to default on the PBOC's holdings of T-bills and demanding coronavirus reparations from Beijing. They may think that would create a fairy tale ending for them just like watching a Hollywood film but don't be silly. Pushing on this strategy will ignite a nightmare scenario for the US and our world.

Beijing did not intentionally start the coronavirus. Public health experts visiting Wuhan and other parts of China have conducted vigorous research and inspections. WHO has no motivation to lie on behalf of China. They would lose support from many other foreign governments if they had acted in this manner.



Image: REUTERS

Americans should stop playing the blame game and learn to take responsibility to contain the COVID-19 outbreak. Beijing never told millions of young Americans to visit crowded Florida beaches to celebrate Spring Break festivities. China did not suggest Americans join in anti-social distancing protests last weekend. The Chinese had not advised US citizens to walk outdoors without wearing face masks.

The blame for the shocking spread of the coronavirus in the US lies with the Americans, not the Chinese, Europeans, Africans or anyone else. If the US hopes to spark a rebound of the nation's economy, Americans have to let go of their hatred for all things Chinese. They must not let problems overwhelm them. They need to act more heroic.

Filing lawsuits or taking other punitive measures against China will only result in the further decline of American exceptionalism. The US economy is getting devastated by the coronavirus. They could use China's cooperation to march ahead on recovery efforts.

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