

Opinion **Outlook**

US angst over Chinese land ownership exposes a deepening rift

Washington may stop foreigners buying land near military bases, but some states want to go much further

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US air force air traffic controllers in North Dakota. The state wants to create its own committee on foreign investment after the federal government failed to act over a Chinese deal in the area © Senior Airman Ashley Richards/US Air Force

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The honeymoon, it seems, is over. China and the US have detested one another for most of my lifetime, but for a brief couple of decades, around the turn of the millennium, they seemed unexpectedly determined to be friends. Luckily, those were the years — between the mid-1990s and the mid 2010s — when I adopted two Chinese infants, and moved to Shanghai to raise them. It was the best time to have a foot in both camps; I had no idea how soon that would become impossible.

Now relations between my two favourite superpowers have sunk to their worst point since Richard Nixon's diplomatic bombshell of visiting China in 1972 — and the signs are palpable, even in the insular US Midwest where I now live. It's not all [chips](#) and [TikTok](#) either: dozens of US states and federal lawmakers are trying to stop Chinese nationals from buying land in the US.

Never mind that Chinese own [less than 1 per cent](#) of foreign-held US land, according to a 2021 US Department of Agriculture report. The figure has risen substantially in recent years, and the USDA says Beijing's overseas agricultural investments [grew more than tenfold](#) — from \$300mn in 2009 to \$3.3bn in 2016. That has given my homeland the jitters.

No federal law currently stops foreigners from buying US land, and a proposed bill to ban US farmland purchases by China, Russia, Iran and North Korea has so far gone nowhere in Congress. Washington proposed a rule this month that would restrict foreigners from buying land near eight military bases. But some US states want to go much further.

Micah Brown of the National Agricultural Law Center says battles over foreign ownership go back to colonial days, and early in the previous century, most Asians were barred from owning land in many states. Now the debate is flaring again: 34 US states want to restrict foreign investment in land, he says.

Last week Florida governor Ron DeSantis signed a law to stop most Chinese citizens from buying farmland. His probable run for the US presidency may not be unrelated, since he quickly claimed that his state is “leading the nation in terms of what we’re doing to stop the influence of the Chinese Communist party”. United Chinese Americans, a lobby group, said the law would “legitimise and normalise” discrimination and racism towards Asian Americans.

A few days earlier, the governor of Montana signed a law preventing governments, businesses and individuals from China, Cuba, Iran, North Korea, Russia or Venezuela from buying or leasing farmland. And Texas legislators have been debating a law to restrict certain foreigners from buying such assets after they pulled the plug on a proposed Chinese wind farm investment.

South Dakota tried a different approach: angered by the failure of the federal government to act when Fufeng, a Chinese food manufacturer, proposed a big investment near a military base in North Dakota, it now wants to establish its own Cfius (committee on foreign investment). In the Fufeng case, the federal Cfius ruled it had no jurisdiction because the base in question wasn’t on its list of military facilities triggering special scrutiny; Washington is now proposing adding it to the list.

“If a federal entity can’t investigate such an obvious concern, then maybe something is broken,” says Rachel Oglesby, deputy chief of staff in the South Dakota governor’s office. She peppers her talk with references to Chinese “invasions” and “enemy” countries, and concludes that “China has grown a lot stronger in the last 10 to 15 years and people are rightfully scared about that”. The proposal for a state-level Cfius didn’t make it through South Dakota’s legislative session, she says, because of fears that “friendly” countries might get caught up in the red tape, but she insists the issue is gathering momentum.

Antonia Tzinova, an expert on foreign agricultural investment at the law firm Holland & Knight, puts my fears about all this into words. “The chatter is getting stronger and stronger and at some point someone will make a stupid mistake and we will all live to regret” the impact on the bilateral relationship, she says. Food and land and patriotism: it’s a toxic cocktail.

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