

ADVICE FOR U.S. CANDIDATES

## China's path deserves respect, not fear

By TOM PLATE

LOS ANGELES — Let's not snatch defeat from the jaws of victory. Congressional grumblings about currency and balance-of-trade issues, and equal grumps from the U.S. Democratic Party's leftwing (over human-rights issues), could leave the impression that U.S. policy toward China has been a dismal failure.

On the contrary, viewed with even a smidgen of historical perspective, U.S. foreign policy toward the People's Republic of China has been on the whole an amazing success.

Look at what China was just a few decades ago: the world's most monumental example of a failed authoritarian Marxist economy. But look at China today: It's increasingly becoming a living monument to what the great Adam Smith proclaimed to be the one and only winning economic formula: capitalism.

But one fears that the dreadful length of the American presidential campaign will inevitably dredge up the issue of the U.S. trade and currency imbalance with China. One also fears that no candidate will bring enlightenment to these issues.

To that end, high on the Presidential Candidates Mandatory Reading List is "On the Wealth of Nations," by the conservative writer P.J. O'Rourke.

In one hilarious chapter of this justly best-selling book, now out in relatively cheap paperback, O'Rourke, trying to make the economic philosopher's philosophy more understandable, takes apart the notion that China's success threatens the U.S., or that its gains have been made through deception or bad dealing.

He writes: "Adam Smith, were he alive, would have us consider the parable of Japan in the 1980s. The Japanese kept giving us radios, TVs, stereos and cars, and we kept giving them money. So the Japanese decided to buy America itself. They bid up the price of American real estate until the bubble did what bubbles do. By the 1990s America had all the radios, TVs, stereos and cars, and [had back] all the [once

purchased by the Japanese] office complexes, golf courses and hotels."

To be sure, it's possible that the strategy of trying to make us poor by giving us things — as O'Rourke sardonically puts it — could sap the foundations of American society itself. Then again, we could always stop buying things. I don't see that the Chinese have put a gun to our head.

Let's look back at the last eight to 10 years, as does famed Marxist historian and intellectual Perry Anderson in a magnificent lead essay ("Jottings on the Conjecture") in the current issue of *New Left Review*. This essay is also on my Required Reading for Would-Be Presidents:

"What look like the major developments? The largest, by any measure, must be the emergence of China. Domestically, it has created, amid dramatically increasing inequality, a substantial middle class attached to the status quo, and a more widespread ideological conviction, extending well beyond the middle class, of the benefits of private enterprise.

"Internationally, it has locked the PRC into close embrace with the United States, through a level of economic interdependence surpassing that of Japan. Globally, it has in the past four years helped sustain — or unleash — world growth rates not seen since the '60s."

Perhaps only two kinds of major forces could roll back the historic achievement. One would be some kind of international counterattack, led by unthinking or malevolent Western politicians. But that would be difficult to coordinate and would appear to be unsupported by Western public opinion.

A recent survey by the Committee of 100 — a prestigious private group of Chinese American leaders and professionals — suggests that more than half of Chinese and American populations hold a favorable view of one another, and roughly three-quarters believe that free trade is mutually helpful.

To be sure, Americans are increasingly concerned about Chinese product safety and about China's continuing military buildup. So while those Chinese surveyed ranked the U.S. as the most important foreign country to deal with, U.S. respondents reserved higher positions for Britain and Japan.

But only 27 percent of Americans downgrade the economic relationship with China as not beneficial. "We should send a copy of our mirror survey to all the presidential candidates," says John L. Fugh, chairman of the Committee of 100 and a former judge advocate general

of the U.S. Army.

The other force that could threaten to upend China comes from within the mainland itself. The government in power has at best "passive legitimacy," as professor Anderson puts it, and faces growing rumblings from the "Chinese New Left" on issues of political pollution, which include rising economic inequality. This is a doctrinal no-no in a Communist church, and the issue that could prove the Achilles heel of the current regime. In fact, it is worried about a revolt on the left that would put the Chinese economy back on a Marxist footing and render people more equal by making as many rich people as poor as possible.

American leaders and politicians should do all they can to encourage the Chinese to continue on their current course. To demagogue or mislead, for domestic votes or out of ideological misconceptions, is to play with the fires of history. In the end, we would all get burned.

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