

Fretting Over the Chinese

There seems to be much fretting over the Chinese these days. Donald Trump took a lot of heat for speaking to the head of the Taiwanese government. Whether that call was deliberately set in advance or was just a boo-boo from a neophyte President-elect seems to be all the talk in the press. The real question is, how sorry should we feel for China?

When Chiang Kai-shek was driven out of China in favor of a communist government, it seemed as though the Island of Taiwan would not last long as an independent entity. The United States stood by the Island Republic until 1979, when Jimmy Carter's State Department adopted a so-called one-state solution to the Chinese problem.

In essence, what this meant was that the United States would embark upon a course of grandiose hypocrisy. We would have strong economic relations with Taiwan, protect Taiwan militarily and sell Taiwan all kinds of military equipment, but we would pretend that Taiwan did not exist. Nixon had helped to open China and the American government quickly sold out to the big giant of Asia.

The long-term implications of the so-called one-China policy has its supporters and critics. In the Middle East, the United States refuses to recognize Israel as the one nation entitled to occupy what the Romans named Palestine. A two-state solution has been demanded by every American President, notwithstanding that another Arab state would certainly turn into a terrorist enclave which has already occurred with Gaza. It is odd that in Asia we "kowtow" to a nation that does not have our interests in mind, while in the Middle East we jeopardize an ally's security interest.

China is flexing its muscles anew. China intends to put a man on the moon, and to control the waters in its part of the world. The Japanese and a variety of other nations have been outwardly and blatantly threatened by the Chinese panda bear. The panda bear is not much different than the Old Russian bear. Both bears seek to control the world from their perspective.

China, of course, has its own problems. It is a thoroughly corrupt bureaucracy, whose banks have loaned money frequently without proper reserves or investigation. The entire Chinese banking system could crumble tomorrow, leaving the United States in a worse debt situation than it is today and driving the price of U.S. bonds skyrocketing.

China has also benefitted from a one-China policy by being the location of world manufacturing of inexpensive goods. China next intends to dominate the market in automobiles and, eventually, commercial airplanes. China either steals the technology it needs, buys it, or manipulates its currency to get what it wants.

The question is, whether a one-China policy is advantageous to the United States because it keeps the bear relatively under control. The answer must be a decidedly “maybe.” China should and must know that the United States has a commitment to Taiwan, which has been a friend and a productive member of the world community. What would happen if there were a two-China policy? China is not any more likely to invade the island offshore, but if anything it may demonstrate that the United States is not automatically beholden to the gigantic Communist state. Attempting to place the American-Chinese relationship in a more egalitarian framework will be a tough job for the incoming Trump administration. Hubris and threats of military action are not going to make any difference to the largest Communist society in the world. Oddly, China is run like a big corporation. That may help Donald Trump understand how to deal with China. He knows something about big companies and how they manipulate their shareholders and the world about them.

One thing China must understand is that the United States will get its financial house in order so that it will not be so dependent upon its creditors. The Chinese will need to appreciate that the United States does not live in military fear of the growing Chinese military industrial complex. It is unlikely that Trump or anyone else is going to be able to bring low-paying clothing manufacturer jobs back to American shores. However, if there were wage parity either through trade agreements or tariffs, China may then have to compete on a level playing field. There are those who claim that the Smoot-Hawley Tariffs caused a world war. Free trade is a great goal and should be encouraged, but there cannot be free trade without fair trade. Getting the two to work together in a syncopated fashion is no easy task.

The United States, in dealing with China and its own internal problems, must also recognize the legitimacy of the Taiwanese Republic. The Chinese will need to understand in a deliberate and principle manner that they do not control the world, although they may have a lot to say about how it functions.

China, probably not the Middle East or Russia, may prove to be the biggest problem and greatest challenge that the future American President has to address. Hopefully, the President will favor consistency all the brinksmanship and will permit himself to be guided by knowledgeable and dedicated

*Clifford A. Rieders, Esquire
Rieders, Travis, Humphrey,
Waters & Dohrmann
161 West Third Street
Williamsport, PA 17701
(570) 323-8711 (telephone)
(570) 323-4192 (facsimile)*

Cliff Rieders, who practices law in Williamsport, is Past President of the Pennsylvania Trial Lawyers Association and a member of the Pennsylvania Patient Safety Authority. None of the opinions expressed necessarily represent the views of these organizations.