

OUT OF AFGHAN -- INTO TRADE WAR

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OCT. 22, 2009 -- Washington is a hard learner. It took ten years and cost 58,000 lives in Vietnam to learn that you couldn't build and destroy or secure the country and institute democracy at the same time.

Now we insist on trying it in Afghanistan. A second election won't do it. As Secretary Gates says they've still got the same corruption. Many in Afghanistan have yet to learn of the first election and warlords will probably vote them again. We can't get it through our heads that we're trying to change a culture that values tribe and religion more than freedom and democracy. Even if it works, Afghans will probably be back to their culture after we leave. After eight years, bitter-enders keep calling for the number of troops the generals ask for, but the generals say the military or number of troops can't do it. It's got to be done by "a willing partner." After eight years of trying, it's criminal to ask GIs to give their lives while in corruption we search for "a willing partner."

We, as a people, are hard learners. Guerilla war has checkmated nuclear, and the world has moved to economic hegemony. Capitalism, free markets, are America's long suits. But as Henry Clay said of free trade: "It never existed ... it never will." Like world peace, free trade is an admirable goal, but it will never exist in our lifetime. Instead, we must recognize an intense Trade War that ensues.

Forty years ago, Lee Kuan Yew, the Prime Minister of Singapore and Wise Man of the East, told me how Japan was determined to take over the world economy. Lee said: "Japan teaches in its

schools that the defeat in World War II was just a temporary setback. After the war, Japan launched a policy of prevailing in the world economically."

After World War II, Japan started the Trade War by closing its domestic market, subsidizing its manufacture, selling its export at or near cost and making up the profit in its closed market. Toyota, operating from this closed market, has now become No. 1, while General Motors, operating from an open market, is bankrupt.

Six years ago, Senator Richard Shelby of Alabama and I visited Singapore, and I wanted Shelby to hear Lee Kuan Yew. Sure enough, Lee received us at his apartment and, during the hour and a half visit, Lee reaffirmed what he had told me about Japan and gave me a book where he had written this. Then Lee told of the unannounced visit of Hu Jintao, the then-incoming President of China. Hu had not called on Lee or any officials, but stayed with a friend several days who took him around Singapore. When Hu left, Lee summoned the friend and asked: "What gives?" The friend told Lee that Hu wanted to see how Singapore with a diverse population and no natural resources managed to become so strong economically. Then Lee cautioned: "Now we'll have to watch China as it takes over the world economically."

China, with its vast population, has launched an assault in the Trade War with total control: its currency, investment, production, labor, trade – the internet, how many babies you have and your religion. With this policy of control, China in ten years has brought three

hundred million of its people out of poverty into the middle class. And in the next ten years, China is on course to bring another five hundred million of its poor into the middle class. China has not only taken over U. S. markets in the Pacific, but many in Africa and now some in South America. Twenty years ago, China proved in foreign policy that it's no longer the Sixth Fleet drawing alongside changing governments, but "it's the economy, stupid." After Tiananmen Square, we passed in the UN General Assembly a resolution to investigate human rights in China. China countered by going to its trade friends in Africa and the Pacific, and there's never been a hearing on the resolution.

Washington obscures the Trade War by calling it globalization. Globalization is nothing more than a trade war with production looking for countries cheaper to produce. And U. S. production has long since learned that China and other countries are cheaper to produce. Corporate America resisted off-shoring. I worked with them for years in the United States Senate on measures to enforce our trade laws and protect their production and jobs.

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But when my efforts were vetoed by Presidents of both parties, Corporate America learned that it couldn't get any protection from Congress and it was forced to offshore. First, it was American textiles, electronics and communications that off-shored to China. Now it is high-tech – Intel and Microsoft. Today we have a deficit in the balance of trade in advanced technology with China. Now China alters United States and others' technology slightly and moves to patent it. And with this altered technology sold in China's vast market, it will become the article of trade in the Trade War. Before long we'll have nothing to produce.

We've got to come in from the cold in the Trade War and engage in globalization -- start trading, start protecting our production and economy. Congress must stop its charade of "free trade" and respond to its Constitutional charge of regulating trade under Article I, Section 8. And President Obama has to stop vacillating whether to get in or get out of the Trade War. He has no choice. The United States can't survive with China's trade policy of total control.