

loans, low-cost land, and government research and development subsidies don't necessarily violate WTO rules. Such help is proper, contends Wang Yong, director of Beijing University's Center for International Political Economy. For 20 years, China has given many breaks to lure multinationals, which now dominate markets for cars, cell phones, and other goods. "Keep in mind that the growth we've seen has been mainly driven by foreign-invested companies," Yang says, "while domestic companies have suffered a lot." Besides, subsidies that could be deemed unfair trade practices, such as free loans to steel or paper mills that export, are difficult to document due to weak government and company disclosure.

Aggrieved companies can always file antidumping suits in the U.S. against

OLYMPIC MASCOT
Beijing is determined to stop forgeries



prices. The U.S. slaps penalties on Chinese imports in dozens of cases each year. But the litigation is time-consuming and expensive, especially for small U.S. companies. "We've considered a dumping suit, but a lot of our members don't have the money and time," says Purchasing Manager Zachary J. Mottl of Lyons (Ill.)-based Atlas Tool & Die Works. Mottl is a director of a U.S. association of small manufacturers: Its membership has dropped from 1,600 to 1,200 in six years as many succumbed to super-cheap Chinese imports. "By the time they get a remedy, they already would be bankrupt."

What can be done to achieve radical change? "You will not litigate a country into changing its more important principles on how to run its economy," says a U.S. trade official. Washington can bring Beijing to the bargaining table with WTO threats, but progress will be slow. China the heavyweight will set the rules for some time to come. ■

—With Dexter Roberts in Beijing, Nnette Byrnes in New York, and Michael Arndt in Chicago

COMMENTARY

BY ROBERT LAWRENCE KUHN

A Problem of Perception

Why China and the U.S. aren't on the same page

CHINESE PRESIDENT Hu Jintao arrives in Seattle next week for his first state visit to the U.S. During meetings with the likes of William H. Gates III, Yale University students, and finally President George W. Bush, there will be plenty of talking. Given the huge geopolitical and economic stakes riding on that dialogue, it's appropriate to ask: Why do China and America have such difficulty communicating?

Sure, the two nations are half a world apart, geographically, historically, and politically. But the cause of their at times cacophonous discourse could lie in something less obvious: the strikingly different academic training of their political leaders.

The majority of American senators and congressmen were schooled as lawyers. But each of China's senior leaders—all nine members of the Politburo's Standing Committee—was trained as an engineer: President Hu in hydropower, Premier Wen Jiabao in geological structure, for instance. Perhaps the difficulties between China and the U.S. lie less with dissimilar languages, cultures, and histories, and more with the divergent ways of thinking between lawyers and engineers.

This is no small difference. Engineers strive for "better," while lawyers prepare for the worst. Failing to appreciate the implications of these different approaches (and the relating styles they engender) can lead to missed signals.

Such miscommunication occurred when a U.S. plane accidentally bombed the Chinese embassy in Belgrade, Yugoslavia in 1999. When the Chinese government

bused students from college campuses across Beijing to the U.S. Embassy to protest, American politicians assumed that Chinese leaders orchestrated the demonstrations to whip up nationalistic fervor. (To lawyers, the evidence was *prima facie*.) In truth, the Chinese leaders—the engineers—worried that if protesting students were allowed to march through the city, their ranks would swell with workers and ordinary citizens, creating an even larger, less manageable problem. So bus-ing them contained, rather than exacerbated, the volatile situation.

Another dichotomy: More than 90% of Chinese, including professionals often critical of their government, saw the bombing as deliberate. But most Americans believed the bombing had been, as U.S. officials claimed, an accident due to the use of "old maps."

Why such disparity? The Chinese have an idealized picture of the U.S. as so technologically advanced that it would have been impossible for it to make such a stupid mistake. Americans, on the other hand, are quite used to their government's stupid mistakes.

More worrisome, most Americans perceive China as an economic predator concerned solely about its own welfare. Beijing does not deny its policies benefit its own people, as any legitimate government's would. But it asserts that in a global economy, China's stability and development are essential for world peace and prosperity. Disturb the former, it warns, and you disrupt the latter. Given that consequence, it's time the lawyers and engineers began communicating better.

Hint: China's leaders are trained engineers. America's are lawyers

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