



Honesty should be ticket to White House

By Chen Weihua (China Daily) - 10/19/2012

Fact-checkers in the United States have been busy after the second presidential debate on Tuesday evening at Hofstra University. They want to find out whether President Barack Obama will hike the tax on the middle class by \$4,000 a year or whether Republican challenger Mitt Romney is capable of creating 12 million jobs in four years with his tax plan.

But as Romney pollster Neil Newhouse suggested months ago fact-checkers are biased. Otherwise why are no fact-checkers bothering to dig into Obama and Romney's rants about China on Tuesday night?

Romney repeatedly shouted that he will label China a currency manipulator on his first day in office. But even researchers at the Peterson Institute in Washington now say the Chinese currency is only undervalued by about 7 percent against the US dollar.

The yuan has appreciated more than 30 percent since 2005 and China's current account surplus narrowed to only 2.1 percent of the gross domestic product in the first half of this year. So most experts believe that there is not a case to be made for yuan appreciation.

Is Romney just ignorant of this or is his mind simply frozen in the past?

Obama could challenge Romney on this currency lie, but that might prove costly since it seems it is suicidal to appear soft on and close to China during this US presidential race.

Amid the US' economic woes, many Americans want to see the president taking on China, which they view as a threat to their economic supremacy, just as their country took on Japan in the 1980s and the former Soviet Union in the Cold War era.

So Obama has competed with Romney to show who will be toughest on China, holding up his decision to impose punitive tariffs on Chinese tires that he claims saved American jobs as proof of his intentions. However, the Washington-based US-China Business Council said while the tariffs reduced tire imports from China, the vacuum was not filled by US producers, but by cheap imports from places such as Indonesia and Mexico.

A Peterson Institute study shows that American consumers ended up paying an extra \$1.1 billion for tires in 2011 due to the tariffs, which reduced their spending on other goods.

In his book *No Apology*, Romney said Obama's action "may make good politics by repaying unions for their support of his campaign, but it is decidedly bad for the nation and our workers. Protectionism stifles productivity".

Yet in a tight race, Romney knows that such common sense is political poison. So he says what he thinks the voters want to hear. That is also why Romney felt so defenseless when he was accused by Obama of investing in companies that are pioneers in outsourcing to China.

When I talked to Michael Tanner, a senior fellow at the Cato Institute, a US think tank, he said the two candidates cannot be honest because most Americans, in fact most people anywhere, don't understand economics all that well.

For politicians in the US, cashing in on this ignorance helps win votes.

Americans take the honesty of their presidents seriously. They launched a crusade against Bill Clinton in 1998 for lying about his affairs with a White House intern Monica Lewinsky. But it seems that lying blatantly and repeatedly during the presidential campaign is a different kettle of fish.

After all, no more than half the American public trust Obama or Romney, and only 6 percent have a confidence in Congress, according to Gallup and The Harris Poll.