



## Diagnosis for America: Cancer!

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Our country is in deep trouble, with high unemployment and the huge national debts & deficits often cited as the top two problems. But what's the root cause of these problems? In an earlier publication ([www.west-east-international.com/doc/USAstruct.pdf](http://www.west-east-international.com/doc/USAstruct.pdf)), I identified it as the rise of China and the incompetence of our system. By "our system," I meant the political system, not any other systems such as the economic system (which is fine, but imperfect). Unfortunately, our politicians have been trying to fix everything but the political system, which makes a bad situation much worse. In other words, we have a cancer, but we have been treating it like anything but a cancer! Why and how? Let me explain.

### 1. A little bit of history first

Here is a required reading for all Americans who have any sense of history and patriotism: "The Feuding Fathers" (<http://online.wsj.com/article/SB10001424052748704911704575326891123551892.html>). As you can see, our founding fathers were no God - They were like us, a bit smarter maybe, but not smart enough to have possibly foreseen everything 200 years ahead. In other words, our constitution, which remains largely unchanged for 200 years, is seriously out of date ([www.west-east-international.com/doc/USAstruct.pdf](http://www.west-east-international.com/doc/USAstruct.pdf)).

With encouragement from some readers ([www.west-east-international.com/doc/USAstructFeedback.pdf](http://www.west-east-international.com/doc/USAstructFeedback.pdf)), I spent quite some time recently on the U.S. history. Here are my three major findings:

- (1) Thomas Jefferson said the constitution should be re-written by each generation (i.e. ~20 years). Apparently, he forgot to put that into the constitution, or he was not smart enough to know that until the constitution was a few years in execution.
- (2) Our Congressmen were not paid until after WWI, when they voted themselves stipends to cover the cost of living in Washington. Still no pay for any assistants - Bringing in as many as they wanted, as they were on their own.
- (3) After WWII, our Congressmen (and women) voted themselves full pay, plus great benefits such as pensions and salaries for many assistants, thus paving the way for "career politicians." All hell broke loose after that, and most of them have been there for nothing but one purpose only: getting themselves re-elected. It is a cancer, killing us from within, slowly but surely ...

### 2. How has the cancer been killing us from within?

For most politicians, the re-election campaign starts as soon as they are elected and it's a permanent job! How do the career politicians keep getting themselves re-elected? By all means and here are two:

- (1) Robbing business with such schemes as various regulations and union entitlements! Still wondering about the high unemployment rate? Wonder not! Our cost structure is too high!
- (2) Robbing the public treasury with such schemes as affordable housing and various handouts! Still wondering about the huge debts & deficits? Wonder not! The money has been used to buy votes!

Neither was a huge problem though, thanks to our superior economic system, until the 1990s when China showed up as a competitor (not enemy).

### 3. China: then and now?

I was born in China in 1959 and grew up in the horrible days of the Cultural Revolution ([www.west-east-international.com/doc/AmericanDream.pdf](http://www.west-east-international.com/doc/AmericanDream.pdf)). So I know what socialism is (been there, done that): it destroys any incentive of work in people, resulting in a country being dirt poor! For example, in China before 1980,

- (1) Economy: It was totally ruined because the workers and peasants took over the economy from the capitalists and landlords in 1949, without knowing what to do with it!
- (2) Housing: Yes, it was basically free, but most urban families ended up living in dorms.
- (3) Health-care: Yes, it was basically free, but it was low-tech and long lines.

Then what happened? China changed, fundamentally! It abandoned socialism and is now more capitalistic than us ([www.businessweek.com/smallbiz/content/mar2010/sb20100311\\_996919.htm?link\\_position=link4](http://www.businessweek.com/smallbiz/content/mar2010/sb20100311_996919.htm?link_position=link4)). Overall, the Chinese system (capitalism + autocracy), with many problems of its own, has proved to be better than ours (capitalism + democracy), especially in terms of running a country like a business. Today's Chinese government is more pro-business than ours, even per Steve Wynn ([www.infowars.com/steve-wynn-takes-on-washington](http://www.infowars.com/steve-wynn-takes-on-washington)).



#### 4. Our responses to the competition from China?

Nothing valid! Worst of all, some of our politicians have simply resorted to China bashing (e.g. currency), as they did to Japan in the 1980s. Here is the big problem though: It will not work this time ([www.west-east-international.com/doc/USAstruct.pdf](http://www.west-east-international.com/doc/USAstruct.pdf))! Domestically, they keep leading us toward more socialism. For example,

- (1) We recently passed a health-care bill when we could least afford it.
- (2) We have just passed a financial reform bill that is the most anti-business ever. The politicians blamed our financial institutions for the burst of the housing bubble, while the root cause was really in the government policy of affordable housing, especially the creation of Fannie Mae and Freddie Mac, which the new bill does not address at all! Wrong diagnosis, wrong medicine, again!

Thomas Sowell said it the best, we are “moving in the direction of the kind of economy that China has been forced to move away from” ([www.creators.com/conservative/thomas-sowell/the-limits-of-power.html](http://www.creators.com/conservative/thomas-sowell/the-limits-of-power.html)), including affordable housing, universal health-care, and wealth sharing (or re-distribution).

#### 5. Is our political system really so bad?

Yes, it's ugly. Because it's all about re-election, the ugliness of our presidential re-election seemed to have seeped into the two on-going wars in Iraq ([www.west-east-international.com/doc/IraqWar.pdf](http://www.west-east-international.com/doc/IraqWar.pdf)) and in Afghanistan ([www.west-east-international.com/doc/Afghan.pdf](http://www.west-east-international.com/doc/Afghan.pdf)). That was why I asked two serious questions:

- (1) Is our president, throughout his 1st-term, for nothing but getting himself re-elected, with everything else being secondary?
- (2) If the answer is yes (which I believe is), we cannot ever expect the president to always do the right things for the country (vs. for himself) throughout his 1st-term, can we?

Fortunately, the U.S. presidency is limited in two terms. For Congress, it's infinitely worse, because of the lack of term limits! In other words, we cannot ever expect our Congressmen (or women) to always do the right things for the country (vs. for themselves), so long as they are running for re-election.

#### 6. What will happen if nothing big changes?

We will become a 2nd-class citizen in this world! The funny thing with competition is this: To win (i.e. to be #1), it does not matter what you think or do - You must actually be better than your competitor(s)! So if nothing big changes, here are two projections:

- (1) By 2013, China will surpass us as the largest manufacturer on earth (<http://www.foxbusiness.com/story/markets/economy/china-overtake-manufacturing/?test=latestnews>).
- (2) By 2030 (if it takes that long), China will overtake us as the largest economy on earth ([www.west-east-international.com/doc/USAstruct.pdf](http://www.west-east-international.com/doc/USAstruct.pdf)).

Frightened? Then change!!!

#### 7. Is democracy doomed?

If you still have any doubt about my diagnosis, read this classic piece: [www.lorencollins.net/tytler.html](http://www.lorencollins.net/tytler.html). Here is an excerpt:

*“A democracy cannot exist as a permanent form of government. It can only exist until the voters discover that they can vote themselves largesse from the public treasury. From that moment on, the majority always votes for the candidates promising the most benefits from the public treasury with the result that a democracy always collapses over loose fiscal policy, always followed by a dictatorship. The average age of the world's greatest civilizations has been 200 years.”*

*“Great nations rise and fall. The people go from bondage to spiritual truth, to great courage, from courage to liberty, from liberty to abundance, from abundance to selfishness, from selfishness to complacency, from complacency to apathy, from apathy to dependence, from dependence back again to bondage.”*

Frightened? Then change!!!

#### 8. The solution?

We have a cancer and we must treat it as such, starting with one term for the same political office! If more time is needed to learn on the job, prolong the term (e.g. 6 years for House). For the complete solution, read this: [www.west-east-international.com/doc/USAstruct.pdf](http://www.west-east-international.com/doc/USAstruct.pdf).

The cancer is still treatable, but it will not be easy and time is running against us!