

China and the Depreciating U.S. Dollar

RICHARD C.K. BURDEKIN

Asia Pacific

I S S U E S

**Analysis from the East-West Center
No. 79
January 2006**

The East-West Center is an education and research organization established by the U.S. Congress in 1960 to strengthen relations and understanding among the peoples and nations of Asia, the Pacific, and the United States. The Center contributes to a peaceful, prosperous, and just Asia Pacific community by serving as a vigorous hub for cooperative research, education, and dialogue on critical issues of common concern to the Asia Pacific region and the United States. Funding for the Center comes from the U.S. government, with additional support provided by private agencies, individuals, foundations, corporations, and the governments of the region.

The Asia Pacific Issues series contributes to the Center's role as a forum for discussion of issues of regional concern. The views expressed are those of the author and not necessarily those of the Center.

S U M M A R Y Over the past five years, U.S. exports to China have been dwarfed by imports from that country, with the resulting trade deficit igniting a bout of China bashing reminiscent of the Japan bashing of the 1980s. A major culprit in the trade imbalance, according to many U.S. analysts and policymakers, is China's currency: the renminbi, they say, is too cheap relative to the dollar. Some are calling for high tariffs on Chinese goods or for further exchange-rate adjustment that would revalue the renminbi significantly upward, making Chinese goods less competitive. But with just 10.4 percent of total U.S. trade attributed to China in the first half of 2005, it is unrealistic that any renminbi exchange-rate adjustment could rein in the burgeoning U.S. trade deficit. And if the adjustment were drastic the United States could be the big loser: driving China out of the market for U.S. treasuries would most likely have calamitous consequences, not only for the dollar but for U.S. credit markets and for the U.S. economy in general.

[P]olicymakers who blame the policies of others for causing external imbalances, while denying their own culpability, risk destabilizing financial markets in the meantime and exacerbating the problems that policymakers should be seeking to resolve.ⁱ

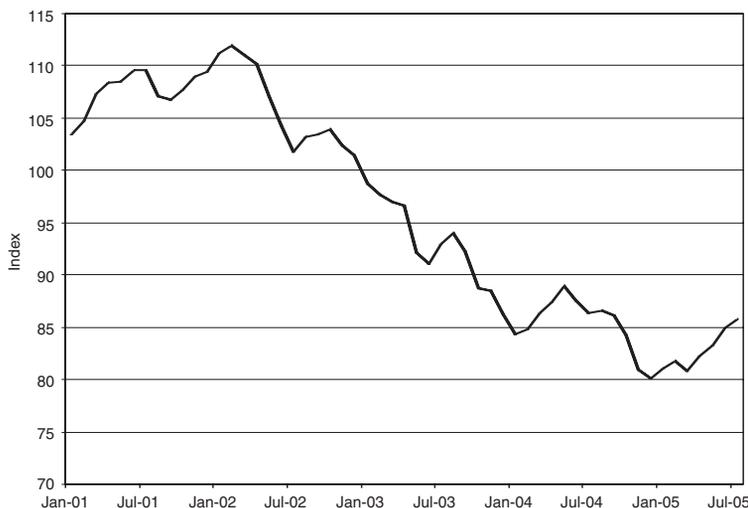
The U.S. trade deficit with China nearly doubled between 2001 and 2004 as U.S. imports from China exceeded exports to China by a six-to-one margin. The Bush administration, the Kerry campaign, and individual members of Congress repeatedly blamed this disparity on the Chinese currency, the renminbi, being too cheap relative to the U.S. dollar (thus making Chinese goods overly cheap by American standards). To remedy the situation, Treasury Secretary John Snow called for a Chinese exchange-rate adjustment and increasingly vehement rhetoric ensued during the 2004 election. Then, in 2005, a series of congressional initiatives culminated in a proposed 27.5 percent tariff on Chinese imports. The level of China bashing quickly recalled the Japan bashing of the 1980s in spite of the short duration of China's large bilateral surpluses and the fact that U.S. exports to China have grown nearly as quickly as Chinese imports—with U.S. exports growing by 28.5 percent in 2003 and 22.2 percent in 2004. The problem is that the disparity in the starting levels means that U.S.

China's trade surplus, while large, is by no means such an outlier as the U.S. deficit

exports would have to grow six times faster than imports to close the bilateral trade deficit—by comparison, the import-export ratio faced against Japan in the mid-1980s was only three-to-one.ⁱⁱ

Given that the United States was set to account for 70 percent of the *world's* current account deficits in 2005, the overall imbalance surely cannot be entirely blamed on China and its currency. For one thing, the U.S. deficit still grew even though the dollar depreciated considerably over a recent three-year period, losing nearly a quarter of its value against other major world currencies. In 2004, only three major economies (Australia, New Zealand, and Portugal) had a bigger trade deficit percentage than the United States. And, in absolute terms, that \$724.5 billion U.S. deficit was nearly 15 times that of runner-up Spain with \$49.2 billion.ⁱⁱⁱ China's trade surplus, while large, is by no means such an outlier as the U.S. deficit. Chinese inflation and money growth rates remained reasonably contained even before the modest 2 percent July 2005 revaluation of the renminbi. With just 10.4 percent of total U.S. trade attributed to China in the first half of 2005, it is unrealistic that any exchange-rate adjustment could eliminate or significantly rein in the large U.S. trade deficit.

The intense political pressure on China to adopt a more flexible exchange-rate policy ignores other issues as well. The rise in Chinese textile sales to the United States, for instance, was largely offset by reduced imports from other countries after import quotas ended in December 2004.^{iv} Discouraging Chinese imports would likely benefit foreign producers who would then assume the supplier role, not U.S. firms. More importantly, an exchange-rate adjustment could pose considerable financial risk to the United States by threatening the vast inflow of Chinese funds. Ironically, this inflow plays an essential role in the U.S. economy as it supports the trade deficit as well as the level of U.S. interest rates (as discussed later).



Definition: Trade Weighted Dollar Exchange Rate Index: Major Currencies (March 1973=100)
Source: Board of Governors of the Federal Reserve System & Federal Reserve Bank of St. Louis

Fig. 1: Average value of the U.S. dollar, 2001–2005

Dollar Depreciation and China's Fixed Exchange Rate

Even after the dollar began weakening against other world currencies in 2002 (see Figure 1), China

maintained the 8.28 exchange rate between the renminbi and the dollar that was originally fixed on January 1, 1994. Pressure to adjust such a fixed rate of exchange emerges if the prices of Chinese goods do not keep pace with U.S. prices. For example, if China's prices doubled while U.S. prices remained constant, China's exports would become twice as expensive in the United States. Demand for the renminbi would fall, putting pressure on the (now

unwanted) renminbi to drop in value against the U.S. dollar. If the People's Bank of China (PBC) wanted to maintain a fixed exchange rate under this scenario, the central bank would have to buy back its own currency, thereby reducing the rate of domestic monetary expansion.

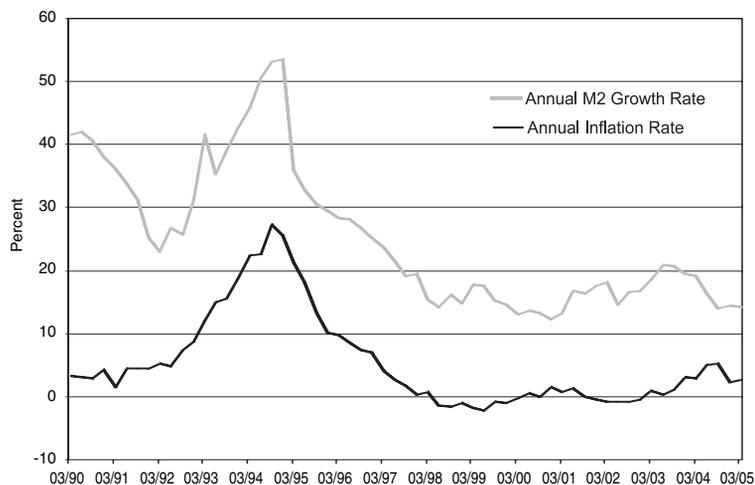
Since China trades with many countries besides the United States, the real exchange rate (adjusted for the price of domestic goods/services relative to the price of foreign goods/services) should take into account price movements relative to all of China's major trading partners. The International Monetary Fund (IMF) calculates such an index that weights each country by its trade activities with China. This real exchange rate measure, shown in Figure 2, enjoyed a steady rise from 1994–1998. Over this period, China's price level rose more rapidly than most of its trading partners, making Chinese goods more expensive abroad. With the renminbi tied to the U.S. dollar and the dollar remaining strong against most currencies, China's real exchange rate appreciated relative to the dollar and to the range of countries measured in the IMF index. The pressures for devaluation peaked during the 1997–1998 Asian financial crisis, when most Asian countries (with the exception of China and Hong Kong) abandoned their fixed exchange rates with the U.S. dollar. As these currencies fell against the dollar, they fell against the renminbi as well. China suddenly faced a drop in competitiveness against its Asian rivals, and renminbi devaluation seemed inevitable.

However, pressure for the renminbi to depreciate during the Asian financial crisis was quelled by tight monetary policy and tight credit, as the PBC intervened by buying back its own currency to support its value. The maintenance of the fixed rate was also aided by capital controls limiting foreign access to the renminbi. It was not possible for speculators to sell short (sell borrowed renminbi) against the U.S. dollar, for example, so the renminbi was spared the kind of speculative attack orchestrated against the Hong Kong dollar in 1997–1998. Nevertheless, the tight monetary policy helped push China into deflation in late 1998, as shown in Figure 3 which depicts China's money growth and inflation rates over the post-1990 period. As China's prices fell from 1998



Definition: Renminbi Real Effective Exchange Rate Index (2000=100)
Source: International Monetary Fund

Fig. 2: China's real exchange rate adjusted for relative price movements, 1994–2005



Definition: Rate of Growth of the Consumer Price Index and M2 Money Supply
Source: Great China Database (<http://www.tei.com.tw/greatdb/greatDB.html>)

Fig. 3: China's inflation rate and money growth rate, 1990–2005

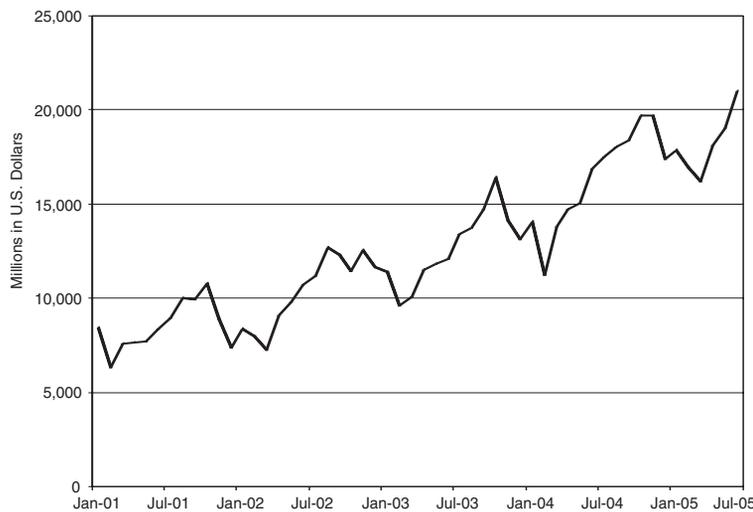
Following the 1997 Asian financial crisis, China paid a price for warding off currency depreciation and received kudos from the U.S. for doing so—but this was quickly forgotten

through the beginning of 2001, China's exports become cheaper from a global standpoint. Pressure to depreciate the renminbi was alleviated, and the real exchange rate started to reverse itself. Economic growth slowed, however, and there was marked acceleration of personal savings relative to consumption in the face of economic uncertainty and tight credit. China paid a price for warding off currency depreciation and received kudos from the U.S. administration for doing so—though that was quickly forgotten when pressure on the currency later reversed after 2002.

The fall in the real exchange rate was temporarily interrupted in 2000–2001 as the strength of the U.S. dollar against other major currencies carried the renminbi upward and put renewed upward pressure on the real exchange rate as seen in Figure 2. But after the dollar's decline in early 2002, China's real exchange rate fell with it. As China's goods became cheaper in non-U.S. dollar countries, demand for the renminbi soared, and there was a natural pressure for the renminbi to appreciate in value. Offsetting this pressure required the PBC to reverse its intervention of the late 1990s. The goal now was to hold the renminbi down by buying the relatively weak U.S. dollar and, in exchange, issue larger quantities of renminbi. This helped make the renminbi more abundant while

raising the demand for dollars thus offsetting the underlying impetus for the renminbi to rise above its fixed exchange rate.

Matching the post-2002 dollar depreciation not only made the renminbi artificially cheap globally, but it also induced rapid expansion in the supply of renminbi that threatened inflation where too much money ends up chasing too few goods. The growth of the money supply accelerated to nearly 20 percent in 2003 before dropping to 15 percent in 2004. The PBC attempted to dampen the rate of credit expansion through sales of government bonds, which withdrew money from circulation, and by discouraging credit creation by the banking system.^v Inflationary pressures were further augmented by “hot money” flowing into China, with speculators betting that revaluation of the renminbi against the dollar would yield capital gains to those exchanging dollars for renminbi at the original, cheaper fixed rate of 8.28. In late February 2004, Guo Shuqing, head of the State Administration of Foreign Exchange, voiced the government's concern that the billions of investment dollars flowing into China could generate an asset bubble and inflation.^{vi} Nevertheless, China's actual inflation rate remained relatively benign, briefly exceeding 5 percent in the third quarter of 2004 before dropping back below 2 percent in the second quarter of 2005.



Definition: US Imports from China, Mainland, Customs Basis (Millions of Dollars)
Source: U.S. Department of Commerce: Bureau of Economic Analysis, U.S. Department of Commerce: Census Bureau & Federal Reserve Bank of St. Louis

Fig. 4: U.S. imports from China, 2001–2005

Is There a Case For Further Renminbi Revaluation Today?

Economists are divided regarding the extent to which economic conditions justify further exchange-rate adjustment in China. Suggested degrees of revaluation in 2005, depending upon the source and the particular estimation method employed, ranged anywhere from zero to 50 percent or more.^{vii} However, past performance seems to undercut the case for large renminbi revaluation. As Figure 2 shows, the effective real exchange rate in the first half of 2005, far from being unprecedented, merely represented a return to the levels seen in 1996. But the strident political pressure, particularly from the United States, is certainly a new development. China's increasingly important

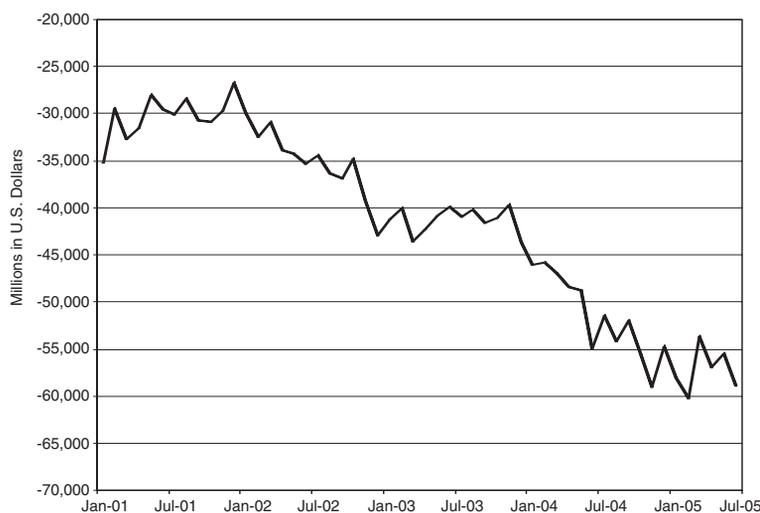
China is far from the only driver behind the U.S.'s transition to a debtor nation

role in world trade in the new millennium has manifested itself in an intense, widely noted increase in U.S. imports from China. As shown in Figure 4, the monthly level of Chinese imports nearly tripled during the 2001–2005 period, reaching approximately \$21 billion in June 2005 (for a cumulative total of \$220 billion over the preceding 12 months).

China's current account surplus of \$70 billion in 2004 represented approximately 4.2 percent of its total economy, up from 3.2 percent in 2003 but far from being an outlier compared to other countries. Elsewhere within Asia, Malaysia's current account surplus was 13.3 percent of its economy in 2004 while Taiwan's was 6.2 percent, Thailand's was 4.5 percent, and South Korea's was 3.9 percent. China's export growth has actually been lower than other Asian countries' previous postwar export booms. Between 1984 and 2003, China enjoyed an export growth of 13.3 percent in real, inflation-adjusted terms, whereas Hong Kong, Indonesia, and South Korea enjoyed sustained gains above 20 percent during their own expansion periods.^{viii} China's reported \$162 billion trade surplus with the United States in 2004 is almost certainly overstated since it includes reexports through Hong Kong as well as resales to U.S.–based parent

companies by multinational corporations operating in China. Chinese Ministry of Commerce calculations suggest the degree of overstatement could be 30 percent or more, while sales by U.S.–funded enterprises operating in China reached \$75 billion in 2004.^{ix}

Regardless of the growth of China's impact, it is far from the only driver behind the burgeoning U.S. account deficit and the United States' transition to a debtor nation. The United States' net debt to foreigners, which approached \$4 trillion in 2004, accumulated over many years and did not suddenly appear from any recent exchange-rate imbalance with the renminbi. As seen in Figure 5, the U.S. trade balance continued to deteriorate even as the dollar weakened substantially between 2001 and 2005, and the total current account deficit reached \$665.9 billion during 2004 (representing 5.7 percent of the total U.S. economy). The ongoing tendency for the United States to import more than it exports—thus exchanging dollars for foreign currency to pay for these imports—is a natural stimulus for continued dollar depreciation. The dollar has received important support, though, from its status as the currency of choice for the international reserve holdings of other central banks, including the PBC. The total inflow from foreign central banks reached \$498 billion in 2004, financing as much as 75 percent of the 2004 U.S. trade deficit. The dollar is also used for pricing and settling trades in most internationally traded commodities such as oil. The willingness of other central banks to accumulate dollar assets goes a long way toward explaining why, even in the face of such large trade deficits, the dollar has not fallen further than it did over the 2002–2005 period.



Definition: Trade Balance: Goods and Services, Balance of Payments Basis (Millions of Dollars)
 Source: U.S. Department of Commerce: Bureau of Economic Analysis, U.S. Department of Commerce: Census Bureau & Federal Reserve Bank of St. Louis

Fig. 5: U.S. trade balance, 2001–2005

U.S. Dependence on Chinese Funding and Risks of Drastic Appreciation

Just as pressure on the dollar-renminbi exchange rate seems to have emanated primarily from the United States, the same could be said for the trade balance. The massive U.S. trade deficit must be balanced by surpluses elsewhere and is sustained by the influx of funds from countries with surpluses that put their export earnings into U.S. dollar holdings such as

Continued revaluation of the renminbi would make China's exports more expensive, slow the economy, and hurt employment

Treasury bills. China's reserve accumulation of U.S. Treasuries was \$207 billion in 2004 (approximately 12.5 percent of China's total economy); total holdings were roughly \$616 billion at the end of 2004. To maintain a fixed exchange rate with the dollar, the PBC has been forced to continue purchasing U.S. dollar assets which help finance the U.S. trade deficit as well as support the U.S. dollar and prevent it from falling even further. If China suddenly became unwilling to absorb more dollar assets, the U.S. trade deficit still could be financed but likely only at a much weaker dollar exchange rate. An interest rate hike is a natural result if China stops purchasing U.S. Treasuries; their prices would then fall and the yields, which move inversely to price, would rise.

In undertaking a limited 2 percent revaluation of the renminbi against the dollar (a drop from 8.28 to 8.11 in July 2005), the PBC also referred to the adoption of a more "flexible" policy and of tying the renminbi to a "basket" of foreign currencies that would include the euro, the Japanese yen, and the South Korean won in addition to the dollar. However, the renminbi initially remained in a tight range following the adjustment. Expectations of further revaluation following the initial 2 percent revaluation could account for continued speculative inflows. Although the authorities must balance the risks of incremental policy adjustment against the risks of a more drastic adjustment, it seems the United States would be the big loser if the latter came to pass. Driving China out of the market for U.S. Treasuries would have calamitous consequences, not only for the dollar but for U.S. credit markets and the U.S. economy in general. It could also be bad news for Europe since a shift away from the dollar would inevitably boost the value of the euro and further the loss of competitiveness vis-à-vis the United States in the post-2001 period.^x

Abandoning exchange-rate control entirely and allowing the renminbi to strengthen further against the U.S. dollar remains unlikely in the near term since it could jeopardize the high rates of economic growth demanded by the Chinese leadership. Continuing renminbi revaluation would make China's exports more expensive and slow the economy, and

A Historical Parallel with Chinese Exposure to a Depreciating Dollar

Although the recent dollar depreciation has not been part of any officially declared government policy, new Federal Reserve Chairman Ben S. Bernanke has credited the 40 percent devaluation of the dollar against gold in 1933–1934 as a key policy shift that permitted sufficient monetary expansion to reverse deflation pressures in the 1930s.^{xv} Once again, China's economy was right in the crosshairs. In the early 1930s China was the only major economy still linking its currency to silver. This meant that, as the world price of silver rose, China's currency rose too, becoming more valuable in terms of other currencies but also making China's exports more expensive and hurting competitiveness. The 40 percent dollar depreciation in 1933–1934 was accompanied by large-scale silver purchases that caused a sudden rise in both the world silver price and the value of China's currency. China's exports became more and more expensive when translated into dollars. As China's export sales slowed and the economy went into a downturn, the authorities came under increasing pressure to adopt a more expansionary monetary policy. Printing more money makes the currency cheaper, which helps exports and the economy in the short run but runs the risk of letting inflation get out of hand. China's Nationalist government abandoned the link to silver on November 4, 1935, and introduced a new unbacked currency, the fapi, that subsequently underwent a 1700-fold depreciation over the eight years of the 1937–1945 Sino-Japanese War before (literally) disappearing during the ensuing Chinese Civil War. Thus, while China suffered in the early 1930s from holding onto a strong (silver-backed) currency after other countries devalued, it also faced tremendous monetary instability in the years following the decision to abandon the old exchange-rate anchor.

there are serious political concerns about the unemployment that might be generated by any slowdown. Following the bold initiatives laid out by Jiang Zemin at the 1997 15th Party Congress, the Chinese government has acknowledged the need for ongoing closures of some of the country's loss-making state-owned enterprises. But, to ensure that the displaced workers can find new employment, the government would be reluctant to accept even a modest reduction in the country's high economic growth. Moreover, bad loans to unprofitable state-owned enterprises

*The U.S.
government
should hope
that China
stands fast*

have contributed to significant financial sector weakness that adds to the risks associated with restrictive policies and helps explain the limited nature of the exchange-rate adjustments undertaken in 2005.^{xi}

Ronald McKinnon has expressed concerns about the recent pressures on China and other East Asian countries to revalue their currencies against the U.S. dollar:

[A]ny appreciation (dollar devaluation) won't correct either the U.S. saving deficiency or East Asian current account surpluses. However, sharp appreciation could throw the foreign creditors of the United States in East Asia and elsewhere into deflationary spirals.^{xii}

Since China only emerged from deflation in 2001, such risks should not be taken lightly.^{xiii} Nor does China's recent inflation performance (peaking at 5.3 percent during the summer of 2004 before falling back below 2 percent by mid-2005) or the size of its current account deficit seem to suggest that there is a compelling case for immediate substantial exchange-rate adjustment. Inflation is hardly running rampant, and China's current account deficit is not unnaturally large relative to the size of its economy. Moreover, the real exchange rate was merely reaching prior 1996 levels at the time of the 2 percent revaluation effected in July 2005.

Conclusion

Whatever the argument for further renminbi appreciation, it seems clear that a move in this direction would hurt, not help, the United States insofar as this led the Chinese to significantly cut back on their purchases of U.S. dollar assets. The U.S. government should hope that China stands fast and does not make any move to pull its funding of the U.S. trade deficit and, instead, invest in other foreign currencies or its own economy. Recent U.S. pressure for immediate freeing of the renminbi exchange rate and threats of punitive tariffs on Chinese imports appear to make little economic sense. The United States, as the deficit country dependent on Chinese inflows, is the one that is vulnerable whereas China appears to be holding the stronger position. Indeed, Joseph Stiglitz has argued that:

China could easily make up for the loss of exports to America—and the wellbeing of its citizens could even be improved—if some of the money it lends to the US was diverted to its own development.^{xiv}

The Chinese preference for gradual exchange-rate adjustment may well be the best outcome for the United States. In any event, the call for renminbi adjustment to reverse the overall U.S. trade deficit appears unwarranted on economic grounds and little more than a politically charged chimera.

Notes

ⁱ Bank for International Settlements. 2005. *75th Annual Report*. Basel, Switzerland, p. 146.

ⁱⁱ Hufbauer, Gary Clyde and Yee Wong. 2004. "China Bashing 2004." International Economics Policy Briefs, No. PB04-5. Washington, DC: Institute for International Economics.

ⁱⁱⁱ International Monetary Fund. 2005. *World Economic Outlook: Globalization and External Imbalances*, pp. 238–239.

^{iv} Stiglitz, Joseph. 2005. "U.S. Has Little to Teach China about Steady Economy." *Financial Times*, July 26.

^v Burdekin, Richard C.K. and Pierre L. Siklos. 2005. "What Has Driven Chinese Monetary Policy Since 1990? Investigating the People's Bank's Policy Rule." East-West Center Working Paper, Economics Series No. 85.

^{vi} Goodman, Peter S. 2004. "China Regulator Warns of Investment Bubble." *Washington Post*, February 27.

^{vii} See Chu, Ted H. 2005. "The Chinese RMB: Its Value, Its Peg, and Its Future." *Business Economics*, pp. 7–17; Funke, Michael and Jörg Rahn. 2005. "Just How Undervalued is the Chinese Renminbi?" *The World Economy*, pp. 465–489; Frankel, Jeffrey. 2005. "On the Renminbi: The Choice between Adjustment under a Fixed Rate and Adjustment under a Flexible Rate." Working Paper 11274. Cambridge, MA: National Bureau of Economic Research; Laurenceson, James and Fengming Qin. 2005. "China's Exchange Rate Policy: The Case Against Abandoning the Dollar Peg," Working Paper No. 2005-70. Netherlands: Center for Economic Research, Tilburg University.

viii Edmonds, Christopher, Sumner J. La Croix, Yao Li, and Matthew Pennaz. 2005. "China's International Trade: Past Patterns and Emerging Issues." Paper presented at the 2nd Conference on China's Capitalist Transition, East-West Center.

ix People's Daily Online. 2005. "Trade Surplus with the U.S. Viewed from Another Angle." http://english1.people.com.cn/200508/12/eng20050812_202051.html.

x Blanchard, Olivier, Francesco Giavazzi, and Filipa Sa. 2005. "The U.S. Current Account and the Dollar." Working Paper No. 11137. Cambridge, MA: National Bureau of Economic Research.

xi Eichengreen, Barry. 2005. "China's New Exchange Rate Regime." *Current History*, pp. 264–267.

xii McKinnon, Ronald I. 2005. *Exchange Rates under the East Asian Dollar Standard: Living with Conflicted Virtue*. Cambridge, MA: MIT Press, p. 247.

xiii Burdekin, Richard C.K. and Pierre L. Siklos (eds.). 2004. *Deflation: Current and Historical Perspectives*. New York: Cambridge University Press.

xiv Stiglitz. *Op. cit.*

xv Bernanke, Ben S. 2002. "Deflation: Making Sure 'It' Doesn't Happen Here." Remarks before the National Economists Club, Washington, D.C.

About this Publication

The *Asia Pacific Issues* series reports on topics of regional concern.

Series Editor: Elisa W. Johnston

The contents of this paper may be reproduced for personal use. Single copies may be downloaded from the Center's website.

Copies are also available for \$2.50 plus shipping. For information or to order copies, please contact:

Publication Sales Office

East-West Center

1601 East-West Road

Honolulu, Hawaii 96848-1601

Telephone: (808) 944-7145

Facsimile: (808) 944-7376

Email: ewcbooks@EastWestCenter.org

Website: www.EastWestCenter.org

ISSN: 1522-0966

© 2006 East-West Center

Recent Asia Pacific Issues

No. 78 "Banking Crises in East Asia: The Price Tag of Liberalization?" by Ilan Noy. November 2005.

No. 77 "Can China Afford to Continue Its One-Child Policy?" by Wang Feng. March 2005.

No. 76 "What Motivates Regional Financial Cooperation in East Asia Today?" by Jennifer Amyx. February 2005.

No. 75 "An India-Pakistan Détente: What It Could Mean for Sustainable Development in South Asia and Beyond" by Toufiq A. Siddiqi. August 2004.

No. 74 "The Politics of Environmental Policy with a Himalayan Example" by Piers Blaikie and Joshua Muldavin. June 2004.

No. 73 "Tourism in a 'Borderless' World: The Singapore Experience" by T.C. Chang. May 2004.

No. 72 "'Failed State' and the War on Terror: Intervention in Solomon Islands" by Tarcisius Tara Kabutaulaka. March 2004.

About the Author

Richard C.K. Burdekin is Jonathan B. Lovelace Professor of Economics at Claremont McKenna College and was a Visiting Senior Fellow at the East-West Center in August 2005. His main research interests include the Chinese economic reforms, inflation and deflation, and central bank policy-making. He has published in such journals as *American Economic Review*, *Economica*, *Economic Inquiry*, *Journal of Financial Economics* and *Journal of Money, Credit, and Banking*. His book *Deflation: Current and Historical Perspectives* (coedited with Pierre L. Siklos) was published in 2004 by Cambridge University Press. Richard Burdekin thanks the Chiang Ching-kuo Foundation for their generous support of his China research in 2005–2006.

Phone: 909-607-2884

Fax: 909-621-8249

Email:

richard.burdekin@claremontmckenna.edu

Address: Claremont McKenna College

500 E. Ninth Street

Claremont, CA 91711