

STATEMENT OF PURPOSE

The Washington Institute of China Studies (WICS) is a politically independent, non-profit organization dedicated to improving relations and understanding between the only two superpowers of the 21st century, the United States (US) and the People's Republic of China (PRC). It is essential that these two countries that are so different in terms of political ideology, economic systems, culture, population density, history and concepts of freedom learn to understand each other and thereby simply get along with each other.

This goal of WICS will be pursued by encouraging and studying political and economic reform in both countries. We will do research on such issues which we hope will be of mutual interest and publishing these findings in the Journal of WICS. The Journal welcomes manuscripts from authors around the world interested in all aspects of US-PRC relations. To the extent these two countries can view each other as allies and not adversaries it would enable both countries to focus on world terrorism as a threat to social stability. This would allow both countries to reduce defense expenditures targeted at major conventional conflict. Reduced defense spending would enable both countries to reduce the burden of taxation on their population or divert government spending to paying for other essential government programs.. We hope this first issue demonstrates the diversity of our authors, their views and the areas of interest for a wide readership in both countries. Our articles will be topical and of current interest because of their importance.

This issue opens up with in overview of reform in China and the difficulties China faces in achieving it. The author introduces a new concept in public administration, that of "pathological government". Because this concept has a negative connotation of governmental performance most PA journals do not care to touch it. But it remains more real in the 21st century than "market failure" which has been since the latter half of the 20th century a rationalization for expanding the role of government and spending more taxpayer's money in pursuit of buying votes and staying in power. This journal will keep the concept of "pathological government" on our agenda in future editions.

Two articles deal with reform of state owned enterprises (SOE). SOE reform along with reform of the banking system, tax policy and the pillars of a welfare state, social security, unemployment compensation, medical care and how to finance these programs remain the major issues facing Chinese reformers of the next generation. An example of the size of this problem in China is that in 20-25 years China's over 65 year old population will equal the entire US population. With 75% of the Chinese population still being peasants with annual incomes around \$600 per year, the opportunities to simply tax people to support the welfare state is not a viable option.

Other articles deal with current issues in China – counterfeit goods and sustainable

development. The effects of US-Japanese relations and their impact in China is the topic of another article. Of business interest is an article on foreign direct investment in China and the government's attempts to spread the benefits of such investment from China's East Coast across the less advanced portions of the country.

Finally, an article raises the ethical question of US willingness to repatriate 7,000 Chinese prisoners in the Korean War back to China against their will. This impasse lasted one year and a half during which time the US suffered some 125,000 casualties. What price freedom?

We hope the Journal of WICS fills a need and serves the purposes we project. In part for us to survive and prosper we need subscriptions, tax deductible contributions and good manuscripts that will be refereed for publication. The likelihood of survival for a start up journal is not great but let us begin the journey. The Chinese seem to have proverbs and sayings for everything but I do not have one for let the start up succeed for the good of both countries.

Bernard T. Pitsvada, editor