



## **How Google mirrors China**

By Ted C. Fishman

Sometime this morning, Secretary of State Hillary Clinton is expected to offer a strategy to persuade China to stop stealing the gems of America's knowledge economy, and to halt the use of state-run censorship as an economic tool that targets American companies and aids domestic firms the Chinese government favors. The talk comes after a week of intrigue surrounding attacks from China against Google and other American Internet companies.

As an economic matter, no issue is more important to our relationship with China. Clinton's task is not easy. American companies, including Google, have long bent to the rules of China's regime in exchange for a run at China's markets. And in the case of Google and kindred competitors, their business practices often mirror some of Chinese practices that Clinton will likely say Americans find destructive and repugnant.

I admire Google. The service has transformed how the world's wealth of ideas is distributed and used. For me, as a writer, it is hard to imagine doing most of what I do without the services of Google.

I also admire China. The computer I do my Google searches on was made in China, and the parts for it came from hundreds of factories in China. Twenty years ago, that would have been inconceivable. Today, China is the world's largest producer of advanced technology and the home to more Internet users than any other country.

### **The company line**

The successes of Google and of China share some common attributes. They both derive their present strength from their skill at appropriating and organizing information according to the rules that suit them. They both have compelling stories about whom their rules serve. Google says it prospers by democratizing information for its users. China says it prospers by aligning its leadership with the needs of the Chinese people to advance economically. China and Google take for their own purposes all the information in the world they can get their hands on.

Is it really surprising then that some smart Chinese people — no one has definitive proof they are affiliated with the government — have been poking around Google's service, grabbing information from human rights activists' e-mail, and perhaps stealing valuable intellectual property from the U.S. search giant and from other major corporations?

Here's another question: When Google now threatens on principle to stop kowtowing to Chinese government censors, might it be that commerce, not principles, is the soul of the matter? That when Google says it means to protect its search clients and e-mail customers, that it really means to protect archaic algorithms and other secret sauces that are central to Google being Google?

In some ways, Google and the Chinese government think incredibly alike. Google combs the Web and pulls information from everywhere. As an author and speaker, I have to spend a good part of my time tracking down the bits of my creative output that end up on the Internet without permission. Of course, every time a customer clicks on an article or speech of mine before I find it, Google still gets to probe the preferences of the clicker and make money from what it learns. Google usually does not ask for permission, not at first, anyway. It has a "take first and see what we can get away with" mentality.

Similarly, one of the least understood drivers of economic growth in China is its "take first" mentality. Nearly all the world's best intellectual property is up for grabs in China. If a Chinese company wants to make an airplane, the shortest route is to take the technology of the airplane makers from abroad. There is still, after years of international complaint, virtually no effective enforcement to block China's unremitting pilfering. (Indeed, foreign companies in China "borrow" intellectual property as boldly as Chinese companies.)

If Google were hacked, the Chinese government is unlikely to prosecute, even if the hackers were not formerly affiliated with the government. The hackers are regarded, like the English pirates who looted gold from Spanish ships in centuries past, as national heroes. The strategy works in China and at Google. Appropriation is the greatest wealth creator of all time.

### **Take first**

How interesting that about the same time Google executives got their dander up over the intrusions, a group of 8,000 Chinese book authors forced Google to apologize when the company scanned their books and released them to the Web without the authors' permission. In other words, it took first and risked the consequences.

Google's golden egg everywhere is that it reaches into users' search preferences and e-mail content to harvest valuable buying and media habits and learns all it can about them. That's exceedingly precious commercial information, and, potentially, exceedingly explosive political information that is like catnip to authoritarian regimes.

Google's ultimate strategy remains obscure. If Google decides to stay in China and obey rules on censorship in search results, provided the Chinese government guarantees that e-mail and system hacks stop, it will be hard to see the principle in that.

For Hillary Clinton's agenda to stick, she must sell American companies and the Chinese on the dangers of the rogue system that China now encourages. An analogy might help. Imagine, she could say, that Americans were allowed to steal, without consequence, all the most valuable stuff China sends here. Imagine if the U.S. government orchestrated, or refused to clamp down on, the

looting of every Chinese container ship that hit our shores filled with Chinese goods. That is essentially the treatment the world's knowledge economy gets in China.

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