

China's Perspective: Economic Growth over Military Spending

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Question. What leader saw his country's military dropping 26,171 bombs in one year?

That works out at every day of that year, the country's military dropped 72 bombs, or 3 bombs every hour, 24 hours a day, according to the Council on Foreign Relations. He was a Nobel peace prize winner.

Answer: Barack Obama. That same year, 2016, special operators from the United States could be found in 70 percent of the world's nations.

One last question. What UN Security Council member has not fired a shot in anger outside its borders for 30 years but is nonetheless being accused of military expansionism?

Answer: China.

They see things differently in China. What we in the West refer to as the Middle East, they call the Middle West.

There are many in the West who view China as a military threat, a clear and present danger. China, needless to say, see things from a different perspective.

The United States occupies prime global real estate. It has two friendly neighbors in Canada and Mexico. China has strained relations stretching back centuries with many of its neighbors. These include India, Japan, South Korea, and Vietnam. Of the five permanent members of the UN Security Council (China, France, Russia, the United States, and the United Kingdom), China is the only one that has not fired a single military shot outside its border in thirty years. A naval clash with Vietnam in 1988 was the last time a shot was fired in anger.

The collapse of the Soviet Union was, in the West, viewed as a victory for human rights. In China it was viewed as a damming indictment of poor economic planning. China learned its lesson. Economic growth must come before military expenditure. The Chinese economy may not be as strong as official figures suggest. No one here really believes that the economy is growing at 6.5 per cent annually.

But there can be no doubting the economic growth over the last four decades or so.

By comparison after adjusting for inflation, workers' wages in the US are only 10 percent higher in 2017 than they were in 1973 when Nixon was in the White House. Annual real wage growth is just below 0.2 percent. The US economy has experienced long-term wage

stagnation.

Trade between the US and China grew from \$5 billion in 1980 to \$660 billion in 2018. A communist run country is the largest foreign holder of US Treasury securities. This funds the federal debt and keeps US interest rates low.

China is also the largest US merchandise trading partner, biggest source of imports, and third-largest US export market.

Have the Chinese played fast and loose with global trade rules? Probably. Do they try to use their money to buy political influence overseas? Probably. Does China use unfair trade practices (such as an undervalued currency and subsidies given to domestic producers) to flood US markets with low-cost goods? Yes. But China is not to blame for the stagnation in US wages. That was apparent long before China was a factor.

Since 1978 China has lifted 800 million people out of poverty and created the largest middle class in the world.

The Chinese people are not blind to the inequalities, injustices and brutality in their own society. The Chinese people admire much about the US. Many send their children to be educated there.

The Chinese people would relish the opportunity to have a greater say in the running of their affairs.

But history and its lessons are important in China.

They have learned from bitter experience over several thousand years of history that they suffer most when the central government is weak and divided.

After the Opium War of 1842 the country was torn asunder by invasions, civil wars and famines. Since 1949 its borders have been secure and after the disaster of the Mao years, its people have a standard of living unimaginable when Nixon was in the White House in 1973 reflecting on meeting Mao the previous year and wondering how best to deal with a word that was entering the political lexicon; Watergate.

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