### **EMERGING CHINE**

# Can the United States successfully compete?

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# **Emerging China**

- In just two decades, low-paid Chinese workers and modernization-obsessed leadership have transformed Chine into one of the biggest economies.
- China produces two-thirds of the world's copiers, microwave ovens and DVD players, plus vast amounts of its clothing, shoes and toys.
- China's 9 percent growt rate over the past 25 years is the fastest economic acceleration in world history.







# **Emerging China**

- Average incomes have quadrupled, and 300 million people were **lifted out of poverty**,
- China's 1.6 trillion dolar economic output is expected in 15 years, overtaking the United States by 2039.
- Critics say the communist nation owes much of its success to unfair trade practices and abysmal labor conditions for Chinese workers.





# **Emerging China**

- In any case, China's leaders are intent on maintaining growth.
- High unemployment, widespread poverty and growing social unrest create unstoppable demand for the economy to keep exanding.



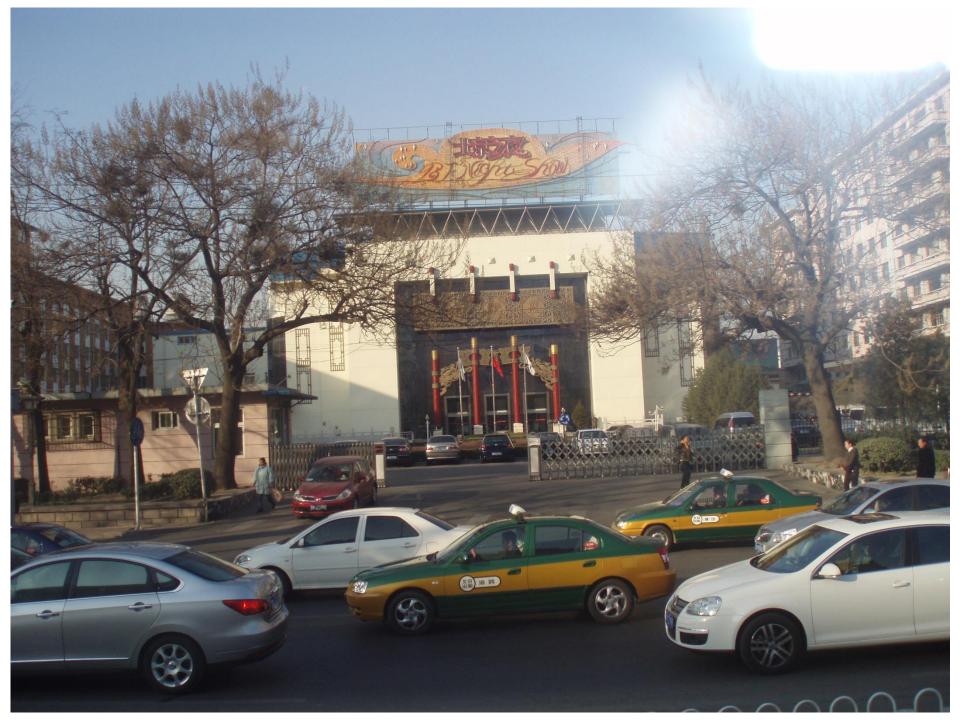




### The Issues:

- Does China threaten U.S. Global economic dominance?
- Does China threaten U.S. Energy supplies?
- Is China a military threat to the U.S. or its Southeast Asian allies?





## Background:

#### • Foreign Domination:

 Westerns arrived in China 200 years ago in search of trade and territory.

#### • Rise of Communism:

 China's Communist Party was founded soon after Russia's 1917 Bolshevik Revolution.

#### Communist Conquest:

- In 1949, Mao Zedong crushed Chiang Kai-shek's nationalist army.
- Reform and Repression:
  - Deng Xiaoping eased free-speech restrictions but stifled dissidents.

"China's history goes back some 4000 years, but it was only about 300 years ago that Westerns first arrived seeking Chinese goods."



"Despite China's efforts to bar outsiders, Europeans and American consumers –clamoring for Chinese tea, silk and porcelian- would not be denied."



#### "The British devised a coldly calculated solution-export opium to Chine wholesale from India..."



"...the Chinese allowed the virtuel legalization of opium sales and foreign access to –and, in effect, control of- 10 new ports"



# "The foreign penetration continued over the ensuring decades."



#### "Japanese troops in Manchuria began expanding southward into China"





### **Current Situation:**

- Destination Beijing: Top U.S. Officials made a fence-mending visit to China in October.
- **Peace Broker:** China is urging North Korea to dismantle its nuclear weapons program.
- "Old Wine, New Bottle": Dissidents say talk of reform is a smokescreen.





### Outlook:

- Raw Capitalism:
  - China will continue spreading prosperity to more people.
  - ...a middle-class lifestyle
  - ...a glaring shortage of women
  - ... "one-child" policy





### Sidebars and Graphics:

- **Trade Balance Favors China:** The U.S. Trade deficit has widened since 1994.
- Bulging Bank Account: China holds massive foreign-exchange reserves.
- Computers Lead China's Exports to U.S: Americans spent 29 billion dolar on Chinese computers in 2004.
- Choronology: Key events since 1842.

### Sidebars and Graphics:

- Doing Business in China: As media baron Rupert Murdoch discovered, it's not easy.
- World's Biggest Population: China has 1.3 billion people.
- At Issue: Does China pose a technological chalenge to the United States?



# Emerging China:

- It is especially difficult to predict China's future, because modern China is a rarity in human affairs:
- An exceptional country that is creating economic success while under communist rule.
- **"The Puzzle Behind a Miracle"** Many foreign reports find "puzzle" a handy word in discussing China. Even for Chinese the nation cannot be summed up in a few words.