

Why the U.S. Threatens China — as a New Superpower

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China's growth into the world's second-largest economy is being evaluated by all the corporate media, reflecting debates in U.S. ruling circles and the U.S. top military command.

They are forced to admit that most of their hopes and dreams that the Chinese government could be easily overwhelmed, and that Wall Street would find an open road into China, are now dashed by the reality of a stable government that seems to have wide mass support and growing prosperity.

The New York Times Sunday edition ran a 20-page special supplement titled “China Rules” on Nov. 25. It begins with the admission: “The West was certain China would fail. Government-controlled economies stifle growth. Oppression smothers innovation. The Internet is an untamable force. A new middle class will demand a vote. None of these proved true. China is a superpower and it may soon surpass the United States. This is the story of how it got there.”

Of course the whole supplement is full of self-congratulatory myths about the “democracy and freedom” of imperialist countries. But there is also recognition of 40 years of uninterrupted growth in China and that the country is on track to become the world’s largest economy. “Economic growth in China has been 10 times faster than in the U.S. and it is still more than twice as fast,” the Times states.

It is an incredible accomplishment!

More than 800 million people have been pulled out of dire poverty. This is a measure without precedent in modern history. The rate of extreme poverty in China is now less than 1 percent, according to World Bank studies. Yet China remains a developing country, because its per capita income is still a fraction of that in “advanced” countries.

While opening the country to foreign capital investment, organized and centrally planned attention was focused on raising the economic level of the whole population, especially in rural and most underdeveloped areas.

From an illiteracy rate of more than 80 percent at the time of the Chinese Revolution in 1949, illiteracy is now totally eliminated. China today produces more graduates in science and engineering than the U.S., Japan, South Korea and Taiwan combined.

The billionaire deciders and power brokers of U.S. imperialism are totally hostile to the dramatic improvement in the lives of hundreds of millions of people in China.

Whether this stunning growth will continue, despite U.S. imperialism's determined effort to stop it with tariffs, a trade war and military encirclement, is now debated in ruling circles. Can they stop China?

As the Washington Post explained: "The trade war isn't about trade. The trade war is about the United States trying to contain China and counteract its rise." (Sept. 24)

Every economy in the world will be impacted. The Nov. 16 Asia-Pacific Economic Cooperation Summit in Papua New Guinea, with 10,000 delegates and guests, was so riled by the trade war, new tariffs and U.S. Vice President Mike Pence's arrogant demands that diplomats could not even issue a closing statement. The Nov. 30 meeting of the Group of 20 in Argentina is under a cloud of uncertainty.

Remembering past Western domination and humiliation, China is determined to defend its national sovereignty, both economically and now militarily. China has imposed its own tariffs on U.S. products. Confrontations are accelerating with U.S. warships carrying out aggressive "freedom of navigation" exercises in the South China Sea.

The "pivot to Asia" is a major military reorientation of the Pentagon war machine to focus on China. Aircraft carriers with nuclear weapons, destroyers, nuclear submarines and Terminal High Altitude Area Defense missile batteries are being moved into place.

U.S. demands

Under the screen of diplomatic negotiations, just what are the fundamental changes in China's policies that U.S. corporations and banks want?

The Trump administration — and other major imperialist powers — want to reverse China's industrial and development policies. Their terms seem abstract: ease restrictions on market access, end forced technology transfers for corporations setting up factories in China, respect intellectual property and patents, and weaken currency controls.

For example, Trump accuses China of keeping its currency artificially low in order to boost its export industry. The value of Chinese currency, the yuan, is largely shut off to foreign speculators. Interest rates are set to help guide the economy.

The hostility is sharpening. It is an all-out effort to fundamentally overturn Chinese economic policies put in place starting in 1978.

Market socialism: a compromise

Market socialism, or "socialism with Chinese characteristics," is the compromise of maintaining a planned economy while opening up a market economy. It is described in China as a primary stage of developing socialism in an underdeveloped country.

Since 1978 China has experimented with ways of attracting foreign investment and different forms of integration into the global capitalist market. They made deals with many Western corporations, while maintaining centralized control of the state apparatus. They also continued many forms of public, cooperative and social ownership.

Special economic zones were established to lure Western technology. These zones, with

thousands of labor-intensive factories and millions of workers earning low wages, were centers of capitalist exploitation that reaped enormous profits for the U.S. and other global capitalists. Private minority stakes in state firms were sold. The communes were broken up and land was leased. Many forms of small businesses were allowed.

In recent years, through thousands of strikes and job actions, workers in China have won increased wages, social benefits and improved working conditions.

There are many different views of this process and its future dangers for the socialist organization of society. But in almost all the deals with Western capital, China has insisted on keeping the technology and blueprints and demanded that Chinese workers be trained in operating and running the enterprise. This was a radically different deal than other countries had previously required. And while Western technology and funding of factories were welcomed, Western-funded political ideas, organizations, oppositional political parties and media were tightly monitored by the state and by the Communist Party.

State-owned enterprises predominate

What frustrates the capitalist class, far more than China's incredible growth, is that the top 12 Chinese companies on the Fortune 500 list are all state owned. They include massive oil, solar energy, telecommunications, engineering and construction companies, banks and the auto industry. They receive state support and subsidies. (fortune.com, July 22, 2015)

Chinese firms filled an unprecedented 115 places on the Fortune Global 500 list for 2017. There were only 10 Chinese firms on the list in 2000. The U.S. has trended in the other direction: from 179 firms in 2000, only 143 U.S. firms were in the top 500 in 2017.

The U.S. is opposed to subsidies to state-owned enterprises and declares the subsidies an "unfair advantage." They consider SOEs to be squeezing out the profits the global capitalists feel are rightfully theirs. They are enraged that SOE profits are plowed into developing and modernizing China's most underdeveloped regions. This "unfair advantage" granted to state-owned industries is the primary reason given by the Trump administration for new tariffs on Chinese steel and aluminum. (industryweek.com, April 17)

Both the Obama and Trump administrations and the World Trade Organization have opposed subsidies to China's SOEs.

This is sheer hypocrisy! The largest U.S. corporations are military contractors with billions in federal subsidies, but super-rich investors reap all the profits. Privately owned U.S. agribusiness has received decades of subsidies. Privately owned Wall Street banks received U.S. federal bailouts, a giant subsidy totaling \$16 trillion, in the 2008 global financial crisis.

It was during the 2008 crisis that the difference in who controls the state stood out in sharpest contrast. China saved and further strengthened its state-owned enterprises, while letting the privately owned and foreign-owned corporations fend for themselves.

China's internet is way ahead

An expectation of big capital globally was that the wide use of the internet would forcibly pry China open to Western pressure, ideas and propaganda. But China allowed Chinese innovators to compete in setting up privately owned but monitored internet companies. Today Alibaba, Tencent, Weibo, ByteDance, TikTok and Baidu rival Amazon, Google,

Facebook and YouTube.

Tencent, with 647 million active users, is the world largest online community. Alibaba is the largest e-commerce platform in the world.

Smartphone payments in China are years ahead of those in the U.S. Chinese companies operate a cyberspace of creative short videos, podcasts, blogs and streaming TV. For example, WeChat has 889 million users who socialize, play games, pay bills and buy tickets all from the mobile messaging app.

National laws on sexual harassment, workers' rights

The social gains in China are monumental, especially when compared to no rights, no education and no standing for women, and no rights for any workers or peasants, before the Chinese Revolution. As in every country, social gains, especially for women, are uneven and in continuing struggle.

In China, many gains have been codified into national laws, rather than through piece-by-piece struggles against every corporate boss or laws passed state by state.

The inclusion in China's civil code of laws to curb sexual harassment in the workplace is ahead of what exists in the U.S. and most other countries.

Included in the draft of the new civil code, presented to the National People's Congress Standing Committee on Aug. 27, management and employers are responsible to take measures to prevent, stop and deal with complaints about sexual harassment. Victims can demand perpetrators "assume civil liability" for committing sexual harassment through words or actions or by exploiting someone's subordinate relationship. (reuters.com, Aug. 27)

The China Labour Bulletin states: "China has a comprehensive legal framework that gives workers a range of entitlements and protects them from exploitation by their employer. Workers have the right to be paid in full and on time, a formal employment contract, a 40-hour working week with fixed overtime rates, social insurance covering pensions, healthcare, unemployment, work injuries and maternity leave, severance pay in the event of contract termination, equal pay for equal work, and protection against workplace discrimination.

"Workers also have the right to form an enterprise trade union and the enterprise union committee has to be consulted by management before any major changes to workers' pay and conditions." (clb.org.hk)

Belt and Road Initiative threatens U.S. position

China's trillion-dollar Belt and Road Initiative provides infrastructure loans, equipment and training to countries in Africa, Asia and Latin America for a network of trade routes, with new rail lines, ports, highways, pipelines, telecommunications facilities and energy centers linking countries on four continents. It includes financing to promote urban planning, potable water, sanitation and food development. China is calling it the "plan of the century." It is projected to be 12 times the size of the U.S. Marshall Plan, which rebuilt Western Europe after World War II.

Imperialism is worried that China's huge, unfolding global infrastructure projects could

challenge the U.S.-led world order.

Because the most powerful U.S. corporations are military industries, U.S. aid is built around enormous debt for military equipment purchases that are quickly obsolete. They are not able to match China's development proposals. But U.S.-funded nongovernmental organizations and media outlets are waging widely publicized scare campaigns against these sorely needed development projects.

Meanwhile, China is reining in a number of projects by Chinese capitalists who were seeking ways to move their profits outside of Chinese government controls through exploitative foreign investment schemes.

Hands off China!

Big debates will continue within the progressive U.S. working-class movement on the social character of the Chinese experiment in "market socialism."

It is valuable to study the impact of the global and internal capitalist market and a growing consumer society in China. The forms of socialist planning in the economy and in the culture hold lessons for the many developing countries.

The social weight, legal status and inheritance rights of the millionaire, and now even billionaire, capitalists in China should be evaluated.

The Chinese working class now numbers 623 million people. Its social weight and political consciousness are growing. Thousands of strikes and job actions have consolidated new gains in pay and working conditions. Its capacity to organize all future society will be decisive.

There is much we don't know about the ownership of the productive forces in China — by the state, by Chinese and foreign capitalists, and about the many forms of collective ownership of small industries at the provincial, city and rural township levels. A lot is in rapid transition.

But in the final analysis, clarity and militant working-class solidarity are essential in opposing all threats to China from U.S. imperialism and its giant military machine.

Opposing sanctions, economic threats, trade wars, increasingly hostile media lies and military encirclement by U.S. imperialism is not open to debate.

Hands off China!

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