

U.S. economists ‘expose’ China’s economy

written by Chris Fry
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U.S. warships off the China coast. China’s socialist economy is seen as a threat to US capitalism so tariffs and war maneuvers are used to threaten the People’s Republic.

Bourgeois economists, ever ready to proclaim the impending demise of the socialist economic model in the People's Republic of China (PRC), find every opportunity to throw shade on China's economic system.

At the same time, they devote their energy to proclaim the supposed superiority of the capitalist economies in the imperialist world, in Europe and the U.S.

And sometimes they have to stretch all logic and common sense to make their billionaire masters and the workers and oppressed here believe in the eternal superiority of U.S. imperialist hegemony over the social and economic system of China, even as the Pentagon scrambles to prepare their war on the PRC.

On July 16, the bourgeois economist web site Axios posted an [article](#) titled “**1 Big Thing: China's Consumption Problem**”. The article tries to paint a “doom and gloom” picture of China's economy. But instead, it ends up describing something quite different, an economic situation for the Chinese people that contrasts sharply with the stagnant income and still high prices that the workers and oppressed face here in the United States.

Here are some examples:

Follow the money: Household income growth [in China] is outpacing that of spending. Disposable income per capita rose 5.4% in the first half of the year, compared to the same period a year ago.

According to Axios, it's a bad thing that Chinese workers have increased their incomes to such a degree that they are putting more of their money into savings.

In the U.S, 60% of the workers live paycheck to paycheck, putting them and their families at risk in case of an unforeseen crisis. Yet bourgeois economists seem to believe that it is a bad thing for Chinese families to be able to sock some of their

income away for emergencies.

It's important to remember that the banks in China, unlike in the U.S., are publicly owned, so the savings are used to fund the country's development instead of stock buybacks and cryptocurrency manipulation.

Two other signs of weak demand: Prices are barely rising, and imports keep falling, even as exports soar.

To the well-heeled economists at Axios, it's a bad thing that the inflation rate in China is a fraction of 1%, while in the U.S. workers now face an inflation rate of some 4%, with prices remaining sky high after previous climbs of over 9% for essential items like food and gas.

To slow the rate of inflation in the U.S., the Federal Reserve raised interest rates to deliberately drive up the unemployment rate, thus slowing demand as poor families can no longer buy things. Sure enough, unemployment is creeping up, and higher mortgage rates and rents are putting decent housing out of reach for our class, particularly young workers.

In China, government controls on necessary commodities keep prices in check.

The big picture: *China's economy grew 4.7% last quarter from the same period a year ago.*

Manufacturing is the engine, much to the ire of a growing number of nations that assert China is producing more than its economy can absorb. Factory output rose more than 5% from a year ago, only slightly lower than that seen in May.

Contrast that with the U.S. economy, which had only a 1.9% growth rate year-to-year.

What's not pointed out in this article is that China went from a poverty rate of 98% after the revolution in 1949 to less than 1% today, a stunning and unprecedented achievement. Meanwhile, in the U.S., the official poverty rate in 2022 was 11.5 percent, with 37.9 million people in poverty.

U.S. imperialism's dream of China's collapse crashes into reality

Articles like this Axios one are now commonplace. Trump and Biden's trade war with China is in full swing, with Biden undermining his own campaign against global warming with a whopping 100% tariff on Chinese electric vehicles and Trump pledging a 60% tariff on all imports from China.

Of course, these will surely raise prices across the board and will not yield many jobs for workers here. But whoever wins the next election, the billionaire class and their minions from both parties in Washington will no doubt blame the unfolding crisis here on the People's Republic of China.

With U.S. warships stalking the Chinese coastline and U.S. soldiers stationed on islands just a stone's throw from the Chinese coast, there is the real threat that this economic war could turn into a massive military conflict, perhaps even nuclear.

The high prices that we face for food and gas, the lack of affordable housing, the sky-high prices for education, health care and childcare, the collapse of the infrastructure, the catastrophic effects of global warming, the monstrous prison system, the billions wasted on the war industry, none of these are the fault of the Chinese working class or their Communist Party. The blame lies entirely with the tiny parasitic ruling class of billionaires right here at home.

We must explain to our class here that the extraordinary development by China provides us a beacon of hope. It tells us that the struggle here to empower the workers and oppressed communities, to wrest the ownership and control of the

productive apparatus from the billionaires, to use scientific planning to direct both the production and distribution of goods and services instead of Wall Street's drive for massive profits, all this can offer real benefits for ourselves and our families and for the planet as a whole.

That is what is called revolutionary socialism.

Source: [Fighting Words](#)

