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The following is a KSCO commentary. Here is Kay Zwerling:

I wrote this in June 2008, and it is timely.

As we think about China and how she has so rapidly become a world presence, we may remember Napoleon's famous description "Let China sleep for when she awakens she will shake the world."

Today, China is not only awake, but because of her enormous population, she is – or will become – arguably the greatest force in the world. So, despite what our sophisticated Wall Street types have to say, China is getting richer and stronger, and we are becoming weaker. Ironically, China's funds are so invested in America that if she removes those possible billions and trades them into Euros our economy may collapse. But, the Pandora's box is now open and it will never close.

Why did we allow this inequity to happen? Wouldn't fair trade have been better than free trade?

Fair trade means that I give you 50% and you give me back 50%.

Recently I read a most intriguing article with regard to China, who is much more aggressive and aware than we are about acquiring the world's dwindling raw materials. China is now engaged in Africa, specifically the sub-Saharan countries like Mozambique, which supplies lumber, and Zambia, which supplies copper, and the Condo has a wide range of minerals, and equatorial Guinea has oil. China, at a frantic pace, is swooping up the copper, timber, natural gas, zinc, cobalt, and you name it.

Because China can see that in the foreseeable future – factoring in the recent luxury needs of China and India, plus all of Europe, Asia, and the United States – there will be a shortage of these raw materials. The awakening giant is now buying up everything that the poor sub-Saharan countries will willingly sell her.

Evidently we are either too timid, not looking ahead, asleep at the wheel, or maybe too obsessed with corrupt American politics – well, in fact, our Country is involved in the sub-Saharan countries, but not in the aggressive way that China is.

We should wisely remember the forgotten word of Thomas Malthus who said some two centuries ago “The power of population is infinitely greater than the power in the earth to produce subsistence for all mankind.” In other words, eventually there may not be enough of the raw materials to serve all mankind. Like China, shouldn’t we be more aggressive about obtaining the raw materials while they are still available?

For KSCO, this is Kay Zwerling.

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