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

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."

In 1979, my husband Barry and I were in China just when our two governments agreed to trade with each other. The Chinese people were ecstatic. They dancing in the streets. I wondered how all this would play out. The agrarian country was now becoming a world trader. Let's fast forward to 2008.

In our eagerness to trade with China, it became – and still is – lopsided. It is called free trade where one side only benefits.

Fair trade is when I give you 50% and you give me back 50%.

Along the way, somehow we seduced ourselves into giving up our own industries which had kept us independent. We thought now being a service-oriented society would be good.

Stupidly, we sent away our American jobs, all our manufacturing, and we sent them to China and India.

The U.S. has really been living in a fools' paradise on a phony economy. Now we are world dependent. We have helped China to become so wealthy that she owns us, because most of her profits are in billions and are invested in our nation.

A recent interview in Barron's, the financial periodical, is very compelling. Listen… We have not been through anything like what we are going through now. We have been able to convince the world lately to lend us and to provide us with goods that we do not produce anymore and that we cannot afford to pay for. And now the problem is big, especially since the real estate bubble.

The U.S. is now an empire that is sustained by borrowing from friends and anyone else who will give us credit. Our creditors hold hundreds of billions of dollars, but the dollar continues to weaken and our foreign creditors could take a huge loss in their dollar holdings.

Are we now a global mess?

Did our national leaders err by encouraging us to give up our own industries?

I say we should resurrect what worked for us before – and that is our own industries and reject our dependency on other nations. Now with China and India in the world market, the global workforce is in the billions so the inflation of workers creates resentment and competition. The stage is set to the inevitable confrontation of China and India vs. the U.S. and Europe, and how that situation will play out remains to be seen.

I still say let's go back to manufacturing which worked for us before. Let's not wait. Let's do it now, not later.

For KSCO, this is Kay Zwerling.

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