

BusinessMirror

US/China: Same goal, different tactics?

APRIL 4, 2022

ON October 11, 1784, Moroccan pirates seized the US brigantine *Betsey* with its crew destined to be sold in the slave markets of the Barbary Coast of North Africa, which included the Ottoman states of Algeria, Tunisia and Tripolitania and the independent sultanate of Morocco. Until 1815, over one million Europeans were held captive as slaves in this region including about 700 Americans.

The US Congress appropriated \$800,000 for the release of American prisoners and for a peace treaty with Algiers, Tunis, and Tripoli in 1794. In October 1803, Tripoli captured the US frigate *Philadelphia* and US President Thomas Jefferson decided a new tactic was necessary.

A force of eight US Marines and five hundred mercenaries marched from Alexandria, Egypt, to capture the Tripolitan city of Derna. The purpose was to overthrow the existing Pasha of Tripoli, Yusef Karamanli, and install his exiled brother Hamet. The US military captured Derna and for the first time raised the US flag on foreign soil. Yusef agreed to be more “cooperative” in the future and the Americans escorted his brother back to Egypt.

In 1950, the newly established People’s Republic of China participated in a USSR loan package to finance government projects in Eastern Europe. A July 2019 paper from the National Bureau of Economic Research, an American private nonprofit research organization founded in 1920, said the following.

“We find that the People’s Republic has always been an active international lender, even in the 1950s and 1960s, when it lent substantial amounts to Communist brother states. That is, official Chinese lending has always had a strategic element. What has made China such a dominant global creditor in the recent 20 years is the drastic increase of China’s gross domestic product [GDP], combined with China’s ‘Going Global Strategy’ to foster Chinese investment abroad, which was initiated in 1999.”

The American libertarian think tank, the Cato Institute, reports that even after the recent departure of US forces from Afghanistan, the US still maintains some 750 American military facilities in 80 nations and territories around the world. Cato writes: “America has three times as many installations as all other countries combined.”

The US has also been involved in many “regime changes.” The studies on this are not unbiased or objectively accurate. However, there is some fact in their numbers. According to one study, the US performed at least 81 overt and covert known interventions in foreign elections during the period 1946–2000. Another study found that the US engaged in 64 covert and six overt attempts at regime change during the Cold War.

No other country in human history has had such a dominant military presence and effect.

We have heard many times about the actual and potential “China Debt Trap.” The “left-leaning” US magazine *The Atlantic* writes that “The Chinese ‘Debt Trap’ Is a Myth,” saying the Sri Lanka loans from China for the ill-fated Hambantota seaport project was minor in terms of the Sri Lanka’s GDP. That may be true. However, China just refused to assist Sri Lanka, which appealed to reschedule its huge—about 10 percent of its total foreign debt—Chinese debt burden in the face of the Covid-19 outbreak and no tourism.

But much more significantly, the Chinese state and its subsidiaries have lent about \$1.5 trillion in direct loans and trade credits to more than 150 countries. This has turned China into the world’s largest official creditor—surpassing official lenders such as the World Bank, the International Monetary Fund, or all Organisation for Economic Co-operation and Development creditor governments combined.