

Political science - international relations



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Europe and China vie to take World's lone Superpower from U. S. The United States has enjoyed its status as the world's largest economic power since the 1950's and possesses the most powerful military, far more technologically advanced and geographically prolific than second place Russia and third place China. Practically all American citizens take this dominant world status for granted, as if it were a birthright. However, their children and grandchildren will exist in a different set of circumstances, where the U. S. struggles to remain as economically viable as the countries of the Europe Union (EU) and Asia, particularly China. America is presently on course for an economic meltdown at the same time the EU and China are thriving. This trend is expected to continue unless drastic steps are taken immediately but much the same as the global warming crisis; the self-inflicted damage has already been done and may not be completely reversible.

The current President Bush administration cut the taxes of the rich while increasing military expenditures on The War on Terror, invasions of Iraq and Afghanistan and the rebuilding of those countries. The debt has now exceeded even the Reagan administration's record levels. It has severely hampered America's ability to continue to effectively defend itself and will cripple it economically for many years to come. (Suter, 2004). In this time of increased globalization of the world's financial markets, American legislators are more easily able to borrow from other countries that are experiencing a surplus of money. The United States is regarded as a good investment and has an unlimited ability to secure loans without a problem, but loans must be paid back, with interest. China and other countries own a large piece of America, a potentially disastrous prospect. For example, in February of 2005 the nation's seventh largest creditor with \$53 Billion in holdings, the Bank of

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Korea, revealed that it intended to “ diversify reserves out of U. S. dollars” (Hirose, 2005). The Dow Jones dropped 174 points and the dollar lost significant value that same day.

What if tomorrow, a major U. S. creditor lost confidence in this nation’s ability to honor the debt or decided to exert political influence by means of economic threats related to the debt? (“ America’s Foreign Owners”, 2006). What if they all united against the U. S.? It probably won’t happen anytime soon but the fact that it could happen should be enough to alert Congress to the crisis. One or a combination of creditor countries could cause a sudden and shocking reduction of the economy which would further increase the debt. What was the preferred currency of world traders, the U. S. Dollar is becoming increasingly weaker as compared to the currency of the Euro therefore its popularity is swiftly declining on the world market. In addition the to huge debt causing its devaluation, “ the dollar has been falling against the euro and other currencies as fears about the health of the U. S. economy have been stoked by the mortgage crisis that has tripped up borrowers and caused a credit crunch among banks” (Vandore, 2007) The U. S. seemingly remains unconcerned about this development but officials in China are very alarmed because it has more than one trillion dollars invested in the U. S. The EU economy will soon surpass that of a fast declining U. S. which has yet to suffer the full effects of its enormous debt. The U. S. is soon becoming a wholly-owned subsidiary of China. When the U. S. loses its economic power status, its expenditures on the military will decline as well. Both China and the EU are posed to exceed the U. S. economically but China may fall to second place behind the EU because of its poor investment choice, the U. S. America’s days as the lone superpower is quickly ending due to its

overspending, mainly on military ventures which will soon cease as the U. S. drifts towards being a third-world nation among the elitist countries of Europe and Asia.

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