China: Engine for the New World Economic Order

By Jeremy Beck

China is presently undergoing the greatest economic transformation in the history of the world, one with the power to uplift the entire planet, as the Chinese themselves have expressed the intention to do. Read the following sketch of this remarkable development, and ask yourself: should Australia align with China and its optimistic vision of the future, or stick with the UK/USA-led trans-Atlantic powers, which are presently committed to endless economic and financial collapse and a cycle of terrorism and "wars on terrorism", all set in a 14th-century-style explosion of Ebola and other epidemics?

Just glance at China's progress in the two areas that are increasingly transforming its economy: space exploration and domestic infrastructure.

Space

China launched its first manned space flight in 2003, followed by one in 2005 and another in 2008, and announced in 2011 that it would construct its own manned space station by 2020. Its third robotic lunar mission, Chang'e-3, landed on the Moon in December 2013, the first soft lunar landing by any country, since the one done by the Soviet Union in August 1976. The Chang'e-3 landing of the Yutu (Jade Rabbit) rover was no mere copy of earlier U.S. or Soviet Moon landings, but a breakthrough, both in its own right, and as the next step in the Chinese plan to set up a permanent lunar base. Part of that plan is to mine the Moon's huge reserves of helium-3 to power controlled thermonuclear fusion reactions, which will secure the energy needs of the Earth for the next 10,000 years **(article, p. 9)**. Chinese scientists are also working on robotic expeditions to Mars during the next two decades and a manned landing on the red planet as early as 2040. The deputy general director of the Chang'e-3 mission, Zhang Yuhua, has said, "I believe that in 100 years, humans will actually be able to live on another planet."

Meanwhile, successive U.S. presidents George W. Bush and Barack Obama have slashed NASA's budget every year, and Obama has cancelled manned space exploration altogether.

Infrastructure

Rail. China has the world's only commercial magnetic levitation (maglev) railway, linking Shanghai to Pudong Airport. Its trains can travel up to 500 km/h, with a maximum speed of 431 km/h in commercial service. There are ambitious plans to expand the maglev system, including development of a lower-speed prototype for urban areas. Its initial application is planned in Beijing (pop. 21 million). Maglev will be more efficient and comfortable than today's wheels-on-steel.

China also has the world's leading research program on vacuum maglev, using an evacuated tube to eliminate air resistance. A prototype with speeds of 600 to 1,200 km/h, as fast as a plane, has already been developed; possible speeds, using this technology, could exceed 6,000 km/h.

The Chinese high-speed rail (HSR) network (mostly steel wheels on steel rail) is already over 12,000 km long, more than half the world's total HSR, with plans to reach 18,000 km by the end of 2015, and 50,000 km in 2020 **(box, below)**.

Water. China has more dams than the rest of the world combined, including the famous Three Gorges Dam on the Yangtze River. Another 100 dams are planned or under construction on the Yangtze and its tributaries. China has the world's tallest dam, the Jinping-I Dam on the Yalong River in Sichuan Province. The Chinese South-to-North Water Diversion project will, upon completion, be the greatest water project ever built. China also plans a 38 GW (gigawatt) hydroelectric power station on the upper Brahmaputra River, to provide power to the Himalayan region. This plant will be half again as large as the Three Gorges project, with a generating capacity nearly half as large as the UK's entire national grid.

Power. China is the world's largest producer of electricity, with plans to build some 100 GW of new capacity, more than the UK's total generating capacity, each year. Coal-fired stations produce about three-quarters of China's electricity, its coal mining accounting for half of world production, almost triple that of the U.S. and Australia combined. While continuing to build new coal-fired power stations, China is ploughing ahead with an advanced nuclear fission program. Twenty-six reactors are under construction, in addition to 22 already operating. Nuclear power capacity will at least be tripled by 2020, reaching 30 per cent of electricity production by 2050. The United States, in contrast, has only five reactors under construction, at three existing nuclear power stations (NPS). Other countries are slashing their plans or even, like Germany, abandoning nuclear power altogether. China boasts the world's largest R&D program on thorium as a nuclear fuel, an area in which India is also making excellent progress. Chinese thorium reserves could meet its electricity needs for 20,000 years. Australia, with the world's third largest reserves of thorium and largest reserves of uranium, has no plans at all for NPS.

China is now largely self-sufficient in reactor design and construction, as well as other aspects of the nuclear power cycle, but is making use of Western and Russian technology, adapting and improving it. The average reactor construction time in 1992-2012 was 5.8 years, but this rate is becoming shorter. Within a decade, at the current pace of development, China will rank first in the world in nuclear power generation. By a few years later, it will have *double* the U.S. nuclear capacity!

Impressive as their NPS R&D is, in both breadth and depth, including meltdown-proof Pebble Bed Reactors, the Chinese clearly realise that the future lies with fusion power. China already boasts an advanced experimental superconducting tokamak reactor (one of only two in the world), and far and away the most ambitious plans for developing fusion power. The United States, meanwhile, has relentlessly shut down fusion research, with annual fusion budgets fluctuating between $350-500 million, while pouring *billions* of dollars into subsidies and tax breaks for fraudulent "renewable energy" schemes.

Deng Xiaoping, who launched China's post-1976 reforms, was committed to the ideas of Confucius (r.), which underpin today's Chinese desire for collaborative development.

New cities. China has constructed hundreds of new cities over the past 30 years, to provide better living conditions for its 1.3 billion people. Hundreds more are planned for coming decades.

Manufacturing Work Force

While all the supposedly "developed" nations, including Australia, are plunging into a "post-industrial society" with soaring unemployment, particularly among youth, China has gone in the opposite direction. The Chinese manufacturing labour force surged to nearly 106 million workers in 2012, a staggering seven times larger than that of the second-ranked United States. Compare China's determination to industrialise and lift its society to a more advanced level, with the situation in the rest of the world **(Table 1)**. Between 2002 and 2012, China's manufacturing workforce grew from 85.9 million to 105.9 million, an astounding growth of 20 million manufacturing workers in 10 years. Some economists suggest that this official estimate may understate the Chinese manufacturing workforce by as many as 20 million workers.

Under the imperial London-Wall Street policy of returning the world to feudalism under the banner of a "post-industrial society", Western nations have closed down factories and shipped work overseas, "hollowing out" the manufacturing base, as this process is called in Japan. The combined manufacturing workforce of the United States, Japan, and Germany totalled 37.7 million in 2002. During the subsequent decade, these three countries axed 4.8 million workers. Thus, in 2012 China's manufacturing workforce was triple the 32.9 million combined manufacturing workforce of the United States, Japan, and Germany. The Chinese expansion is driven by the high-technology investments described above. *R&D* magazine reported in December 2013, "China has increased its R&D investments by 12% to 20% annually for each of the past 20 years; while at the same time, U.S. R&D spending increased at less than half those rates."

China has issued some $US10 trillion in credits since the 2008 GFC, three times what the U.S. Federal Reserve has poured out. A great portion of the Chinese credit-expansion has been invested in infrastructure, while the Fed's money stream went not into the productive economy, but almost solely to Wall Street and European banks, collapsing productive activity while unleashing galloping inflation. Russian Academician Sergei Glazyev, advisor to President Vladimir Putin on Eurasian integration, summarised the difference in approach, in a 12 May 2014 interview with the Russian financial wire service RBC: "During the recovery of the Chinese economy, currency emission rates were exceptionally high. It was the same during the Japanese economic miracle.... If currency issues are given away to banks for speculation, inflation follows. If it is for refinancing of the real sector and investment in the modernisation of scientific and technical potential, it is anti-inflationary."

While the Chinese government finances and builds new infrastructure, "Infrastructure Prime Minister" Tony Abbott and his City of London stooge Treasurer Joe Hockey pursue a looting plan by flogging off federal and state infrastructure left and right to their private sector mates. Whatever small amounts of new infrastructure are built will be "user pays"—strictly for the benefit of the private sector.

What Makes China Tick?

Warmongering western geopoliticians and their mass media prostitutes portray China's remarkable growth as evidence of plans for world conquest, despite overwhelming evidence to the contrary. China's "One Road, One Belt" project aims to use the Chinese economy as a platform to transform the entire world for the better, through two great development corridors: the New Silk Road, and the Maritime Silk Road **(article, p. 6)**.

Speaking 7 September 2013 at Nazarbayev University in Astana, Kazakhstan, Chinese President Xi Jinping called for a Silk Road "economic belt" of development, benefiting people in countries "from the Pacific Ocean to the Baltic Sea." Now is "a golden opportunity for development", Xi urged, calling to "build a region of harmony [and] … pass on our friendship from generation to generation." Xi said that China's policy is one of respect for all nations and non-interference in their internal affairs. "We must expand the development of Eurasia, creating an economic belt along the Silk Road", he continued, pointing out that three billion people live along this corridor.

Schiller Institute President Helga Zepp-LaRouche, a champion of the New Silk Road as the cornerstone of a world industrial and moral renaissance **(box, p. 7)**, and a frequent visitor to China since 1971, recently summarised: "With a view to the old Silk Road, which fostered the exchange

Continued page 10

TABLE 1

Manufacturing Workforce (millions of workers)

	2002	2012
China	85.9	105.9
U.S.A.	17.2	14.7
Japan	12.0	10.3
Germany	8.5	7.9
Australia	1.1	0.95

Russian Expert: High-Speed Rail Drives Economic Development

Dr Sergei Sazonov, senior researcher at the Russian Academy of Sciences Institute of Far East Studies, characterized China's high-speed rail (HSR) program and its impact, in an interview with the Russian Railways newspaper Gudok*, 24 June 2014.*

CRH380 (China Railway High-speed) Harmony bullet trains are seen at a maintenance base in Wuhan, Hubei Province, 25 December 2012. Photo: Wiki Commons

In 2006, the highest altitude railway in the world started operating between Qinghai and Tibet, with a high-speed segment, Golmud-Lhasa. Construction began in 2008 on the 1,318 km Beijing-Shanghai HSR, which had been in planning for 18 years. December 2012 saw operations start on the Harbin-Dalian (904 km) and Beijing-Guangzhou (2,298 km) HSR; the latter cut the travel time between the country's two largest megalopolises from 22 hours, to eight. Construction was completed 28 December 2013 on the 1,249 km Beijing-Harbin HSR; in all, that month, seven new HSR segments, with a total length of 2,285 km, began operating.

Thus, in 10 years, as of the beginning of 2014, the biggest HSR system in the world had been created, with a total length of 10,463 km, of which around 7,000 km is in the interior regions of China. As of early 2014, high-speed express trains are running on 34 dedicated HSR lines. Around 60 per cent of the Chinese HSR network's trains run at 200-250 km/h, while the rest have speeds of 300 km/h or more.

HSR has substantially increased the mobility of the Chinese population: as of the beginning of 2014, around 25 per cent of all passenger rail carriage is on high-speed lines. The number of passengers on the Beijing-Tianjin HSR has grown 20 per cent annually since it opened, while the Beijing-Shanghai HSR line's passenger growth has been 40 per cent each year. High-speed trains on these routes now depart every four or five minutes.

A key achievement of the Chinese railway sector's reform has been to allow specialisation within the railway complex, making possible a radical increase in speeds and a simultaneous increase in the carrying capacity of conventional-speed railroads, reducing the cost of bulk freight carriage on those older lines. According to analysis by the Chinese Ministry of Railways, removing just one train from a mixed-use mainline (that is, building a special, dedicated HSR for the passenger traffic) raises the carrying capacity of the mainline by 1.5 to 2 freight trains daily. After the Beijing-Shanghai [passenger] HSR began operating, the daily carrying capacity of freight trains on this route rose by 140,000 tonnes, or 50 million tonnes per year.

The development of HSR in China produces a significant multiplier effect within the industry. High-speed rail "compresses" the great distances within China, not only connecting various cities, but driving domestic demand, and it is becoming a strategic sector of Chinese industry, promoting the development of related high-technology industries, as well.