

III. Economics

China Launches Domestic Infrastructure Crash Program for National Security

by Richard A. Black, Schiller Institute Representative at the UN

May 10—China’s President Xi Jinping chaired a Beijing meeting of the Central Committee for Financial and Economic Affairs of the Communist Party of China (CPC) on April 26, 2022, focused on forecasting risks to China’s security. In its top front-page story the following day, the government newspaper *China Daily* reported,

The meeting . . . underlined the need to make coordinated efforts in ensuring both development and security, take into account worst-case scenarios, and strengthen the capacity for major risk forecasting and early warning.

Xi called infrastructure “the mainstay” of the country’s social and economic development. Throughout his presentation, he pointedly defined the role of infrastructure expansion as “guiding industrial development and safeguarding national security.”

As will become clear from this report, a major mobilization has been unleashed by China in the areas of new nuclear power construction, increased food production and imports, increased coal production and imports, increased gas imports, and new infrastructure expansion in the areas of 5G networks, the industrial internet, intercity rail systems, data centers, AI, and ultra-high voltage infrastructure. It is reported that at the meeting which President Xi chaired, the campaign “tone” set by the President was that *increased national security depends upon increased rates of domestic economic development, and that economic development requires, at its heart, major new quantities and qualities of infrastructure projects.*

Governments around the world will immediately notice that President Xi’s current posing of the sharp identity of the quality of domestic infrastructure and



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While China’s President Xi Jinping has called infrastructure “the mainstay” of the country’s social and economic development, UK Foreign Secretary Liz Truss called for a new “architecture of war,” describing China’s prosperity as a casus belli.

military security is coherent with the recent call by Schiller Institute founder Helga Zepp-LaRouche for a new global development *and* security architecture, in light of the escalating world war threat.

What China Sees

What are China’s leaders thinking? Western observers—still disoriented by the 18th-Century dogmas of “free trade,” monetarism, and colonialist looting of the Global South—can find a valuable clue from American scientist and economist Lyndon H. LaRouche, Jr. (1922-2019) in his widely-translated 1984 economic [textbook](#), *So, You Wish to Learn All About Economics*:

Thus, improvement and maintenance of infrastructure makes possible the increase of the potential relative population-density. That is the general functional significance of the capital goods sub-category called basic economic infrastructure. Hence, the close correlation between rates of improvement of infrastructure and rises in productivity.

The world now faces the life-and death crisis which LaRouche had forecast as early as 1971. In the West, the financialization of national economies took down the physical economy: the machine tool sector was stripped; programs for construction of fission power plants and nationally-directed research in thermonuclear fusion were cut off; the pace-setting Moon and Mars exploration programs of the United States were abandoned. In these areas and more, China has now moved into a “crash program” of development in response to the explicit threats originating from the financial centers in London and New York.

The mad drive for war by NATO against Russia and China is accelerating. NATO’s fantastic but stated

By talking about the rise of China as inevitable we are doing China’s work for it. In fact, their rise isn’t inevitable. They will not continue to rise if they don’t play by the rules.

The NATO-affiliated Atlantic Council published a [report](#) April 29 under the headline, “Wargaming a Western Freeze of China’s Foreign Reserves.” Senior U.S. Senator Lindsey Graham (R-SC) has demanded that President Putin be overthrown and put on trial as a war criminal, claiming, “If Putin wins, Taiwan will be invaded by China immediately.”

In the U.S. Congress, Liz Cheney (R-WY) and Jake Auchincloss (D-MA) proclaimed,



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With a long-term development perspective, China has embarked on a rapid and broad program of power development. Upper left: a coal-fired electric power plant in Henan Province; upper right: an offshore oil production and storage platform off Hainan Island; bottom: the Tianwan Nuclear Power Plant, near Lianyungang, Jiangsu Province.

policy is to crush Russia economically and militarily—initiated through the conflict in Ukraine—and to prevent the rise of China as a major, economically powerful sovereign state. This policy will fail, and thus the now frequent calls—in the pages of the *Wall St. Journal*, from within the U.S. Senate, and even from the U.S. Strategic Command—claiming the feasibility of the near-term deployment of NATO’s nuclear arsenal. British Foreign Secretary Liz Truss, speaking at an Easter Banquet, called for a new “architecture of war,” describing China’s prosperity as a *casus belli*:

If the United States and its allies cannot prevent and punish war crimes right on NATO’s border, then enemies further afield ... will be emboldened, [such as] the Chinese Communist Party.

Nuclear, Clean Coal, and Liquefied Natural Gas

Nuclear Power: Leading the drive for the rapid expansion of China’s infrastructure, Premier Li Keqiang announced the decision by the executive meeting of the State Council for the construction of six new nuclear fission power units in the coastal provinces of Zhejiang,

Shandong, and Guangdong. This is the first time since 2008 that China has approved six units at one time. The new fission reactors will go on line for the production of electricity, of process heat for large-area residential and industrial uses, and for water desalination for homes.

As part of China's current Five-Year Plan (2021-2025), nuclear energy is entering "a strategic development period," with the government stepping up installed nuclear capacity in operation to 70 gigawatts by 2025, up from 51 gigawatts at the end of 2020. According to the plan of the National Energy Administration, demonstration projects will be built for advanced reactor types including high-temperature gas-cooled reactors, fast (breeder) reactors, modular reactors, and off-shore floating reactors. All this to occur while the country steps up the digitalization of the national energy system. Four of the new reactors to be built will adopt CAP1000 technology, a Chinese version of imported American technology, and the other two reactors will adopt China's own prototype third-generation nuclear reactor technology, the Hua-long One.

Coal: Coal infrastructure will be made even more central. Yu Bing, the deputy head of the National Energy Administration, said recently that coal serves as the major energy pillar of China, producing 60% of the country's electricity. Current policy is to increase coal production capacity by 300 million tons per year, expand domestic output, increase imports and put new projects into operation. Simultaneously, over the next 11 months starting May 1, seven types of imported coal products, including coking coal (for steel production) and brown coal (lignite) for fertilizer and electrical power generation, will enjoy zero tariffs. Russia is China's No. 2 coal supplier, supplying 17.6% of the fuel, including 96% of China's anthracite coal, for heating and power generation. A total of 100 billion yuan (about US\$15.11 billion) in re-loans will be issued by China's central bank to support coal development and energy storage.

As *EIR* economist Richard Freeman has [documented](#), modern clean coal technology—using the physical principles of critical temperature and critical pressure—produces far greater usable heat from far less coal, thus increasing thermal efficiency from 34% to as much as 47%, and reducing emissions and pollution by as much as 18%.

Exposing the fraud of the anti-fossil fuel propaganda emanating from the United Nations' COP26 crowd, even advocates in China for energy "renewables" admit that "wind and solar" will have no significant impact on the running of an economy of 1.4 billion people. Lin Boqiang, Dean of the China Institute for Studies in Energy Policy at Xiamen University, admits that "wind and solar" account for at most 9% of power generation, are systemically unstable and unpredictable, and incur staggering costs for energy storage. As *EIR* has documented, China's policy of "Green with Chinese characteristics" means continuing *expanded* energy use per capita, a move to unleash the power of the atom, and the reduction of ambient particulate matter so as to produce "clean waters and blue skies."

Liquefied Natural Gas (LNG):

China has now surpassed Japan as the world's largest liquefied natural gas (LNG) importer, expecting to add to total imports as much as 21.5 million mt/year in 2022, considerably surpassing its LNG import expansion in 2021 and 2020. Eight new LNG terminal projects and two expansion projects this year will take China's total LNG receiving capacity to over 127 million metric tons/year in 2022.



UN/Cia Pak

Li Keqiang, Premier of China's State Council.

'Food Security Tightly Held in Chinese Hands'

The Chinese leadership's theme on food is expanded production, self-reliance, advanced seed science breakthroughs, and food security held tightly in Chinese hands. Premier Li Keqiang, an internationally renowned expert in physical economy, after chairing the meeting of the State Council's Standing Committee, discussed the issue of national food security in the context of the conflict in Ukraine:

We must pay great attention to agricultural production now, and keep up with the farming schedule. The country has sufficient food supplies and reserves, and spring sowing has progressed smoothly this year. Thus, food security can be guaranteed. Sub-national authorities must strictly fulfill their responsibility in ensuring food security, and the efforts to coordinate a sound COVID-19 response with agricultural production in the Spring will be part and parcel of their assessments and evaluations.

Premier Li made clear that the task of ensuring grain acreage and output for the whole year will be assigned to government at every level. Those who fail to fulfill their duties will be held to account. He also discussed the critical matter of assuring sufficient energy availability for the agricultural sector, pledging to increase the energy supply nationally, emphasizing the major role of coal. Again, he stressed that China’s “self-reliance” is critical:

Energy is a matter of critical importance. We must plan ahead and stay prepared.... We must be self-reliant in ensuring energy security.

Further promoting the campaign for national food security, President Xi visited the Nanfan Scientific and



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The Chinese leadership’s principles for food: expanded production, self-reliance, advanced seed science breakthroughs, and food security—all held in China’s own hands. Here, mechanized harvesting of rice.

Research Breeding Base at Yazhou Bay, in southern China’s Hainan province on April 10. Speaking to the scientists, he said,

Seeds are key to national food security, and China’s food security can only be achieved when seed resources are tightly held in Chinese hands.

Xi urged efforts to focus on making breakthroughs when it comes to ensuring food security, including self-reliance in seed technology and control of sources of seeds.

At the Nanfan Seed Breeding Base—dubbed China’s Silicon Valley for seed breeding—more than 10,000 scientists and researchers from more than 800 research institutions and universities gather from across the country, bringing more than 3 million breeding materials to the facility each year. According to a report released by the Chinese Academy of Agricultural Sciences, China’s grain output this year is expected to hit 688 million

metric tons, while the area sown is estimated to reach 118 million hectares, The area of soybeans in China will increase by 1.4 million hectares this year, and production is estimated to increase by more than one-quarter.

China’s agricultural policy of “ever-normal granaries” began as early as the 5th Century B.C. and was adopted by the Han Dynasty (206 B.C.-220 A.D.). This policy assured a constant availability of sufficient food for the population—with surplus stored during times of plenty, and stored grain released during times of scarcity.

China: A Civilizational State

Chinese scholar and economist Zhang Weiwei has argued that China—with its 5,000-year-old culture and its 2,000 years as a unified state—is not merely a political contract among citizens, but rather, “a civilizational state.” This means that China has endured over millennia with a coherent identity, prominently identified by President Xi as reflecting the world view of Confucius, and grown to a population of over 1.4 billion people. China has endured monstrous threats to its existence featuring military attacks by the colonial powers of Europe—typified by the barbaric British-run Opium Wars, the extermination policy of Imperial Japan during the two world wars, and the current demonization of China by the powers of Europe and NATO.

Today, the political elites in the West have threatened to militarily break off from China the provinces of Xinjiang and Taiwan, to oust President Xi in a “color revolution,” and to destroy China’s miraculous economy “forever.” China’s response is simply to hold up a mirror to the West, to allow it to be shocked at seeing its own economic and social decadence, and to do what modern China does best: Excel in science, productivity, and innovation, inclusive of a defensive military component. China continues to offer the United States a prominent role in its Belt and Road Initiative (BRI). The Global Development Initiative and Global Security Initiative have been offered.

With 5,000 years of philosophy, physical economy and culture as its foundation, China’s current mobilization of “internal improvements” in the face of mad war threats is attracting both other nations to the cause, and witnessing beginning movements for peace even within the populations in America and Western Europe. Economic development, demonstrated, can and must be the pathway to peace.