The Growing Potential of Chinese World Domination

Prepared for
Citizens of the United States of America

Prepared by
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Citizens of the United States of America

My Fellow Citizens:

The attached report, written from a deep concern for the future of America, describes the real potential of the Chinese to gain total world domination. This would include domination of all world governments and the future of humanity for many decades, if not centuries, to come.

The study was designed to demonstrate through research the steps the Chinese are potentially taking to accomplish this long-term goal. While the evidence is circumstantial (it is extremely difficult to determine another’s hidden agenda, let alone that of a nation), the evidence is, as you will see, extremely compelling.

The major steps China seems to be taking that the report covers in depth are:

- Defeating the United States economically
- Forming an alliance with Russia
- Increasing their military capability
- Enhancing their technology through whatever means possible
- Cornering the world’s sources of cheap, reliable energy
- Controlling the market for the world’s minerals and commodities
- Creating international alliances and financial dependence wherever possible
- Encouraging capitalism
- Allowing compliant religious worship
- Bringing iron-fisted, communist control to an ever-increasing geographical area

The research to support the contention of this report involved an in-depth study of news reports, articles, and research papers regarding Chinese political, social, and economic objectives. There were also conversations with experts on the potential of China for world domination. I am available to discuss this report with any interested person, group, or government agency.

Sincerely,

Bradley M. Fregger
Futurist
BMF:bef
Attachment
# TABLE OF CONTENTS

EXECUTIVE SUMMARY ......................................................................................................... vi

INTRODUCTION ...................................................................................................................... 1

THE EVIDENCE ........................................................................................................................ 3

- Defeating the United States Economically ................................................................. 3
- Forming an Alliance with Russia .................................................................................. 5
- Increasing Their Military Capability ............................................................................. 6
- Enhancing Their Technology through Whatever Means Necessary ......................... 7
- Cornering the World’s Sources of Cheap, Reliable Energy .......................................... 9
- Controlling the Market for the World’s Minerals and Commodities ......................... 12
- Creating International Alliances and Financial Dependence Wherever Possible ....... 12
- Encouraging Capitalism ............................................................................................... 14
- Allowing Compliant Religious Worship .................................................................... 16
- Bringing Iron-Fisted, Communist Control to an Ever-Increasing Geographical Area 16

THE END GAME ..................................................................................................................... 19

CONCLUSIONS AND RECOMMENDATIONS .....................................................................21

REFERENCES .......................................................................................................................23
EXECUTIVE SUMMARY

This report is an in-depth analysis of the potential steps in China’s plan for world domination. It is critical for the socio-economic success of the United States that we understand clearly the competition our system of government (we are a republic, sometimes called a representative democracy) faces from other systems, i.e., communism and theocracies. This report will focus on the threat our system faces from communism, specifically Communist China.

This report presents the potential that China has a secret plan for world domination. The basic assumption of the report is: world domination is the long-term goal of the communistic government in China and every decision they make ultimately leads to accomplishing this goal.

Below are the key steps, including examples, of a potential plan for Chinese world domination:

**Defeating the United States economically.** While many economists suggest that China doesn’t want the U.S. to go into default on our loans, this is short-term thinking and the Chinese are anything but short-term thinkers. In the long term, they have much more to gain by our economic defeat. For example, in an article printed in *The Huffington Post*, Joseph Meuse (Meuse, 2009) stated,

> We have been in this economic battle for years, and are much closer to losing than we realize. … From small merchants to corporate CEOs, from young children to senior citizens, the entire Chinese population is united in their goal of usurping Western economic leadership.

**Forming an alliance with Russia.** *Global Research* (*Global Research*, 2010) reported that Chinese Vice President Xi Jinping, desiring an alliance with Russia, said, “We are in favor of Russia playing an important role in international and regional affairs." In Putin’s response he referred to China as Russia's "strategic partner in the full sense of this word."

**Increasing its military capability.** Total world domination is dependent on having a superior military force and, ultimately, a large enough “police force” to control all of the world’s governments and its citizens. NTI’s *Global Security Newswire* (*Global Security Newswire*, 2011) reported that,

> China's nuclear arsenal is being augmented through development of a missile that is capable of carrying a number of warheads and can be moved between different locations. The yearly Pentagon assessment of Chinese military capabilities estimates that Beijing holds as many as 75 long-range missiles tipped with nuclear warheads, along with 120 intermediate- and medium-range systems.
In 1998, Colonel Larry M. Wortzel, Director of the Strategic Studies Institute for the U.S. Army’s War College, in an internal report titled, “China’s Military Potential,” (Wortzel, 1998) reported that the People's Republic of China’s “standing armed force of some 2.8 million active soldiers in uniform is the largest military force in the world … [with] … another 200 million males fit for military service available at any time.”

Enhancing its technology through whatever means necessary. The Washington Post reports that GE has contracted with China to supply to the state-owned Aviation Industry Corporation of China some of GE’s highly valuable next-generation technologies necessary for their development of a competitive airline industry. GE entered into this agreement even though it had been determined that the technology was essential to the United States’ economic future. (Schneider, 2011)

Cornering the world’s sources of cheap, reliable energy. As only one example, the Independent (Asia) reported that, “China is pouring another $7bn into Brazil's oil industry, reigniting fears of a global "land grab" of natural resources.” (Arnott, 2010)

Controlling the market for the world’s minerals and commodities. While China may be somewhat poor in regard to the sources of cheap, reliable energy, when it comes to the world’s minerals and commodities, they are in much better shape. For example, Investment U (Dove, 2011) reports that China currently supplies, 98 percent of the worldwide demand for rare earth elements and has used this monopoly to gain immense profits.

However, China not only uses their monopoly in rare earth metals as a way to gain immense profits; they also use it to control rare earth customers in ways not related to the market. In September, 2010 the Business Insider (White, 2010) reported that,

> The Japanese government is considering filing a complaint with the WTO over the alleged halt of rare earth metal exports by China, … China allegedly banned the export of the materials, used in the production of electronics, as retaliation over the capture and continued holding of a fishing captain.

Even though China has stated that the ban did not happen, the quick release of the fishing captain seems to suggest that something was going on. Japan’s entire auto and technology industries depend on rare earth metals, with 92 percent of their supply coming from China.

Creating international alliances and financial dependence wherever possible. The Hürriyet Daily News (Turkey) reported that, “Chinese companies are busy investing throughout the globe, from Africa and the Middle East to Latin America and Southeast Asia.” (Hürriyet Daily News, 2011)
Encouraging Capitalism. *The New York Times* reported that American businessmen have embraced the Chinese Communists since discovering that the communists have embraced capitalism,

The best businessmen … are pragmatists. Deng Xiaoping famously said it didn’t matter whether a cat was black or white so long as it caught mice. Smart businessmen are likewise pretty indifferent to a regime’s ideology (and indeed its treatment of dissidents, journalists and other such niceties) as long as their deals can get done and their tax rates are lenient. (Freeland, 2011)

Allowing compliant religious worship. In 2007 *The Washington Post* reported that a Chinese government-sponsored survey of religion in China found that the number of believers among the country's 1.3 billion people was equal to the entire population of the United States, approximately 300 million. (Cody, 2007)

It is essential that we take this threat seriously; otherwise, we may live to see the end of the grand experiment designed and implemented by our founding fathers. Others have stated that a representative republic cannot survive because its citizens ultimately become apathetic and dependent on their government for survival; this ultimately leads to bondage when the government fails to provide for all of its citizens. (Collins, 2009) Hopefully, with a clear understanding of the alternate futures that lie before us, we can escape this prophecy.
INTRODUCTION

There are lots of languages in the world that it might be a good idea to learn. Here in Texas (actually in most of the southwest and California), it is a good idea to learn Spanish. In the last decade, it looked like it might be wise to learn Arabic. However, now it looks like Chinese is the best bet, since China seems to be on a determined path to world domination and there is little that we are doing to hamper that effort. In fact, the current administration is enabling this potential by supplying the Chinese with the funds needed, through interest payments on our Chinese loans, to build up their entire military establishment.

This is a critical issue for the United States and for all freedom-loving people in the world. If this report is correct, the world will be under the total domination of a communist government, within the next few decades, and individual political and personal freedom will be only a distant memory.

It is important to note that this is a basic summary of the issue. A total look at China’s efforts to dominate the world would take an effort much larger than the author is willing to make at this time. In addition, this issue is an evolving one that changes not only yearly, but quite possibly, daily. So any effort to cover it completely in one effort would be basically impossible. However, there are many sources on the Internet that are attempting to do just this, and this report has referenced many of them.

The major steps China seems to be taking that the report covers in depth are:

- Defeating the United States economically
- Forming an alliance with Russia
- Increasing its military capability
- Enhancing its technology through whatever means possible
- Cornering the world’s sources of cheap, reliable energy
- Controlling the market for the world’s minerals and commodities
- Creating international alliances and financial dependence wherever possible
- Encouraging capitalism
- Allowing compliant religious worship
- Bringing, iron-fisted, communist control to an ever-increasing geographical area

If the Chinese accomplish all of these goals, it will only be a matter of time before they are in a position to expand their direct influence to neighboring countries and ultimately the world. The first to go would be, obviously, Taiwan. The Chinese already believe that they have a moral and legal right to that island nation. However, there is a critical reason why the takeover of Taiwan must be attempted; for the Chinese this would be a major test regarding the commitment of the
U.S. to protect Taiwan regardless of the risk that the Chinese would retaliate by stepping up the economic war with the potential of damaging the U.S. economy significantly.

If the Taiwan takeover is successful, with only a verbal lashing from the U.S., China will gain confidence that they can not only defeat us in an economic war, but might even be able to devastate our economy beyond repair. If they succeed at this, there is an excellent chance that they will look to the south and east, to the Koreas and Japan.

While they will get major pushback if they try to occupy either South Korea or Japan, they don’t have to defeat either country militarily; all they need to do at this stage is to become their major economic partner. With this they can pressure both Japan and South Korea to end all financial and military relations with the U.S. To accomplish this they only need provide guarantees that both countries will be kept safe, while gaining a major market for the distribution of their consumer products.

There is little chance that China plans on using its military to conquer the world. Just its existence will provide significant pressure and, after they have gained world dominance the military can act as a very effective police force.

By the time Asia has fallen, China’s influence will be so pervasive that it will be essentially impossible for any country or alliance of countries to mount an effective resistance. Dominating the rest of the world will be just a matter of time.

While this report is based on actual instances, the evidence is circumstantial. However, China is doing everything necessary to bring about this outcome and is well on its way to accomplishing many of the goals cited above. Without the existence of America as the protector of freedom, China will become the dominant world force, shaping the future of humanity for decades, if not centuries, to come. And, if you are one of the unlucky ones, you will live to see the end of our grand experiment in individual liberty and freedom; you will live to see the end of our representative democracy, our republic.
THE EVIDENCE

Defeating the United States Economically

Is the United States in an economic war with China? Most economists are well aware that the debt owed China is beginning to cause us some major problems, while some are sure that we are losing an economic war that has been going on for years. For example, an article in *Business Insider* titled “China Is Crushing the U.S. in This Economic War” states:

> Meanwhile, it can be said that China is eating America’s lunch, never taking its eyes off the goal, while we squabble among ourselves, paying no attention. … [China] is not only making great economic strides, but on the financial side has become the world’s largest creditor nation, even as the U.S. has become the world’s largest debtor nation, with China holding much of its debt.

> The U.S. needs to interrupt its angry divisiveness and name-calling long enough to recognize the portent of what is going on. (Harding, 2010)

While some of the media wants to blame the U.S. for this economic war, John Magnam in an article printed at ABC-CBN.com states that “the U.S. [is] waging economic war against China.” His support for this contention includes: the increases in the “prices of commodities like oil and gold,” and worldwide inflation. (MANGUN, 2008)

Other international publications report the issue quite differently:

> China aims to allow all exporters and importers to settle cross-border trades in the yuan by 2011, according to the Chinese central bank, … Moreover, China will “respond to overseas demand for the yuan to be used as a reserve currency” and allow the yuan to flow back into China more easily.

> This is all part of China’s plan for the internationalization of its currency, which may, in the decades to come, threaten the global “market share” of other currencies like the US dollar. (Li, 2011)

For the world to accept the yuan as a major world’s reserve currency would be disastrous for the United States for many reasons. Having the dollar as the major reserve currency (65 percent of the world’s total) “carries immense economic advantages, not least the capacity to run the kind of budget and current account deficits which would cripple other nations,” (Braund, 2009) Whether this is a positive or a negative is up for discussion.
Even Paul Krugman (New York Times) is well aware of the danger China poses to the economic health of not only the U.S. but the world in general. Here is a selection of quotes from his article, “Rare and Foolish” (Krugman, 2010):

… the incident shows a Chinese government that is dangerously trigger-happy, willing to wage economic warfare on the slightest provocation. …

Major economic powers, realizing that they have an important stake in the international system, are normally very hesitant about resorting to economic warfare, even in the face of severe provocation — witness the way U.S. policy makers have agonized and temporized over what to do about China’s grossly protectionist exchange-rate policy.

China, however, showed no hesitation at all about using its trade muscle to get its way in a political dispute, in clear — if denied — violation of international trade law.

However, Krugman is not ready to accept that China is probably not the least bit interested in assuming “the responsibilities that go with” becoming “the world’s newest economic superpower.” Their behavior is not the least bit “foolish” if you consider that their goal could well be world domination: economically, politically, and socially; and not to become a responsible member of the world community.

While many economists suggest that China doesn’t want the U.S. to go into default on our loans, this is short-term thinking and the Chinese are anything but short-term thinkers. In the long term, they have much more to gain by our economic defeat. For example, in an article printed in The Huffington Post, Joseph Meuse (Meuse, 2009) stated,

We have been in this economic battle for years, and are much closer to losing than we realize. … From small merchants to corporate CEOs, from young children to senior citizens, the entire Chinese population is united in their goal of usurping Western economic leadership.

There is no doubt that it would be to China’s distinct advantage to defeat the U.S. economically. Or, even better, force the United States to default on its loans. The loss in U.S. prestige, power, and influence would be irrevocable and probably result in our descent into an economic morass that would be extremely difficult to climb out of. If this happens, it will create an opportunity for another “superpower” to step in and gain international dominance.

This happened shortly after World War II when the U.K. passed the baton to the U.S. There is little doubt that the Communist China regime would take greater advantage of this position of immense power than the United States ever did. The U.S. believes in individual freedom and basically
recognized that in its international dealings. Communist China believes in the power of the collective and recognizes that its ultimate security will result in its total domination of the world’s economy, politics, and societies. They will not hesitate to use their newfound power to gain this end.

Forming an Alliance with Russia

The Chinese and the Russians have been working toward a stronger and stronger alliance since the 1990s. Last year, Global Research (Global Research, 2010) reported that Chinese Vice President Xi Jinping, desiring an alliance with Russia, said, “We are in favor of Russia playing an important role in international and regional affairs.” In Putin’s response he referred to China as Russia’s "strategic partner in the full sense of this word."

In addition, The Heritage Foundation (Cohen, 2001) reported the following:

On July 16, the presidents of Russia and China signed a Treaty for Good Neighborliness, Friendship, and Cooperation in Moscow. This treaty is the first such agreement between these two Eurasian powers since Mao Tse-tung signed a treaty with Joseph Stalin of the U.S.S.R. in 1950. … The treaty should signal to the Western world that a major geopolitical shift may be taking place in the Eurasian balance of power, with serious implications for the United States and its alliances.

Some authors even suggest that the Shanghai Cooperation Organization, founded in 2001 to counter NATO and European Union, a major alliance between China, Russia, and a few other minor Asian countries, is really the beginning of a new cold war. The Herald (Fraser, 2008) in an article titled, “Leading historian issues warning of new cold war,” reported,

The Scottish historian Niall Ferguson has warned that the strategic alliance between China and Russia is more of a threat to the West than the credit crunch.

Ferguson, a best-selling author, broadcaster and professor of history at Harvard University, said that the development of the new Russia-China power block was set to put the two economic heavyweights on a path to confrontation with much of the rest of the world.

The current concern about the alliance between Russia and China is even stronger among some Russian critics. Lev Navrozov, an influential Russian writer and historian, is extremely concerned about this alliance; obvious from his article at Newsmax.com (Navrozov, 2011),

Russian “leaders” realize that no European country will be able to resist the China-Russia alliance. Whereupon the remaining countries of the Eastern hemisphere will be crushed
by China, Russia, and whatever other countries will join the alliance.

That’s quite a feasible threat from the China-Russia alliance to the Western hemisphere: the United States, Canada, and South America.

Hypothetically, or rather quite realistically, it is this China-Russia alliance that will make Communist China the owner of the world.

There seems little doubt that China sees this alliance as critical to its goal of world domination. It also seems obvious that the current Russian leaders see an alliance with China as their only option. The U.S. needs to take this alliance seriously and with great caution; the future of the United States depends on it.

Increasing Its Military Capability

Total world domination is dependent on having a superior military force and, ultimately, a large enough “police force” to control all of the world’s governments and its citizens. NTI’s Global Security Newswire (Global Security Newswire, 2011) reported that,

China's nuclear arsenal is being augmented through development of a missile that is capable of carrying a number of warheads and can be moved between different locations. The yearly Pentagon assessment of Chinese military capabilities estimates that Beijing holds as many as 75 long-range missiles tipped with nuclear warheads, along with 120 intermediate- and medium-range systems.

The reason that a strong military is critical to the success of any country was best explained in a commencement speech Defense Secretary Robert Gates made to the graduating class of the University of Notre Dame (Baker, 2011),

The ultimate guarantee against success of aggressors, dictators and terrorists in the 21st century is the size, strength and global reach of the United States military. …

Beyond the current wars, our military credibility, commitment and presence are required to sustain alliances, to protect trade routes and energy supplies, and to deter would-be adversaries from making the kind of miscalculations that so often lead to war."

As a country becomes more and more successful, invasion by other nations becomes more and more likely. The leaders of China are not so foolish as to believe that this could not happen in this modern age.
However, China has other problems, including the preponderance of males, especially males of, or soon to be, military age. Because China has a one child/family policy, Chinese families have often opted to abort females to assure that the single child is a male (preferred in Chinese culture). This has resulted in 45.5 million more males than females in the age range from 0-64 with 51.9 percent of this age range being male. However, this ratio is getting worse; the age range of 0-14 is 53.9 percent male (Central Intelligence Agency, 2011).

The result is a lot of males with no hope of a lifetime female companion and, especially for those in their teens and early twenties, a lot of sexual frustration. It is critical that the Chinese find an outlet for all of this energy and frustration and the military is ideal to serve this purpose.

In 1998, Colonel Larry M. Wortzel, Director of the Strategic Studies Institute for the U.S. Army’s War College, in an internal report titled, “China’s Military Potential,” (Wortzel, 1998) reported that the People's Republic of China’s “standing armed force of some 2.8 million active soldiers in uniform is the largest military force in the world … [with] … another 200 million males fit for military service available at any time.”

In addition, as China strives toward world domination, it may become necessary for them to, and I quote our 26th president, Theodore Roosevelt, “Speak softly and carry a big stick.” (Wikipedia, 2011) This philosophy suggests that you can go far by asking nicely, with a hidden suggestion that disagreeing will result in disastrous consequences; much like crooks selling protection to the local store owner.

Finally, when (if) the Chinese do achieve a level of world domination that assures their position as the world’s only superpower for decades, if not centuries, a worldwide police force will become necessary to keep potential competitors in line. Their large military force will provide this police force.

Enhancing Its Technology Through Whatever Means Possible

The Chinese ideas of right and wrong are very consistent with many powerful organizations and individuals; essentially anything that helps achieve their goals or assures their success, is right and anything that detracts from that objective is wrong. This philosophy is essentially Machiavellianism: “the political theory of Machiavelli; especially : the view that politics is amoral and that any means however unscrupulous can justifiably be used in achieving political power.” (Merriam-Webster.com)
As further demonstration that China is not above any activity that will enhance its technology, IHS reports, in an article of the same name that the, “Pentagon says China still using means foul and fair to gain foreign technology” (Anderson, 2011)

China is continuing to leverage foreign assistance in the form of commercial joint ventures (JVs), academic exchanges and "state-sponsored espionage" to develop its domestic defense industrial and research capabilities, the US Department of Defense (DoD) has claimed.

The assessment of the strides taken by China to meet military technology aspirations was presented to the US Congress by the DoD on 25 August in the annual 'Military and Security Developments Involving the People's Republic of China' report.

There seems little doubt that China is also actively involved in cyber-espionage around the world. In an article in Asia Society, Jamie Metzl states that “China is one of the world’s worst state perpetrators of cyber-espionage and malicious computer hacking.” (Metzl, 2011) Then he dramatically supports that case with quotes from a series of government investigations and quotes from extremely influential and competent individuals, for example:

Former U.S. cyber-czar Richard Clarke asserted that “What’s going on is very large-scale Chinese industrial espionage…They’re stealing our intellectual property. They’re getting our research and development for pennies on the dollar.”

In an April 15, 2011 testimony for the Oversight and Investigations Subcommittee of the Foreign Affairs Committee of the United States House of Representatives, Richard Fisher, Senior Fellow at the International Assessment and Strategy Center, asserted that “PRC uses its cyber capabilities to pursue a relentless global campaign of cyber espionage, in which every country in which the PRC has any kind of interest, is subject to continuous cyber probes seeking all manner of information of military, commercial or political value.”

In a March 2010 testimony before the House of Representatives Committee on Foreign Affairs, Larry Wortzel, Commissioner of the U.S.-China Economic and Security Review Commission, explained that hacking by Chinese actors works to “speed the development and fielding of weapons in China, improve technology in sectors of China’s industries while saving time and money in research and development.”

In 2007, Jonathan Evans, the Director General of the UK Security Service, MI5, stated that the Chinese “continue to devote considerable time and energy trying to steal our sensitive technology on civilian and military projects and trying to obtain political and economic intelligence at our expense.”
In August 2007, German Chancellor Angela Merkel reportedly confronted Chinese Premier Wen Jiabao after Chinese hackers attacked computers in her office and other German government ministries.

In addition to espionage, China also uses its large market as a siren song that is extremely hard to resist, but can be fraught with danger. (Wikipedia) For example, GE has contracted with China to supply to the state-owned Aviation Industry Corporation of China some of GE’s highly valuable next-generation technologies necessary for their development of a competitive airline industry. GE entered into this agreement even though it had been determined that the technology was essential to the United States’ economic future. (Schneider, 2011)

And GE isn’t the only U.S. technology company that the siren song of a massive market has appealed to. There are literally thousands of the world’s companies heavily invested in China; a few other examples are Apple, ATT, General Motors, Ford, Memorex, Panasonic, Samsung, and Sony. To suggest that this activity does not involve a transfer of technology would be naïve to the extreme. In fact, it shouldn’t be a surprise to find out that the transfer of technology is one of the requirements that the Chinese insist upon before a company can do business there.

There is no doubt that the Chinese sees any activity that supports its objective of either socio-economic health for all of its citizens or world domination as moral and that any activity that detracts from these goals as immoral. Any country or business doing business in China needs to take this fact into account. The ultimate risk of a “very bad result” is the end of American exceptionalism and beginning of Chinese world domination.

Cornering the World’s Sources of Cheap Reliable Energy

Energy security is of major concern to the Chinese government. They have immense supplies of coal but very little oil, currently depending on foreign oil to supply over half of their domestic consumption, with projections that by 2015 that will increase to 60-70 percent. In addition, even though they are the second largest consumer of oil in the world (the U.S. is first), they only have about 1.2 percent of the world’s reserves. (Zhang, 2011)

_Brookings_ believes that China will have a problem balancing their responsibility as a member of the world community with their critical energy needs.

As a major energy consumer in an integrated world in which domestic policies are inseparable from foreign policies, China’s energy security policy will have significant impact at the global level. With a lack of continuous attention and clear strategy to energy policy undercutting China’s foreign policy and economic security, integrating energy security issues with other aspects of China’s foreign policy remains a challenge for Beijing.
Brookings assumes that China’s main goal is to become a cooperative member of the world community; that China can only attain the influence and power it desires by working with the rest of the world to solve the world’s problems, sharing the world’s resources fairly.

This paper assumes exactly the opposite: that China sees the greatest opportunity for its security and success by dominating the world economically, politically, and socially. In addition, there is an excellent chance that the leaders of the Communist China regime believe they are the only ones that have the solution for the world’s problems. They, of course, have support for this contention through the current success of the regime in pulling China up by its own boot straps. Once we accept the reality that world domination is the ultimate goal of the Chinese, then any activities of theirs toward assuring their energy security make sense.

Where will China get the oil that it needs so badly? In 2004 The Institute for the Analysis of Global Security reported the following (Luft, 2004):

China's expectation of growing future dependence on oil imports has brought it to acquire interests in exploration and production in places like Kazakhstan, Russia, Venezuela, Sudan, West Africa, Iran, Saudi Arabia and Canada. But despite its efforts to diversify its sources, China has become increasingly dependent on Middle East oil. Today, 58% of China's oil imports come from the region. By 2015, the share of Middle East oil will stand on 70%. Though historically China has had no long-standing strategic interests in the Middle East, its relationship with the region from where most of its oil comes is becoming increasingly important.

In addition, the Independent (Asia) reported that, “China is pouring another $7bn into Brazil's oil industry, reigniting fears of a global "land grab" of natural resources.” (Arnott, 2010)

The Institute for the Analysis of Global Security report goes on to state:

... attempts to gain a foothold in the Middle East and build up long-term strategic links with countries hostile to the U.S. could also bear heavily on U.S.-China relations. Especially troubling are China's arms sales to the region, its support of state sponsors of terrorism and its proliferation of dual use technology.

But the Middle East, Africa, and South America are not the only places that China is trying to obtain its oil from; the report also states that they are very actively involved in making deals to obtain a significant percentage of Canadian oil (Luft, 2004). The loss of a major portion of this source would be devastating for the U.S. This is especially true because of current regulations of the Obama Administration to significantly limit the ability of the U.S. to develop its own fossil fuel energy industry.
There is also strong evidence that China is supporting Cuba’s exploration and drilling for oil in the Gulf of Mexico just 60 miles from Florida. “There will be at least 5 wells, deeper than the BP Deepwater Horizon well that ruptured last year in the Gulf of Mexico, and they will be using rehabbed old Chinese equipment similar to what broke for British Petroleum.” (uncovery.net, 2011)

Many of our politicians and Chinese “experts” continue to believe that China has no interest in causing issues with the United States; that the United States market and loan situation is too important to them. When the “experts” have this assumption as a foundation of their beliefs, they tend to accept data that supports those beliefs and ignore data that contradicts what they believe. For example, here are some quotes from an article in Grist accusing Cheney of perpetuating a myth about a China-Cuba oil partnership. (Sheppard, 2008)

During his "drill, drill, drill" rant yesterday, Dick Cheney complained that Cuba and China are drilling for oil closer to the coast of Florida than American companies are currently allowed. It's become a common talking point for Republicans arguing that more areas should be opened to drilling -- but, reports McClatchy, it appears to be bogus. [N]o one can prove that the Chinese are drilling anywhere off Cuba's shoreline. The China-Cuba connection is "akin to urban legend," said Sen. Mel Martinez, a Republican from Florida who opposes drilling off the coast of his state but who backs exploration in ANWR.

"China is not drilling in Cuba's Gulf of Mexico waters, period," said Jorge Pinon, an energy fellow with the Center for Hemispheric Policy at the University of Miami and an expert in oil exploration in the Gulf of Mexico. Martinez cited Pinon's research when he took to the Senate floor Wednesday to set the record straight.

To ignore data that doesn’t agree with what we hope is taking place causes us to make bad decisions. We cannot afford to underestimate the danger to America’s socio-economic health of hopeful assumptions and unreasonable energy policies (any policies that assume that alternative energy solutions will be able to replace fossil fuels within the next couple of decades).

Modern societies depend on the availability of cheap, reliable sources of energy and until our technology is able to develop alternative sources, fossil fuels are our best choice for the foreseeable future. All of the hope and prayers in the world will not provide the technological breakthroughs necessary for alternative fuels to become cost effective. Putting our society at risk on a hope and prayer is unacceptable, probably criminal, and potentially treasonous.
Controlling the market for the world’s minerals and commodities.

While China may be somewhat poor in regard to the sources of cheap, reliable energy, when it comes to the world’s minerals and commodities, they are in much better shape. For example, Investment U (Dove, 2011) reports that China currently supplies, 98% of the global demand for rare earth elements. … Reuters reported on Tuesday that the Chinese raised the price for rare earth metals past the $100,000 per ton mark – the first time ever that the price per ton has vaulted into the six-figure range. According to Reuters, that’s an almost nine-fold increase from a year ago, and up an astonishing $34,000 per ton in the last month alone. … At the same time China has also been reducing its exports of rare earth elements since last year. Why? Because its ultimate goal is to keep all the rare earths it produces. … Nevertheless, [it has] obviously shocked China’s rare earth industry customers. Unfortunately, they have few options available in the short term, other than to pay China’s exorbitant asking price.

However, China is not only using their monopoly in rare earth metals to raise the price as high (or higher) than the market can stand; they are also using this monopoly in a commodity critical to the technology of the modern world, to control their rare earth customers in ways not related to the market. In September, 2010 the Business Insider (White, 2010) reported that,

The Japanese government is considering filing a complaint with WTO over the alleged halt of rare earth metal exports by China, … China allegedly banned the export of the materials, used in the production of electronics, as retaliation over the capture and continued holding of a fishing captain.

Even though China has stated that the ban did not happen, the quick release of the fishing captain seems to suggest that something was going on. Japan’s entire auto and technology industries depend on rare earth metals, with 92 percent of their supply coming from China.

Creating International Alliances and Financial Dependence Wherever Possible

China has recently been extremely active in the area of foreign relations. In addition to having a permanent seat on the United Nations Security Council, they have, “…cultivated a more cooperative relationship with members of the Association of Southeast Asian Nations (ASEAN) (Brunei, Cambodia, Myanmar, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, Vietnam), and participated in the ASEAN Regional Forum.” … In 2005, the "ASEAN Plus Three" countries together with India, Australia and New Zealand held the inaugural East Asia Summit (EAS). (Wikipedia, 2011)
As a further example of the extent that China is currently willing to go in the support of its allies, is this report from Reuters (Anishchuk, 2011):

Russia won the backing of China and other members of a regional security body in criticizing U.S. plans for a missile shield, saying on Wednesday it could undermine global security.

The Shanghai Cooperation Organization (SCO), a security bloc grouping Russia, China and four ex-Soviet Central Asian states, signed a declaration condemning any unilateral build-up of missile defenses after their leaders met in the Kazakh capital.

"The unilateral and unlimited build-up of missile defense by a single state or by a narrow group of states could damage strategic stability and international security," the six members of the SCO said in the declaration.

Their concern about the United States building a missile shield for its protection against attack, does not stop them from developing the same level of defense for themselves. The Diplomat reported recently (Miks, 2011),

China is developing a multi-dimensional programme aimed at improving its ability to limit or prevent the use of space-based assets by adversaries during a crisis, the Pentagon says in its latest report on the country’s military. ... South Korea’s Chosun Ilbo, [says] “China is developing a missile defense system in the highest layer of the atmosphere and outer space using high-end technologies like laser beams and kinetic energy intercept,”

It isn’t only the government of China that is very active in developing a broad variety of international relations; Chinese businesses, too, are very interested in expanding the scope of their power and influence.

The Hürriyet Daily News (Turkey) reported that, “Chinese companies are busy investing throughout the globe, from Africa and the Middle East to Latin America and Southeast Asia.” (Hürriyet Daily News, 2011)

On March 1 of this year, The Heritage foundation reported that Chinese investment in the U.S. had exceeded “$2 Trillion and Counting.” (Scissors, 2011) This did not include the direct investment of Chinese business in the U.S. and around the world. “January 2008, China’s Ministry of Commerce (MOFCOM) reported that Chinese companies invested a record US$37 billion overseas in 2007, up 76 percent over 2006.” (Kwan, 2008)

In addition, The New York Times (Barboza, 2011) recently reported that,
China has begun spreading its newfound riches to every corner of the world — whether copper mines in Africa, iron ore facilities in Australia or even a gas shale project in the heart of Texas. … over the next decade China could invest as much as $2 trillion in overseas companies, …

*The New York Times* isn’t concerned about the dominance that the Chinese are achieving over the world economy. They are concerned that the United States gets its share of this investment.

Flush with capital from its enormous trade surpluses and armed with the world’s largest foreign exchange reserves, China has begun spreading its newfound riches to every corner of the world — whether copper mines in Africa, iron ore facilities in Australia or even a gas shale project in the heart of Texas.

Orville Schell, director of the Center on U.S.-China Relations at the Asia Society and the person who commissioned the study, says the United States must do its part to improve relations with China.

“I feel increasingly alarmed and discouraged by the willful ignorance of Americans to the competitive challenge the Chinese pose to the U.S., including in foreign investment,” Mr. Schell said in an interview. “China is looking for places to park its money, and it could be to our advantage. If we don’t find a way to be open to China, it’s undeniable the money will go elsewhere.”

There is little doubt that China is expanding its financial clout, and that, the United States business community wants its share. Whether in the long run this is a positive for the United States is up for debate. If China achieves the ultimate goal postulated in this report, United States society will probably be significantly changed; economically, politically, and socially. There is a chance that American businesses will continue to thrive; however, it is questionable whether they will continue to be truly American.

*Encouraging Capitalism*

While the Chinese capitalist reformation began in the 1970s, the major push toward a capitalist economy didn’t take place until the 1990s. *International Viewpoint*, (Josep Maria Antentas, 2008) describes it in this way,

The reforms began in 1978, and extended and deepened, progressively debilitating the mechanisms of the planned economy and received a decisive push from 1992 onwards.

In the 1990s an unrestrained process of privatization of state companies and liberalization of
public services took place. Nowadays, two thirds of wage-earners work already for private capital. At the beginning of the 21st century, China’s entrance into the World Trade Organization in 2001 culminated its process of reintegration into global capitalism.

They are few on the left, luckily, who have illusions in the Chinese model. But it should be clear . . . that thirty years of reform have created a wildcat capitalism without restraint. And this is the horizon towards which the country is heading, in spite of the rhetoric about a “harmonious society” from President Hu Jintao.

The important thing is that America has discovered that capitalism doesn’t need a democracy to thrive. Even Robert B. Reich has come to this realization. In his CommonDreams.org article, titled: “China: Capitalism Doesn't Require Democracy” (Reich, 2006) he states:

You may remember when the world was divided between communism and capitalism, and when the Chinese were communists. The Chinese still call themselves communists, but now they’re also capitalists. In fact, visit China today and you find the most dynamic capitalist nation in the world. In 2005, it had the distinction of being the world’s fastest-growing major economy. . . .

China shows that when it comes to economics, the dividing line among the world’s nations is no longer between communism and capitalism. Capitalism has won hands down. The real dividing line is no longer economic. It’s political. And that divide is between democracy and authoritarianism. China is a capitalist economy with an authoritarian government.

Reich isn’t the only one recognizing the “potential” of Chinese capitalism. The New York Times reported that American businessmen have embraced the Chinese Communists since discovering that the Communists have embraced capitalism,

The best businessmen . . . are pragmatists. Deng Xiaoping famously said it didn’t matter whether a cat was black or white so long as it caught mice. Smart businessmen are likewise pretty indifferent to a regime’s ideology (and indeed its treatment of dissidents, journalists and other such niceties) as long as their deals can get done and their tax rates are lenient. (Freeland, 2011)

This was apply demonstrated by the lack of hesitation shown by GE when it agreed to supply some of their highly valuable next-generation technologies to the Chinese. For GE, the short-term profit motive completely eliminated any concern about how that contract with the Chinese might ultimately impact the socio-economic health of the United States. It is possible this could be extrapolated even further, that GE doesn’t particularly care what happens to the U.S. as long as they can continue to do business and make a profit.
This may very well end up being the Achilles Heel of the American capitalist system.

Allowing Compliant Religious Worship

This recent history of religion in China begins with the formation of the People’s Republic of China in 1947 with a government that was essentially atheist. Cultural Revolution in 1966 and 1967 eliminated all forms of religion, with the destruction of many places of worship. This policy was relaxed in the late 1970s and today China has a policy of freedom of religion. (Wikipedia, 2011)

The 1978 Constitution of the People's Republic of China guarantees "freedom of religion" in Article 46. The policy regarding religious practice in China states that "No state organ, public organization or individual may compel citizens to believe in, or not to believe in, any religion; nor may they discriminate against citizens because they do, or do not believe in religion. The state protects normal religious activities", and continues with the statement that: "nobody can make use of religion to engage in activities that disrupt social order, impair the health of citizens or interfere with the educational system of the state."

The important section of China’s commitment to freedom of religion is the statement making it clear that religious organizations cannot engage in activities the “disrupt the social order.” This is what is meant by China “allowing compliant religious worship.” They can also outlaw any religion that doesn’t believe in modern medicine or that insists on having their own educational system. There is no doubt that China controls the education of its citizens, from the cradle to the grave.

In 2007 The Washington Post reported that a Chinese government-sponsored survey of religion in China found that the number of believers among the country's 1.3 billion people was equal to the entire population of the United States, approximately 300 million. (Cody, 2007)

Bringing Iron-Fisted Communist Control to an Ever-Increasing Geographical Area

This final section is entirely conjecture; there is no obvious proof that China has any desire to control the political and social systems in other countries. In fact the exact opposite is true. The Washington Times reported that China’s Foreign Ministry spokesperson, Qin Gang, gave an eight-point statement of China’s philosophy regarding foreign relations: (The Washington Times, 2007)

“First of all China will not seek hegemony. We are still a developing country. We don’t have the resources to seek hegemony. Even if China becomes a developed country, we will not seek hegemony.
“Second, China will not play power politics and we will not interfere with other countries’ internal affairs. We will not impose our own ideology on other countries.

“Third, we maintain all countries, big or small, should be treated equally and respect each other. All affairs should be consulted and resolved by all countries on the basis of equal participation. No country should bully others on the basis of strength.

“Fourth, [in international affairs] China will make judgment on each case, each matter on the merit of the matter itself and we will not have double standards. We will not have two policies: one for ourselves and one for others. We will not do that. We believe we cannot do unto others what we do not wish others to do unto us.

“Fifth, we advocate all countries handle their relations on the basis of the United Nations Charter and norms governing international relations. We advocate stepping up international cooperation and do not play politics unilaterally. We should not undermine the dignity and the authority of the U.N. We should not impose and set our own wishes above the U.N. Charter, international law and norms.

“Sixth, we advocate peaceful negotiation and consultation so as to resolve our international disputes. We do not resort to force, or threat of force, in resolving international disputes. China maintains a reasonable national military buildup to defend our own sovereignty and territorial integrity. It is not made to expand, nor do we seek invasion or aggression.

“Seventh, China is firmly opposed to terrorism and the proliferation of weapons of mass destruction. We are a responsible member of the international community, and as for international treaties, we abide by all them in a faithful way. We never play by a double standard, selecting and discarding treaties we do not need.

“Eighth, we respect the diversity of civilization and the whole world. We advocate different cultures make exchanges, learn from each other, and complement one another with their own strengths. We’re opposed to clashes and confrontations between civilizations, and we do not link any particular ethnic group or religion with terrorism.”

Many diplomats and pundits take China’s word on this matter, believing that China wants to become an influential partner in world affairs. They accept on face value the statement that China is not interested in seeking hegemony (world dominance).

However, as any good poker player knows, when you are out to win, you definitely do not want to telegraph the hand you are playing. In fact, the rules of poker allow you to lie, but forbid you
from telling the truth. So … if you have a pair of aces, you can tell the other players that you’ve
got a pair of deuces, but you cannot tell them that you have a pair of aces.

Bottom-line, to depend on the eight-point statement above would be foolishness in the extreme.
As a competitor on the world stage, you have to assume that your competition is lying … to do
otherwise is to risk losing and losing big.

What would be the advantages of world domination?

- Complete control over all energy sources
- Complete control over all other resources
- Complete control over all technology and technological development
- Access to and control of a large labor force
- The ability to control and/or eliminate any revolutionary group
- One party control over worldwide decision making
- No threat of invasion

That’s a few of the advantages, I’m sure the experts could come up with quite a few more.

The only real disadvantage would be the immense control problem over hundreds of countries and
billions of citizens. However, there’s little doubt that a large successful regime would feel confident
that they could handle the situation and, with the aid of modern technology, they just might be able to
make it work. If so, an end to Chinese Communist rule might end up being centuries in the future.
THE END GAME

Once China has accomplished the first nine steps above and feels confident that they will get minimal push back by attempting to solidify their position as the major world superpower, what might be their next steps? The future of the free world is dependent on the answer.

If China is serious about adhering to the eight-point statement of China’s philosophy regarding foreign relations stated so eloquently by Foreign Minister Qin Gang, then they are not interested in hegemony and China will just replace the U.S. as the dominant world economy. As stated earlier, this happened at the end of World War II, with the United States taking over that position from Great Britain. This, of course, would have a significant impact on the economy of our nation, limiting many of our choices going forward. But freedom could still thrive … all hope would not be lost.

What are the chances of this happening? The assumption of this report is that China will want to assure its economic, political, and social security at all costs and that the best alternative to assure that this happens is to dominate the world economically, politically, and socially. In other words, it would be important that they control the world’s countries and their citizens at the same level that they control their own citizens. How might they do this?

- They would allow capitalism to flourish, with a tight rein on technology. As long as business can make a profit by selling their products and services, they don’t care what type of government they are operating under.

- They would allow compliant religious worship, making sure that none of the religions are fermenting social unrest. The only religion that might be a problem for them is Islam. However, they would not be operating under the same constraints that America does regarding “freedom of religion” and would quickly eliminate any sources of unrest.

- They would allow dictators, monarchies, and democracies to exist as long as they were tightly aligned with Communist China. However, since fellow communist countries would be easier to control, they would be working with elements within noncommunist countries to move them to communism. With the power of Communist China behind those elements, it would not be long before the world was dominated politically.

With business, religion, and politics essentially on their side, how can the Chinese lose? This report assumes that they won’t. But, what might be their initial steps for moving forward?

They need to solidify their influence within the Asian community. As stated earlier, the absorption of Taiwan is essential to their plan and to their prestige. In addition, they are already working very hard to improve their relations with all other Asian countries, included Japan and
South Korea. In addition, both of these countries are very dependent on China both as a market and as a source of essential commodities, especially rare earth elements. Add to this their alliance with Russia and other aligned countries, and Chinese dominance in that part of the world is moving well along. Australia is also very interested in closer relations with China, forming the Australia-China Council in 1978 to promote a positive economic and social relationship with China, “Australia – China: Developing and strengthening mutual interests in a rapidly expanding relationship.” (Australia-China Council)

As stated earlier, China is also making strong headway in its foreign relations in the Middle East, Africa, and South America; not to mention, their efforts in North America, including the good, old United States of America. For some, the question is not, “Will China attain international dominance?” It’s actually, “When will China achieve international dominance?” or even, “Has China, effectively, already achieved international dominance?”

However, an even more important question is: If China attains a level of international dominance that effectively leaves them as the world’s only superpower, how will they use that power? Since Communist China is convinced that they have the best solution for humanity living in peaceful contentment, it is not unreasonable that they would want to use their superpower status to convert the world’s societies to their brand of communism; greater economic, political, and social security would be a siren call that would be hard to ignore.

Of course, there will be pockets of resistance, but these will not cause any significant harm to the regime and, if they get out of hand, they can be quickly eliminated.

While this is complete conjecture at this time, China is doing everything necessary to bring about this outcome. Without the existence of America as the protector of freedom, China will easily become the dominant world force, shaping the future of humanity for decades, if not centuries, to come.
CONCLUSIONS AND RECOMMENDATIONS

The conclusion, while conjecture and based on a limited number of sources, is clear. The odds that China will ultimately become the dominant economic force in the world are extremely high. In addition, there is a strong probability that they will use this power to dominate the world politically and socially as well.

If this occurs, we will live to see the end of America’s grand experiment in individual freedom and personal responsibility; the end of the world’s first representative democracy.

This doesn’t need to happen, the United States of America doesn’t need to roll over and show its belly to Communist China. All we need to do is return to the basics, to the heart of what made our country great, to the promises of the Declaration of Independence and the Constitution. These documents are what made America an exceptional country, the most exceptional country in the history of the world.

In America, one’s personal effort is all that counts. It doesn’t matter who your ancestors were, how poor or rich your family was, or even the level of education you’ve attained. All that matters is you and your commitment to your dreams. Of course, everything isn’t fair all of the time; of course, there are those whose dreams never seem to come true. But, America thrives on the dreams that do come true, with the result that every level of society in America lives better than their counterparts in every other country.

However, our freedom and our system of government can be a problem, a problem that can easily destroy this great country. Here are some ways this could happen:

- Special interest groups could demand of the government ultimately more than it can pay, especially if those groups are made up of individuals dependant on the government to survive. In a sense these individuals and groups would be essentially killing the goose that laid the golden eggs.
- The media with their pervasive focus on bad news could be increasingly effective in creating (unconsciously) an environment that ferments hatred, hopelessness, and ultimately lawlessness.
- Businesses focused on short-term profitability and effectively lacking loyalty to the country that provided them the environment in which they could grow and prosper, can make it difficult for the U.S. to maintain the competitive advantage needed for our society to succeed.
- An out-of-control central government effectively regulates our society to death, as seen in every area of our lives from energy policy to lemonade stands (World Net Daily, 2011).
Our recommendation is that we return to conservative principles; this is essential if we are to remain competitive with Communist China and have the best chance at assuring that we remain one of the world’s major superpowers, a beacon of freedom for the rest of the world. We must:

- Gain control over the special interest groups by limiting the power and scope of the federal government;
- Educate the media so that they understand the power they have to set the mood of the country; pervasive focus on bad news and providing the spin that will drive the most sales must be countered with personal and social responsibility;
- Business must accept their responsibility to the society that made their success possible. It is unacceptable that their only responsibility is to shareholders; stakeholder interests must be taken into account;
- Regain control over this out-of-control federal government. To suggest that government knows best is naïve; we should have learned this lesson by now.
- Return to conservative principles, to the promises of the Declaration of Independence and the Constitution.

We have one last chance to save freedom for the world. If we make the wrong choices in November 2012, we can kiss freedom goodbye. And it is very likely that we will be paving the way for China to dominate the world.
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