

## DEFCON 3 – Yellow Alert

*This article is based on an analysis of the Pentagon's **Military and Security Developments Involving the People's Republic of China 2021**, A Report to Congress. It is also a warning to any Marxist who still miscasts the Peoples Republic of China as somehow socialist.*  
<https://media.defense.gov/2021/Nov/03/2002885874/-1/-1/0/2021-CMPR-FINAL.PDF>

As in the case in politics, it seems a year in an arms race is a long time. Last year's report by the Pentagon was condescending to the point of dismissing China's military capabilities. This year's report is much more respectful. It appears the Pentagon has woken up to the fact that with an industrial base that consumes half of all global industrial inputs and with a manufacturing base larger than that of the US, Japan and Germany combined, China is becoming a worthy adversary in double quick time. Though no side will admit it, an arms race is in progress.

Like all bullies the USA wants to present itself as the victim. There is nothing in the report about the prior military encirclement of China nor the economic embargoes levied on China designed to stifle its technical development. Rather cause and effect are swapped around, point B becomes point A, making it appear that the instigator of the process is instead the target. This is one of the top 10 propaganda tricks used by political gangsters. Thus the report contends it is China's ambitions that are the threat, not the USA's slipping grip of China's throat, or shall we say the Pentagon's recognition that its fingers are becoming too short to fit around China's growing neck.

This can be discerned in the extracts taken from the preface at the head of the report.

*"The PRC has long viewed the United States as a competitor and has characterized its view of strategic competition in terms of a rivalry among powerful nation states, as well as a clash of opposing systems. As expressed in the Interim National Security Strategic Guidance, the PRC is the only competitor capable of combining its economic, diplomatic, military, and technological power to mount a sustained challenge to a stable and open international system. And Beijing seeks to reshape the international order to better align with its authoritarian system and national interests, as a vital component of its strategy to achieve the "great rejuvenation" of the Chinese nation.*

*General Secretary Xi Jinping laid out two PLA modernization goals during his speech to the 19th Party Congress: to "basically complete" PLA modernization by 2035.*

*In 2020, the Chinese Communist Party (CCP) announced a new milestone for PLA modernization in 2027 broadly understood as the modernization of the PLA's capabilities to be networked into a system of systems for "intelligentized" warfare. **If realized, the PLA's 2027 modernization goals** could provide Beijing with more credible military options in a Taiwan contingency." (My emphasis)*

The great lie here is that the very regeneration of the Chinese nation is seen as a threat. The question is never posed whether or not the USA could or should assist rather than resist this regeneration or accommodate it. Rather the mere spectre of a regenerated China is seen as inimical to the interest of the USA. Clearly the USA sees only one chair at the head of the economic table which it alone can occupy.

This view lies at the heart of the Imperialist dilemma. Every declining imperialist power seeks to build a fortress protecting its interests from encroaching and more dynamic competitors. What the USA is doing

today is not that different to what France and England did in the 19<sup>th</sup> century with colonisation which was designed primarily to deprive a rising Germany of markets and materials. By default the Executive Report admits as much: *Beijing views the United States as increasingly determined to contain the PRC, creating potential obstacles to its strategy.* Cheeky. This is not a view but the reality of encirclement. Of its 800 foreign bases, the US has 400 within range of China and they have been assembled for more than a decade.

On the other hand the interests of the Chinese capitalists are furthered by an open world economy regulated through multi-lateral treaties. They have everything to gain from unhindered economic growth and everything to lose from a fractured world economy. The opposite is of course the case with the USA, which sees China as a rising competitor which will threaten its monopoly profits.

Once again the tables are turned. It is the Chinese who are blamed for unfair competitive practices. *“Examples of the PRC’s unfair economic policies and trade practices include its support to domestic industries at the expense of foreign counterparts, commercial joint venture requirements, technology transfer requirements, subsidies to lower the cost of inputs, sustaining excess capacity in multiple industries, sector specific limits on foreign direct investment, foreign ownership caps, data localization requirements, discriminatory cybersecurity and data transfer rules, insufficient intellectual property rights enforcement, inadequate transparency, and lack of market access— particularly in the information and communications technology (ICT), agriculture, and service sectors.”* Honestly gov, it is so un-American to engage in practices such as slapping embargoes on other countries to suffocate their development. The US would never dream of doing the same. Actually, on intellectual property rights it is now recognised that the protection system in China is better, and it serves to restrain tech companies strangling each other with repeated court cases around breaches of I.P. as occurs in the USA.

### **The Military Civilian Fusion Project.**

The Executive Summary which follows the preface, fleshes out the Chinese response. It centres on The Military Civilian Fusion project set out by the CCP and which was the highlight of the 2020 Report where it was analysed and discussed in great detail. *“The PRC pursues its Military-Civil Fusion (MCF; 军民融合) Development Strategy to fuse its economic, social, and security development strategies to build an integrated national strategic system and capabilities in support of the PRC’s national rejuvenation goals* The PRC’s MCF development strategy encompasses six interrelated efforts:

- (1) fusing China’s defense industrial base and its civilian technology and industrial base;*
- (2) integrating and leveraging science and technology innovations across military and civilian sectors;*
- (3) cultivating talent and blending military and civilian expertise and knowledge;*
- (4) building military requirements into civilian infrastructure and leveraging civilian construction for military purposes;*
- (5) leveraging civilian service Military and Security Developments Involving the People’s Republic of China and logistics capabilities for military purposes; and,*
- (6) expanding and deepening China’s national defense mobilization system to include all relevant aspects of its society and economy for use in competition and war.*

So there you have it, the formation of a 'Military Industrial Complex' with Chinese Characteristics. The only difference is that the Chinese, who tend to be better organisers and co-ordinators, are likely to out complex the United States. From the point of view of the international working class, this is a colossal waste of their labour time, whose consequence imperils their interest. It also distorts the world economy. At a time when the focus has to be on repairing the planet, this arms race is the last thing humanity needs. Can we reasonably expect that given the US's unbreakable and honest commitment to reverse global warming, that these munitions will be produced ecologically using renewables to ensure their carbon footprint does not exceed their destructive footprint (sic or not).

### **Assessment of Chinese Advances.**

The Pentagon has significantly upgraded its assessment of the capacities and capabilities of the Chinese military.

*"- **By 2020:** "To generally achieve mechanization...with significantly enhanced informationization and greatly improved strategic capabilities;"*

*- **By 2027:** "Accelerate the integrated development of mechanization, informatization, and intelligentization, while boosting the speed of modernization in military theories, organizations, personnel and weapons and equipment;"*

*- **By 2035:** "To comprehensively advance the modernization of military theory, organizational structure, military personnel, and weaponry and equipment in step with the modernization of the country and basically complete the modernization of national defense and the military ..."; and,*

*- **In 2049:** "To fully transform the people's armed forces into world-class forces."*

*"Status of 2020 Milestones (Mechanization and Reform). Although the PLA continued to make progress towards its modernization and reform goals throughout 2020, the PLA probably had mixed results in meeting several of the milestones that it planned to achieve by the end of 2020. Among the PLA's modernization goals set by the CCP leadership was to "generally achieve mechanization" by 2020. At a November 2020 news conference, a PRC Defense Ministry spokesperson stated that the PLA had "basically achieved mechanization." The goal of mechanization can be broadly understood as upgrading and modernizing the PLA's weapons and equipment so they can be networked into "systems of systems" and utilize more advanced technologies suitable for "informatized" and "intelligentized" warfare. Separately, PLA officials have indicated that the third (and final) stage of PLA reforms would take place in 2021 or 2022. The PRC's original timetable from late 2015 for the completion of the PLA's reforms indicated that 2020 was the target for completion. References to 2021 or 2022 may imply the PLA is a year or two behind in completing its reforms." (This slippage may have been due to tech embargoes now being overcome.)*

*"The accelerating pace of the PRC's nuclear expansion may enable the PRC to have up to 700 deliverable nuclear warheads by 2027. The PRC likely intends to have at least 1,000 warheads by 2030, exceeding the pace and size the DoD projected in 2020."*

As seen above, there are a number of key dates that are important for the Pentagon. 2020, 2027 and 2035. (2049 is really a propaganda point designed to coincide with the centenary of the formation of the modern Chinese State.) But the most important must be 2027. This is when the Pentagon sees the possibility that China will dominate the western part of the Pacific seaboard squeezing out the USA. "PRC

*media, citing a military source, connected the PLA's 2027 goals to developing the capabilities to counter the U.S. military in the Indo-Pacific region, and compel Taiwan's leadership to the negotiation table on Beijing's terms."*

The irony of course is that given China's rapid recent technical advances it may have crushed Taiwan economically by that time in any case, making an invasion more unlikely, and a bail out more likely. In the event this does not happen, reunification with China has an economic as well as a cultural logic to it. Taiwan not the USA dominates global chip production and its incorporation into China would enable China to leapfrog the USA in High Tech, ending the US monopoly of the commanding heights of the value chain.

In the meantime, US observers are impressed by Chinese advances. *For now, officials marvel at how Beijing is marshalling the resources, technology and political will to make rapid gains — so rapid that the Biden administration is attempting to reorient all aspects of U.S. foreign and defense policy.* <https://www.armytimes.com/flashpoints/2021/11/01/pentagon-rattled-by-chinese-military-push-on-multiple-fronts/> One of these reorientations unfortunately is the repurposing US nuclear weapons and delivery systems. Even strategic warheads are being downgraded to 10 Kilotons of yield from 250 kilotons, making them usable and sized to take out airfields, ports, bases and other installations without taking out entire cities. Notably the stealthy F35 fighter can now drop B61-12 nuclear bombs following successful trials in the Nevada desert. <https://www.sandboxx.us/blog/this-is-what-an-f-35-looks-like-when-it-drops-a-nuclear-bomb/> There are nearly 300 operational F35s out of a compliment projected to reach 1750 which are being built at the rate of at least 50 planes p.a..<https://www.military.com/daily-news/2021/05/08/air-force-f-35-stealth-fighters-now-outnumber-its-f-15s-10s.html> Predictably this is forcing China to rapidly expand and improve its own nuclear triad.

Thus in my opinion, if war is being planned by the Pentagon, it will occur by 2027 or within the next five years, or not at all. By 2027 the window of opportunity for the US to dominate China militarily, will have closed.

### **Branding China as socialist.**

The Pentagon has excelled at cutting and pasting every utterance, proclamation and quote by the CCP and its leadership that China is socialist, viz: *"CCP leaders flatly reject the notion that the Party has abandoned its socialist ideology in recent decades with the introduction of market features into the PRC's economy or drifted towards a non-ideological form of governance."* *First stated by Deng Xiaoping and later written into the CCP Constitution, these principles mandate the Party "to keep to the path of socialism, to uphold the people's democratic dictatorship, to uphold the leadership of the CCP, and to uphold Marxism-Leninism and Mao Zedong Thought."* (Chapter 1.) *"For the PRC to aim lower or otherwise willingly accept a permanent condition of military inferiority would seem anathema to the fundamental purpose of becoming a "great modern socialist country."* *"According to the Party, contemporary China remains at the beginning stage or the 'primary stage of socialism' with a long process of socialist modernization ahead. First stated by Deng Xiaoping and later written into the CCP Constitution, these principles mandate the Party "to keep to the path of socialism, to uphold the people's democratic dictatorship, to uphold the leadership of the CCP, and to uphold Marxism-Leninism and Mao Zedong Thought." The Four Cardinal Principles are the basis for political and governance reforms pursued by the Party and the outer boundaries of its efforts to "reform" and "open up" the country."*

Here the Pentagon portrays China's march towards a 'great modern socialist society' as an expansionist policy, one tied to military supremacy and therefore world dominance. But it is in the ideological sphere where the painting of China as Red comes into its own. All wars have to be prepared for, not only materially but also ideologically, that is by convincing the population that the war is just and necessary, one that is needed to protect and preserve lives, livelihoods, and aspirations.

The problem confronting the Pentagon is that its population is losing faith in capitalism. Here are the results of one of the most recent surveys. *"The online survey, conducted June 11-25 (2021) by Momentive on behalf of Axios, found that 57% of U.S. adults view capitalism in a positive light, down from 61% in January 2019, when the news outlet first polled on these questions. Then and now, 36% are critical of the exploitation of the working class and the environment by the owning class. ...positive perceptions of socialism dipped slightly among young adults — from 55% two years ago to 51% now it rose in older adults. Socialism is especially appealing to Black Americans (60% now vs. 53% in 2019) and women (45% now vs. 41% in 2019), two groups that would benefit disproportionately from the downward redistribution of resources and power. Less than half of women in the U.S. (48%) view capitalism in a positive light, down from 51% two years ago."* <https://truthout.org/articles/socialism-is-gaining-popularity-poll-shows/> Shortly thereafter, the Patriot Press, a right-wing organisation recognised that something had to be done to make socialism less popular in America. <https://patriotpost.us/articles/81406-socialism-in-america-2021-07-19> Given continued inequality, impoverishing inflation, an iffy COP26 meeting and an enduring pandemic, faith in US capitalism is likely to be eroded further.

Therefore the Pentagon's characterisation of China as socialist serves a dual purpose. Firstly to blacken the name of socialism and second to cast the forthcoming war as one between systems not one within the capitalist system. Thus the Pentagon and the State Department seeks to identify socialism as a system which is necessarily authoritarian, intrusive, manipulative, and opposed to civil society and personal freedoms. That is why it is so dangerous for the left to continue to proclaim China as one of their own, a socialist nation, or to sit on the fence as Michael Roberts does, where China is neither socialist nor capitalist. It is simply a unique capitalist nation bearing the scars of its late entry into the world market and besieged by a huge working class.

Marx taught us how to categorise societies not by investigating their superstructures but by analysing the manner in which the labour of the individual is transformed into the labour of society and how that labour is appropriated. In China the labour of the individual only becomes part of the labour of society indirectly through first having to be exchanged, and that labour is always appropriated by their employer. It is a regular market economy driven by profit and accumulation. Once this is fixed in consciousness, there is no problem recognising that super-structurally, capitalist societies can range from ones governed by proportional representation to fascist, or even ones with Chinese Characteristics.

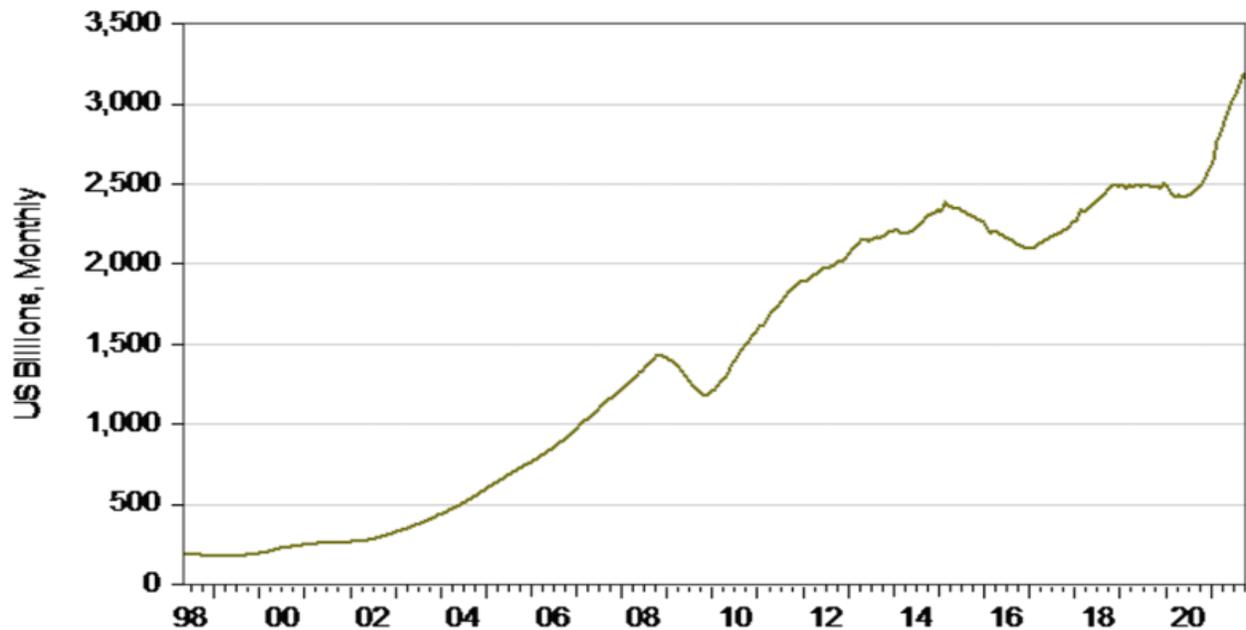
### **Counter-vailing influences.**

The world economy is much more integrated today than it was in WW2. Of course, already in those earlier years, a number of US corporations supported the German War effort with some corporate leaders openly admiring the Third Reich. Standard Oil provided tetraethyl leaded petrol to improve the performance of German aircraft while General Electric and Ford partnered with German companies to provide expertise and equipment, and General Motors provided the Wehrmacht with some of its horsepower. But today's integration is of a higher order.

International supply chains only matured in the last 30 years. Prior to that US corporations made more of their components in-house or sourced them from local suppliers. The disruption wreaked by the Pandemic on taut supply chains already disturbed by US embargoes on China, shows how essential international trade is and how this trade is centred on China. Despite the Pandemic the US is buying 31% more goods from China than it did in January 2018. At \$635 billion that represents 27% of US manufacturing output, or if we convert this into higher final sale values, it is more like 40% of US manufacturing. <https://asiatimes.com/2021/10/gobbling-chinas-exports-us-sinks-into-dependency/>

When Trump decided to try and kick in China's front door, he was unaware that China occupied an apartment block in the same building as he did, and that this act of vandalism could bring the common roof down, not only on Xi's head, but on his own. Trump was soon inundated with cries of pain from US corporations when they discovered they would be hurt by these embargoes. Ultimately 3,500 of them sued the Administration. <https://www.ft.com/content/2b85124a-2196-42ec-96bb-4e9a3cb962dd> This of course has not stopped the Biden administration continuing with these embargoes and duties. In Biden's eyes scrapping these duties would be unpatriotic, or what is the same thing, cost the Dems votes.

### China Total Exports, Seasonally Adjusted



Forbes quotes approvingly from a University of Michigan report on China written by professors Kota and Mahoney titled 'Invent Here, Manufacture There': "Across multiple industries, the U.S. has lost its industrial commons, the collective R&D, engineering, and manufacturing capabilities that sustain innovation in physical products," they wrote. "Outsourcing production over multiple decades has left the country without the means or ability to innovate, let alone produce, the next generation of high-technology products. The country has lost suppliers, skilled trades, and the product and process design and engineering knowledge that can only be built and renewed through hands-on production." <https://www.forbes.com/sites/kenrapoza/2020/04/30/why-is-the-us-is-so-ridiculously-dependent-on-china/?sh=ba12e5156b5c>

The problem for the US is what happens when 'Invent Here' becomes 'Invent There'. Already China has made significant strides weaning itself off Western Technology and it is likely to achieve parity this decade. In the case of the US, as the import data above shows, its weaning process, except for G5 networks, is much more lethargic. But if the world does split into two technical and production architectures, one dominated by the US and the other by China, then this countervailing factor, this restraint on war, would be reduced.

Another counter-vailing aspect is China opening up its financial sphere to US banks, and whether this will be enough to appease the US State Department. For example China is relaxing its rules on full ownership by US financial octopi. *"The China Securities Regulatory Commission gave Goldman Sachs the go-ahead to buy out Beijing Gao Hua Securities, its local partner, as Beijing tries to make good on a pledge it made in 2017 to allow foreign investment banks to fully own their China operations."* <https://www.nytimes.com/2021/10/18/business/goldman-sachs-china.html>

The final counter-vailing factor is global warming. Delegates at the COP26 meeting in Glasgow were surprised if not delighted to hear that the two global giants, China and the USA had agreed to abandon their arms race and convert their swords into windmills. The trillion dollars released each year by this pledge, some of it dedicated to poorer countries, would go a long way to helping green the world rather than destroy it. If only. All they agreed to was to co-operate to ensure common goals were met and measures put in place. The only significant element of this agreement was the international one, contained in Clause 9A

*9. In order to reduce CO2 emissions:*

*A. The two countries intend to cooperate on:*

*1.*

- I. Policies that support the effective integration of high shares of low-cost intermittent renewable energy;*
- II. Transmission policies that encourage efficient balancing of electricity supply and demand across broad geographies;*
- III. Distributed generation policies that encourage integration of solar, storage, and other clean power solutions closer to electricity users; and*
- IV. Energy efficiency policies and standards to reduce electricity waste.*

<https://www.state.gov/u-s-china-joint-glasgow-declaration-on-enhancing-climate-action-in-the-2020s/>

This is the first internationalist declaration of note and for that it is remarkable. Were this to be implemented it would transform national electric grids into international ones extending up to 4000 km in each direction. We would of course advise that these grids and their pylons be located in and around military bases making war less likely. And of course these cables could be used to stitch together a world economy threatening to split into two. I apologise to the reader for my sarcasm, as I do not believe for a second that global warming will prevent an escalating arms race nor prevent war.

**Conclusion.**

The world is on track to global warming of 2.7% and for potential military conflict by 2027. Workers beware.

Brian Green, 11<sup>th</sup> November 2021.