

How the demand for Critical Materials for consumer goods has already made China the center of the Earth.

written by Jack Lifton | March 19, 2022

"The war is over – we lost. We lost on securing a domestic supply of technology metals. Now all we can do is line up for our supply." – Jack Lifton on *Now that we already live in a Sinocentric World of sourcing and processing Critical Metals and Materials, What comes next?*

In just the last 25 years, one generation of mankind, China has rapidly achieved domestic security of the supply of the critical industrial metals and materials, through a carefully designed and rigidly enforced industrial policy, that took first the British Empire and then the United States more than a century to achieve through the globalization of market capitalism. The original critical metals were those necessary for the first of the industrial revolutions based on fossil fueled steam power to mine, refine, and fabricate iron (steel), copper, and finally aluminum. The processing of each of which either depended on the ready availability of fossil fuel generated electricity right at first or came to develop that dependence later on.

Now this same category, critical metals and materials, has since World War II, been expanded globally to include those metals and materials the electronic properties of which enable our technological consumer society, i.e., the Technology Metals. China has now become the first nation-state to complete its total security of supply for the technology metals critical for the current, second, industrial revolution based on the

development and supply of technology-based mass-produced **consumer** goods.

It, China, is now embarking upon expanding the uses of its secure supply of technology metals to execute an industrial policy designed to propel China into and then to dominate the second consumer-industrial revolution, that is based not just on the processing of technology metals' sources into end-user ready forms, but also in the engineering and manufacturing of high technology consumer goods, which is today still dominated by the US as it has been from the time of the second world war to the present and was at first, driven by spin-offs from government paid military R&D until President Nixon shut down the space shuttle program in 1971. After that the US consumer products industry depended mainly on self-financed R&D except for military technologies.

China's move towards dominance in the mass production of consumer technology-based goods is being built upon economic, not military, competition. As such, it is misunderstood, by the self-described techno-elites of the West and is couched by them in terms of competing with the Chinese military buildup in order to dedicate the huge sums paid in the West by governments for the production of high-tech weaponry that actually uses just a small proportion of the critical technology metals. The American and European civilian OEM automotive industry, for example, easily uses 10 times as much of rare earth permanent magnets today as the combined militaries of those nations and regions. Yet the lack of governmental support for a secure supply of those magnets has allowed China, whose government does support the rare earth permanent magnet manufacturing industry, to dominate that industry through sheer volume manufacturing experience primarily for consumer goods, the sale of which into the massive domestic Chinese consumer products markets has already overtaken the size of the export markets.

China became the world's largest producer of steel in the aughties and aluminum and copper soon after. By 2007 it had surpassed the United States in the production of steel, aluminum, and copper. The United States, which in 1947 produced half of the world's structural metals gave up that title to China before 2010 even though China at that time had only been mass producing and processing structural metals for less than 20 years. In 1980 the US produced 60% of the world's rare earths and rare earth enabled products. By 2010 China produced essentially 100% of the world's rare earths and of rare earth enabled products.

Even as recently as 2010 China produced not any domestically designed or engineered military goods requiring large amounts of rare earth permanent magnets. Today it is likely that Chinese domestic demand for rare earth enabled products for its military equals or exceeds that of the US military. China today has the largest army and navy of any country, and its air force is flying less Russian and more Chinese designed and built jet fighters and bombers as well as rocket weapons and rocket vehicles designed and used for space operations including China's first manned orbital lab.

China today imports or mines all of the technology metals it needs to process into end user ready forms of military and consumer technology goods for its home and export markets. The US and Europe in sharp contrast are increasingly reliant on China for more than half of all the technology enabled consumer goods consumed in their home markets.

China's future policies are outlined in its China 2025 plan, which is a list of 10 technologies that China plans to be self-reliant upon domestically by 2025. The same list might be called by Historians **How the West Lost to China's Technologies Dominance by 2025 List.**

So long as there is not a well-planned and well executed policy to continue Western advantage in high tech consume and military technologies China will continue to advance as an economic competitor to the USA and Europe.

If and when commodity raw materials, both fuel and non-fuel, can be bought with Chinese Yuan, the exorbitant advantage to the US of being the world's reserve currency will evaporate along with its technological dominance in the consumer markets of the world.

The Saudi's negotiating with China to create a Petro-Yuan should worry the USA more than the current war in Eastern Europe. Russian raw materials that can be bought with Yuan that can be used to buy everything and anything that Russia needs for its consumer or military industries create far more of a threat to the USA and Europe than the Russian military and would relieve Russia or any other Chinese ally of worry about "sanctions" by Western banks and governments relying on dollar reserves,

The stupidity of US and European governments emphasizing diversity, inclusion, and equity over cheap energy, energy independence and security of critical and non-fuel mineral supplies is an abject surrender to the lowest common denominators, elites in bubbles and ignorance of geopolitics.

If nothing changes then by 2030 we in the West will be dependent for our economic strength on just what the Chinese will let us have in terms of critical fuel and non fuel mineral supplies. And China will set the prices for those commodities.

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