



Reportage:
**The brown
peril**
Reporter:
**Chip
Rolley**



Image: Kaye Kessing / The Terrible Truth / part of the "Battle for the Spinifex" series. / Courtesy of the artist

The brown peril

As a student of Mandarin at Beijing's Tsinghua University in 1999, I made almost monthly visits to the home of a retired academic, who would arrange the purchase of books for my university's library. Visits with Mrs Liang and her husband were always occasioned by pangs of fear; fear that I might mangle my Mandarin or find myself sitting in awkward silence, unaware they were awaiting a reply to a question they'd asked. These visits were lessons for me not only in modern standard Mandarin but in modern Chinese etiquette.

My health and weight would be scrutinised by the pleasantly plump Liang and a seafood dinner would be promised. "You have wonderful seafood in Australia," she allowed. "But you don't know how to cook it. You wash it and wash it and wash it until there is no more flavour." Meanwhile, bowls of individually wrapped snacks would be pushed my way while I'd freeze under the arctic blast of their Fujitsu wall unit and slide off the plastic-covered leather chairs. Liang's home was, by Western standards, a humble flat. But it was very comfortable and well appointed and Liang was clearly proud of all it represented about herself, her family and what was available in China today. She was an ambassador extraordinaire for the *gaige kaifang* (reform and opening up) period, launched by Deng Xiaoping in the wake of the Cultural Revolution.

"What do you think of my home?"

"Lovely." (My Chinese friends described anything remotely good as "lovely".)

"Is it too warm? We can adjust the air-conditioner."

"How convenient," I'd marvel, staring at the remote. (If something's not "lovely", it's "convenient", perhaps the ultimate compliment in a society too long accustomed to the opposite.)

Every time I visited, she made sure I noticed her hardwood floors. "The timber is from Indonesia," she'd attest, stamping the floor with her stocking foot.

The aspiration of middle-class urban Chinese is not so much a four wheel drive as it is a hardwood floor.

Fast forward four years and I am teaching English in Shanghai. It's hairy crab season. Mr Wu, my landlord, stands at the door of my flat with a plastic bag full of crabs, some struggling for freedom from the hemp twine that binds them. "These males are intense! Real fighters!" he laughs, rushing

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them into the kitchen area. But it's the two females that will offer up the delicious roe that is the ambrosia of the hairy crab. After Mr Wu takes command of the wok and boils the fighters alive, we settle down to eat. A sweet soy and rice-vinegar sauce completes the ultimate Shanghai culinary experience. The best hairy crabs from Yangcheng Lake are shipped overseas and to Hong Kong, leaving locals scrambling for counterfeit Yangcheng crabs. (DVDs and handbags aren't the only fakes sold in China and the local fisheries department had to devise an authentication tag for genuine Yangcheng crabs. The tag itself was later said to have been immediately counterfeited.) Mr Wu is not even pretending to be offering me Yangcheng crabs. "These are farmed," he says.

"When I was a child, we used to catch everything straight from the Huangpu and eat it that night," he says, as he demonstrates the finer points of sucking the juicy meat out of the creature. It shouldn't be this easy to find someone nostalgic about the 1960s, when the Cultural Revolution ripped apart China's social, economic and cultural fabric. But here's my landlord (my *landlord*) glowing about life's simple pleasures when he was a boy and everyone was equal. He talks about how people used to leave their doors unlocked. "There was nothing to steal!" he laughs. And he rattles off a list of species he and his father would catch in the river that snakes up around the heart of Shanghai, past the Bund and out to the East China Sea. "You couldn't fish there now. If you did, you'd get very, very sick."

Mr Wu did not always bring crab, but he would often settle in for a chat when he made his bimonthly visit to collect the rent for the modest flat I took up while I was teaching in local city high schools. It was a shabby building far enough from the heart of the old French Concession (the hotbed of expat Shanghai) and smack in the middle of urban Shanghai daily life. Real Shanghai, I'd tell myself.

Unlike the manicured tree-lined streets of expatland, or the shopping arcades of boulevards to the north, there was life on my streets. Real life. Every manifestation of it. My window on the thirty-first floor gave me the industrial view of the gantry cranes at the Jiangnan Shipyard, Shanghai's hub industrial port. The new extension emerged above People's Hospital Number Nine as hammer clanked against metal and sparks sprayed twenty-four hours a day in a furious rush to meet the deadline.

My route to one of the schools led me through the morning ablutions and breakfast chats of those of my neighbours who could not afford a high-rise flat. So many seemed to live on the street, especially in the blistering, withering summer months, when *de rigueur* street wear is pyjamas (from thin diplomat-style to patterns of Winnie the Pooh, Hello Kitty and every flower you can imagine). This one sings out the hack-and-spit morning call of China while

that one tucks into a fried bread stick dipped in soy milk and another squats over the gutter, bowl in hand, brushing his teeth.

When I'd assign my students the environment as a "conversation" topic, they'd drone well-rehearsed monologues about how clean the air has become in Shanghai. I'd glance out the classroom window and on some days could not see across the street for the smog.

On another rent-collection visit, a stinking hot day in spring, Mr Wu grabs my shoulder. "You know, we never had these temperatures when I was a boy, 35, 37, 38 degrees. Shanghai never had this kind of heat, even in the summer. Some summer nights you'd have to get a blanket!"

Life has changed for Mr Wu over the past twenty years. China has experienced two decades of extraordinary economic growth and cities such as Shanghai have reaped the benefits – better roads, green-belt parks, better plumbing and shops and boutiques lining its tree-lined boulevards, offering all the capitalist consumerist world has to offer. But even in Shanghai which, according to detractors, has attained its privileged position on the back of poor peasants in the countryside, change has not always been an improvement.

In real Shanghai, I needed the tips I garnered from local teachers at the schools about how to shop in the wet markets and on the street. It's a culture that survives on rumours and secrets about scandals that are never reported, or when they are, too late to be helpful. Both river fish and sea fish are risky, I learned. Some might say the river more so than the sea, given the sea's infinitely complex ability to dissipate contamination and cleanse itself. But precisely because the rivers have become so polluted – widely rated as the most toxic in the world – river fish are farmed in a cleaner environment than the sea fish. Or so we're told.

"Always watch the local women in the wet markets. They'll be the first to know what's wrong with what fish. Shop where they shop."

"Be careful of the rice you buy. There have been reports that some is soaked in sump oil to make it shine."

"And never buy from street stalls." Just a few months before I arrived, there were reports that some street vendors selling "smelly tofu" were making the fermented bean curd out of plaster and white paint.

Living in real Shanghai was a lot of work. But a lot less than in other parts of China. The environmental cost of China's development is felt across the country. Sometimes softly, in a nostalgic lament; at others, violently, as guerilla grannies take to the streets.

It's a spring day in Hangzhou in nearby Zhejiang province, and a young local internet writer joins me on an island-hopping journey on the famously scenic West Lake. We've met through friends and our sightseeing

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is an opportunity for him to tell me some of what's been going on – and about which papers can be relied upon and which cannot. Peasant uprisings and rural discontent are foremost in his mind. He tells me the story of nearby Huankantou village, which had recently fallen under a media blackout after villagers rioted in protest about a local chemical factory. Some said it was built on contested land and others said it was the cause of deformities in newborn children. A brigade of local grannies were later reported in the international press to be showing visiting journalists their trophies from the conflict – battered police helmets and riot shields they'd seized from the police, who scurried away.

How does one give a sense of the discontent, the unrest in China today? According to official statistics reported by China's Public Security Bureau, in 2005 alone there were 87,000 "mass incidents" (to employ the government's Orwellian parlance). There were 74,000 the year before.

A number of these incidents were centred on grievances about inadequate compensation (sometimes due to embezzlement) for homes and livelihoods destroyed by large-scale development projects. Others, as in Huankantou, focused on aspects of the environmental contamination that has become a feature of China's development.

According to *The Wall Street Journal*, in Qingzhen in the southern province of Guizhou, contamination from a coal-run power station and a chemical factory has polluted the water system, not only causing visitors to gag at the smell, but possibly leading to a number of cases of nervous shaking fits and stomach cancer. The local rice reportedly turns the water it is washed in black and tastes sour after it is cooked.

Tales of environmental catastrophe – both those in the official, controlled media and those that emerge in hushed conspiratorial conversations – are now a staple of the Chinese economic development story. Debate about China's pace and style of economic growth percolates on the internet's multiplying weblogs, some blocked, some not. Zan Aizong is an editor at the newspaper *China Ocean News*, and also writes frequently, and independently, on the internet. In one piece, Zan gives simple, and apparently all too common, examples of environmental crisis in his own province, Zhejiang, which boasts China's most successful market economy, enjoying ten straight years of extraordinary economic growth. People who drive on the 104 State Highway past Xinchang county in Shaoxing municipality all complain of a noxious smell that forces them to roll up their windows. The villagers nearby say that at night as they go to sleep, they don't dare open their windows. When Zan stayed there, his hotel sat in the middle of a string of pharmaceutical factories. The surface of the Xinchang River and its surrounding creeks

emitted a putrid smell. A nearby village's residents were told the well water was not potable. "You cannot drink the water, so naturally you cannot water livestock or irrigate crops," writes Zan. "Who takes legal responsibility for this?" (Zan's piece was downloaded in Australia. It is uncertain whether it is accessible in China.)

Critiques of China's dirty development seep into everyday conversations. One friend tells me he thanks his lucky stars every day that he lives in Beijing and not in one of China's interior cities. When I tell him about friends who said that on a recent trip to Xi'an the air pollution was so black and thick they stayed in their hotel rather than make their way out to see the famed terracotta warriors, his eyes light up. "Xi'an is cursed," he says. Even among its educated elite, there exists in China reliance on superstition in a way that startles. I look at him sceptically, and he does indeed show some embarrassment. But then he proceeds to tell me the story of Qin Shihuang, a familiar enough figure to anyone who has seen the latest crouching-tiger-house-of-hidden-hero flick. In addition to having hordes of clay warriors placed in nearby tombs to defend him in the afterlife, according to China's earliest extant historical account by Sima Qian, the first emperor to unify China has a replica of China in his as yet unearthed mausoleum – a necropolis over which he could rule. Rivers in the necropolis flow with mercury instead of water. It's an accurate enough forecast of the real twenty-first-century China, where at least one provincial study indicates mercury levels in local fish are eighteen times what is considered safe by the Chinese government. "Xi'an will always have a pollution problem because it is cursed," my friend says with renewed authority. In fact, mercury does show up in soil samples near the tomb at a higher level than in other nearby areas.

Xi'an's curse may be something more systematic and persistent than the current localised mercury contamination around Qin Shihuang's mausoleum. Today, according to a multinational scientific study reported in *The Wall Street Journal*, mercury contamination emanating from China's coal-fuelled power stations is carried around the globe by atmospheric currents and appears in samples taken in the United States. It rains down, contaminates wetlands and river systems, and seeps into the food chain. Some scientists in the US claim more than thirty per cent of mercury contamination there comes from China and other countries.

Perhaps nothing has dramatised China's environmental crisis more than the eighty-kilometre toxic slick of benzene that made its way, in late 2005, down the Songhua River, through the north-eastern Chinese city of Harbin and into Russia. Harbin (if known to Westerners at all) hitherto had a secure reputation as a popular winter tourist destination, marvelled at for

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the fiery brand of *baijiu* (grain alcohol) that comes in a bottle the shape of a hand grenade and its annual ice-lantern festival, where a park near the Songhua fills with ice-sculptured palaces, castles, slides and labyrinths, lit from within, behind and beneath in lurid, hallucinogenic colours. Not even China's notorious coal-mining accidents (in 2005 there were on average more than eight a day, killing almost twice that many people) have made as large an impact on world consciousness. It was as if the dirty secret of China's rampant development had finally oozed, incontrovertibly, to the surface. Experts say the fallout from the Songhua's benzene spill, which has seeped into the riverbed, will plague the area for years to come.

One cannot help but think of the catastrophes in other countries that galvanised governments to act, such as the one at Love Canal in the United States. But what, one wonders, will galvanise the Chinese government? Looking at the province of Zhejiang alone, Zan Aizong says the cases of environmental pollution by large enterprises are "too many to count". China has too many Love Canals for any one to stand out from the rest.

However much an international media event Harbin turned out to be, for me it is the cumulative effect of the events "too many to count", more than any single catastrophe, that has the greatest impact. Anecdotes of the human toll suffocate – the shakes, the itchy eyes, the parched livestock, the Amityville rice which turned the water black, the father and son who collect water samples and hunt for polluting waste outlets in the Huai River in Central China. Statistics smother, too. Sixteen of the world's twenty most polluted cities are in China. Seventy per cent of China's rivers are too contaminated to drink from.

The economic impact of China's development is nothing short of revolutionary. For some analysts, economic development in the US at the turn of the last century provides the best precedent in terms of the influence China's changes will have on the world. The same might be said for the social impact. Chinese officials have been known to point to the US when the dirty style of its development is questioned. (After all, it's the Americans they are emulating in their consumerist, high-demand, fast-growth economy.)

Reading about the odour wafting up from the Xinchang River, I'm reminded of my early teens when I read *The Jungle*, Upton Sinclair's incendiary social-realist novel that exposed the Chicago meat-packing industry and inspired a raft of labour and health and safety reforms (and ensured the average American at the time would never look at sausage the same way again). The stench of Sinclair's American industrial revolution wafted up from the very bitumen of the streets. China is in its jungle now.

Australians can't afford to look too closely at this brown peril engulfing China; such is the extent to which China's frenzied economic development ensures our wellbeing. The Australian share market continues its record-breaking run largely because of surging trade with China: the export prices Australia receives for its coal, iron ore and copper are at three-decade highs and outstripping the prices of imports. Awestruck reports of economic growth stand out in our reading of China. As I write, China just surpassed Great Britain as the fourth largest economy in the world. Between 1980 and 2000, China's gross domestic product quadrupled. Under its National Comprehensive Energy Strategy and Policy Report produced by the Development Research Centre of the State Council, China plans to accomplish this feat again by 2020. That growth promises continuing demand for energy and resources, the lifeblood of "quarry Australis", where the minerals sector alone contributes to about eight per cent of Australia's gross domestic product.

The service economies of Europe, the US and Australia cannot come near to providing the growth in resource consumption that an industrialising and urbanising country like China achieves. In 2006, the growth in China's energy consumption alone will surpass Germany's total energy consumption in 2005. And the good news for Australia is that the overwhelming majority of China's electricity is generated from coal – ranging from sixty-six to seventy-five per cent. China builds a new 1,000-megawatt coal-fired power plant every week, its consumption of coal surpassing two billion tonnes in 2004 – a third of the world's total.

Such statistics roll off the well-lubricated tongues of expats packing into the watering holes in Shanghai's old French Concession. Pubs like the Blarney Stone are a retreat from a city that is itself partly a retreat from the Chineseness of China. They're packed with a burly clientele of hotel managers, entrepreneurs and executives stationed in boomtown China. They gripe about the setbacks but mostly marvel at the unbridled opportunity they find themselves presented with.

BHP Billiton's CEO Chip Goodyear might well be their poster boy. In a speech to the Merrill Lynch Global Metals, Mining & Steel Conference in The Netherlands in May last year, he extolled the opportunity: "When you drive down the freeways in China, in Shanghai or Beijing, and you look at the apartment buildings, and outside every window you see an air-conditioner, that's great, because that consumes steel and aluminium and copper. You only buy an air-conditioner every five or six years, but you turn it on every day."

Such are the delights for the exporter of raw materials when the world's largest nation, so long asleep, awakens with Napoleonic force and moment

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to its longest period of sustained growth. And when BHP smiles, Australia laughs. Practically every way you look at it, Australia wins with China – supplying the raw materials necessary to manufacture the appliances and goods that are the aspiration of China’s middle class, and supplying the resources for the power stations that will keep them all running.

The jungle metaphor implies that this is a phase that will some day end (as it did in the US). Once the long stage of converting its millennia-old agrarian culture to an urban-based consumerist one concludes, the ancient ideals of the Tao or the Way – equilibrium and harmony with nature – may stand a chance. But far from the slick urban China most of us know, high up in the Tibetan Plateau – the “rooftop of the world” and source of Asia’s key river systems, the Ganges, the Mekong and the Yellow River – another outcome is unfolding.

It is legend that on the banks of the Yellow River, Chinese civilisation, the oldest extant civilisation in the world, emerged. Five years ago, Madoi County, which sits at the source of the Yellow River in north-west China’s Qinghai province, was in the grip of a rat eradication campaign. Like so many sparrows killed in the Cultural Revolution, the rodents were hunted down and caught in a mass party-directed campaign. Drought brought the rodents that, according to the *People’s Daily*, took over grazing pastures from herdsmen and severely damaged an estimated 1.3 million hectares of grassland. Today, activists from Greenpeace, which recently established offices on the mainland, travel to Madoi on “dancing roads”, distorted by melting subterranean permafrost, and report on dry wells, cracked riverbeds and barren fields in what was once one of the most fertile areas of China. A once self-sufficient community survives on government handouts. “The roof of the world is melting,” says Greenpeace.

China is the world’s second-largest emitter of greenhouse gases and is forecast to overtake the world’s largest, the United States, in twenty years.

The larger impact on global warming begs the question as to whether Australia’s economic wellbeing is also predicated on our own destruction. With real evidence of climate change at our door, there is now very little debate about the link to the build-up of greenhouse gases as the cause. Among the key contributors to the build-up of greenhouse gas are coal and oil-fuelled power stations, petrol-burning automobiles, agriculture and materials-processing industries. Even John Howard qualified his long-standing defiant stance against world opinion on solutions to climate change to host the inaugural meeting of the Asia Pacific Partnership on Clean Development and Climate. The group joins the world’s only remaining Kyoto recalcitrants,

the US and Australia, with India, Japan, South Korea and China in promotion of global agreements based on “clean technology development and deployment that are effective and comprehensive in addressing climate change”. It’s the pro-nuclear, pro-coal option not offered at Kyoto, allowing Australia, sceptics argue, to have its coal and sell it, too. Industry assistance meets foreign aid in the Australian Government’s plan to inject \$100 million into an international fund to help China and India implement clean technologies. Scrubbers that reduce “SO_x and NO_x” (sulphur dioxide and nitrogen dioxide) emissions – already installed in some of China’s coal-burning power plants – could receive wider application there and similar technologies could be introduced. But, unlike Kyoto, this deal does not have any binding emission targets for greenhouse-gas reduction.

For the Chinese government, joining the partnership represents another in a string of commitments to address its greenhouse-gas emissions in the face of its continuing industrialisation and burgeoning demand for energy. It is not the first time it has entered agreements to promote transfer of cleaner technologies. Hand wringing about China’s environmental destruction does not only happen in hushed conversations and on controversial websites. The Chinese central government has tried to take the initiative. Few seem to have gone further than the deputy director of China’s State Environmental Protection Administration, Pan Yue, who, in an interview with Germany’s *Der Spiegel* magazine in March 2005, said: “The environment can no longer keep pace. Acid rain is falling on one third of the Chinese territory; half of the water in our seven largest rivers is completely useless, while a quarter of our citizens do not have access to clean drinking water. One third of the urban population is breathing polluted air, and less than twenty per cent of the trash in cities is treated and processed in an environmentally sustainable manner.”

Pan forecast “150 million environmental refugees” due to ecological contamination in his country’s western regions and warned of a “major blunder” in the thinking that “a prospering economy automatically goes hand in hand with political stability. If our democracy and our legal system lag behind the overall economic development, various groups in the population won’t be able to protect their own interests.”

The green movement in China rivals only Christianity in capturing the imagination of the urban intellectual elite. University students conduct (friendly, non-threatening) campaigns against disposable chopsticks. Letters to the editor in state-run newspapers call for greater environmental protection and more parks. The tree planting in Beijing is not just to beautify the city for the Olympics, but to combat the desertification that sees windstorms from the expanding western desert whip through the city every spring.

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International non-government organisations such as Greenpeace have taken root alongside a host of local environmental activist groups. For these organisations, co-operation rather than confrontation is the operative word and, for the time being at least, the government tolerates them.

With the passage of its *Renewable Energy Promotion Law* last year, China has a mechanism to provide financial incentives for the development of wind energy and bioenergy. This builds on commitments to renewable energy that have startled environmental activists. China has mandates for renewable energy for rural electrification and targets for how much of its total energy demand will be met by “renewables” by the year 2020: fifteen per cent – something, Greenpeace China notes, the US has not undertaken.

This builds on both its decision in 1994 to develop wind farms as a new power source with regulations to make them commercially viable and its New and Renewable Energy Development Program (1996–2010), a commitment to develop solar, wind, geothermal and biomass energy for power. (China already represents 60 per cent of the world’s installed capacity for solar hot water use.) China’s goals under the energy development program include a massive increase in the efficiency of energy consumption compared with growth, planning to once again only double energy consumption as it quadruples GDP (as it did from 1980 to 2000), and calls for resource conservation as a basic national policy, giving it the same status as controlling population growth. Finally, a series of legal reforms has increased penalties for polluters, created incentives such as preferential loans and tax incentives for “clean” producers, and the environmental agency has closed down power-plant projects for failure to review their impact on the environment.

Even with the heroic targets in renewable energy and efforts to minimise the damage wrought by the use of coal, the very scale of China’s development undertaking means its targets can really only mitigate the damage that would occur without them. According to the energy development program, which sets targets according to three levels of growth, by 2030 coal will still account for most of China’s energy needs. In addition, the program calls for a substantial increase in reliance on hydropower.

The way China goes about meeting its hydro targets is cause for concern for some. One of the most tragic of China’s “mass incidents” was in Hanyuan County on the Dadu River flood plains just east of the Tibetan Plateau in western Sichuan province. In early November 2004, between 20,000 and 100,000 villagers clashed with police, paramilitary and military units at the Pubugou Hydro-electric Dam project there. A media blackout on the riot makes reliable casualty figures impossible to obtain, allowing wild speculation, with figures as low as seventeen and as high as 10,000 (the latter reported by the news website *The Epoch Times*, which is allegedly funded by Falun Gong). The riots were prompted by outrage that compensation for displacement was too

low. Villagers reportedly complained that government officials embezzled the compensation money, leaving villagers with less than half of what they were originally promised. Others said the original compensation plan was not even enough to compensate for the destruction of their livelihood.

“Hanyuan” literally means “the source of the Han”, the Han being China’s (and, for that matter, the world’s) majority ethnic group. Its potential to rise to the level of symbol in a critique of China’s style of economic development is seized upon by He Qinglian, an economist and now dissident writer, in an essay in Hong Kong’s *Kaifang* (Open) magazine.

The Chinese government is “draining the pond to get all the fish”, she says – a proverb that roughly equates to “killing the goose that lays the golden egg”. The Pubugou Dam project in Hanyuan is one of hundreds of dam projects throughout China that range in size and capacity from small to the world’s largest, the Three Gorges Dam. These projects are not only destroying rivers and local ecosystems, as both local and international environmental activists have protested; He Qinglian argues they are also turning economically self-sufficient farmers into impoverished migrant labourers. Money paid for land seized, even when it does reflect the real-estate market value (and is not embezzled), does nothing to compensate for the destruction of a livelihood. This is, she says, the necessary outcome of China’s high-speed, high-energy-consuming economic development.

Educated in the economics department at Shanghai’s Fudan University, one of China’s most prestigious, He Qinglian established her reputation in 1998 with a spirited and controversial critique of the foundations of China’s economic development since the advent of Deng Xiaoping. *Xiandaihua de xianjing* (The Pitfalls of Modernisation) was published on the mainland thanks to the support of Liu Ji, vice-president of the Chinese Academy of Social Sciences and an adviser to Jiang Zemin. While the book was considerably toned down from a stronger critique earlier published in Hong Kong, its message was nevertheless clear: economic reform without political reform is doomed to fail. That it was published at all on the mainland was sign of a loosening of authoritarian controls. (Those controls later tightened again and a subsequent article by He Qinglian in a mainland journal found her demoted, placed under surveillance and banned in the media. However, she continues her critique in overseas Chinese publications, such as *Kaifang*.)

How much of China’s economic miracle is based on the impoverishment of its people? For He Qinglian, the number of poor created by this form of economic development is just as extraordinary as the wealth produced. She asks us to consider the result when we multiply the number of people who have been displaced and impoverished by large-scale hydro schemes by the number of such schemes planned.

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My students at Tsinghua used to go on and on about Samuel P. Huntington's *The Clash of Civilizations* (Simon & Schuster, 1998). But a new thesis is developing. Or is it a sub-thesis? The Brown Peril is Huntington with teeth. Because of its size, China's energy demand represents a threat not only to its own environment and world climate, but also to the West's continuing demand for energy. The brown peril overwhelming China assumes a larger mythical power that, like the "yellow peril" before it, promises the world inevitable conflict. China is a hungry behemoth roaming the world in pursuit of its prey – mineral and energy resources. Such fears are suppressed to varying degrees in Australia – by players across the political spectrum. We appear to be suspending any concerns we may have about the future geopolitical line-up for the present economic gains.

The Guardian reports that change in China now "gobbles up" global resources and represents "enormous risk" for the world balance of power. Change is happening on a "frightening scale", it warns. US Deputy Secretary of State Robert Zoellick avows there is "a cauldron of anxiety about China". "Analysts" on Fox TV in the US tell us the war in Iraq was indeed to secure oil supplies there – justified by the need to stop China getting them. (With that in mind, *The Australian's* headline in January 2006 warning "China's oil thirst may plunge world into war" seems a little late.)

Unlike the US, so far China's global adventurism has been relatively peaceful, accomplished by the chequebook rather than the gun. With a trade surplus of \$US10.4 billion and foreign exchange reserves of \$US745 billion, China can afford to be peaceful.

Its pursuit of oil has led it to strike deals with the axis-of-evil state of Iran and the wannabe Sudan. (All other supply routes are tied up by the US, Japan and Europe.) Sudan owes its oil industry to China, such has been the impact of its investment there. Chinese workers built one pipeline there and China National Petroleum Corporation built and fully operates (again with Chinese workers) Khartoum's major oil refinery. In Brazil, Chinese investment deals include the construction of an oil pipeline for Sinopec, one of China's major state-owned energy companies, a steel mill for the Shanghai-based Baosteel and major infrastructure for the transport of soya, which could contribute to China's need for biofuel. In 2004, China overtook the US as Chile's largest copper buyer. Venezuela has signed a bilateral trade deal with China largely focused on energy exports. Roads, dams and major ports from Angola to Kazakhstan are being built either with Chinese direct investment or low-interest loans tied to deals for Chinese firms.

For some of these countries (such as Brazil and Venezuela), these deals not only offer financial and infrastructure rewards, they are a way to make a play against American hegemony – the developing world's turn to play the China card.

For Australia, the more pressing aspect of the brown peril is whether, and how, Australia abandons Labor's three mines uranium policy and develops supply routes to China with yellowcake. A key component in China's "clean" energy bid will be an increase in energy sourced to nuclear power.

In the short to medium term, it's difficult to see how Australia will not continue to reap the rewards of its now twenty-year courtship of China. Nevertheless, China is exercising its consumer muscle, seeking to set prices, much in the way Japan did in the eighties. Fu Ying, China's ambassador to Australia, talked tough at the Melbourne Mining Club late last year, saying the high coal and iron-ore prices (the latter rose 71.5 per cent in 2004) and a source country's "political environment" will force China to "be careful in where it chooses its source of supply". Is this a savvy consumer simply trying to get the best price? Or does this foreshadow stronger attempts to control supply? Will BHP soon be adding another suffix to its name?

It's difficult to gauge what may come of the pressure rising resource prices place on an industrialising China; difficult to untangle what of the brown peril is real – what is a genuine politico-security concern from what is convenient scaremongering based on irrational (can we anymore say race- or culture-based?) fear. Is the brown peril a myth? Is it merely the hysterical flipside of the enthusiasm of the China growth junkies who populate the financial pages? Geo-strategic nervosa is a peculiarly American disease. How much of the brown peril has to do with the fact that, ten years after extricating itself from its extraordinary debt to Japan, the US is now again in debt to an East Asian country. Fear of China's growth sits uncomfortably with any sense of natural justice. The world is on its climate-change precipice not because of anything China did, but because of what has been done by the West, particularly the United States, where per capita energy consumption is seven times that in China.

In October 1999, China launched a week-long celebration of the fiftieth anniversary of the establishment of the People's Republic. I had been there for a month. September in the city had been oppressive, the lingering summer trapping in the pollution of the factories that surround the capital. And then October 1, National Day, arrived. Autumn is typically the most temperate season in Beijing, but in 1999, literally with the turn of the clock to October 1, the air that had been thick and stifling was crystal clear, the sky that had been harshly grey was bright blue. Something was amiss. Overnight China's development had come to a halt. Just for the week. ■

Chip Rolley, a freelance writer based in Sydney, is writing a book about contemporary Shanghai. The names of some people in this essay have been changed.