output produced in the United States was 640 times that of China, or nearly three orders of magnitude greater, today, U.S. per-capita steel output is only 4.3 times that of China, less than one order of magnitude greater, and the gap is rapidly closing.

But, what is important in this case, is not a simple absolute steel output per-capita figure, *but the rate of change in steel output per-capita,* which indicates the directionality of the economy—i.e., whether or not the economy is growing not-entropically.

Table 3 begins by taking the 1966 steel output per capita for the United States and China—which were 0.619 and 0.0204 tons per person, respectively, and setting those equal to an index level of 1 (1966 is approximately the last year in which the U.S. economy functioned "normally"). All other years are expressed as an index number which is a multiple of the 1966 steel-output-per-capita benchmark for each respective country.

This is highly revealing. Compared to 1966 levels of steel output per capita, the United States today is producing at 43% below its 1966 level. China, meanwhile, is producing at a level four times greater, per capita, than in 1966.

U.S. steel-making today has some greater efficiencies; it requires somewhat less raw steel to produce the same amount of finished steel.

But the fundamental difference between the United States and China is methodological: The United States, for example, has not built a new greenfield nuclear plant in 20 years, and has abandoned its infrastructure; it is going backwards. China, to the extent that it follows the "horizon principle," which in broad outline is modeled on the Hamiltonian-Lincoln tradition, is moving forward.

TABLE 3
Steel production per capita
(1966=1)

	U.S.A.	China
1950	0.93	0.04
1955	1.03	0.24
1960	0.81	1.36
1966	1.00	1.00
1970	0.95	1.08
1973	1.06	1.33
1975	0.81	1.17
1980	0.73	1.79
1985	0.54	2.28
1990	0.58	2.85
1992	0.53	3.40
1994	0.57	3.81
1996	0.57	4.05

Source: *EIR*

Currency Rates