

Developed Countries' Economic Development Strategies

-Take the United States as an example

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Abstract—How to make the economy of a developed country develop into a high-speed again is a problem that has puzzled thousands of economists for many years. In order to solve the problem, this paper establishes a new theory named “the theory of national economic development saturation”. Based on this theory and take America as an example, this paper make a plan that can be used to make American economy developing rapidly and make America strong again: The first is a change, changing America into a developing county, to produce huge demands for investment and consumption; The second is policy innovation, to meet these demands; The third is action, constructing a number of large national projects, as the means of acquiring this great wealth. These projects are named “High-speed Railways add Super Cities Network Plan” (or HRSCNP). This huge plan would take America into new era of the annual economic growth of 7% or doubling the economic aggregate in 10 years, and add millions of jobs not only without losing money but also bring great profits. It might change the history of America and the world.

Keywords—developed country; economic saturation; rapid development; create demand; America strong again

I. INTRODUCTION

All developed countries face the same problem of slow economic growth. In order to shove this kind of problem, thousands of economists tried every means to stimulate economy, but with little success. The reason is that these methods fail to find the root and nature of the problem. In order to solve this problem, it is necessary to start with the origin of the problem.

II. ESTABLISH A NEW PHYSICAL MODEL TO ANALYZE OLD ECONOMIC PROBLEMS

First we do an example. There are two cups of water, and a bag of potassium nitrate. We pour potassium nitrate into two cups of water. Suddenly we find that the results are different,

the potassium nitrate in the first cup of water dissolved quickly, but the potassium nitrate in the second cups of water is difficult to dissolve. What is all this about? After examination we find that the first cup of water is pure water, the second cup of water is a saturated solution of potassium nitrate, so the dissolution rate is not the same. The same is true of the national economy. The first cup of water called developing countries, such as China and India, the second cup of water called developed countries, such as America and the European Union. The potassium nitrate is equivalent to the economy. When American economy has been into developed or saturated state, anyone want to make it rapidly development, of course, it is very difficult.

So, there is no solution to the problem? Of course yes, there is still a solution. If we change the current situation of the second cup of water, raise the temperature, at this time we well are surprised to find that the second cup of water can also be dissolved at high speed of potassium nitrate. The same is true of American economy.

By means of establishment of a new research topic in economics, open a new battlefield in the academic field, thus let as many economists as possible take part in proving the feasibility if America can become strong again and looking for its implementation and method. Eventually, it will form a huge wave of scientific research. This is an effective way of using academic strength power to assist the government implementation of new policies, dealing with many different opinions and reducing political resistance. It would be more effective than 100 presidential campaign speeches.

The above example is named “the theory of national economic development saturation”. This new economic theory I founded is used to solve specially problems of how to promote the rapid development of economy in developed countries. Its first application today is used to solve the problem of how to do to develop American economy quickly. This will generalize economic study to be induced and

abstracted rise into a physical research model that can be studied. Let as many scholars as possible in the world, with a rigorous logical thinking and scientific methods, prove its feasibility. Finally, let all Americans erect confidence in victory and success. In this way, it is believed that it will provide a systematic, complete, fundamental and theoretical support for the work that make America stronger again.

III. THE ANALYSIS OF AMERICAN ECONOMIC DEVELOPMENT

A. *What is the meaning of America strong again?*

America strong again is means higher annual rate of economic growth. At present, American GDP annual growth rate is about 2%, this speed is not great. If America want be strong again, the growth rate should not be lower than the rate of China and India. It must be about 7% instead of 2%.

If American GDP annual growth rate is about 7%, it could double the size of American economy in the next 10 years, equivalent to the current pace of China and India. This is America strong again.

B. *What are the conditions needed for America strong again?*

According to “the theory of national economic development saturation”, any developed country, if it wants to achieve more than 7% of high-speed development of the economy, it must first be a developing country instead of a developed country. The same is America. If America is changed into a developing country, the all walks are eager for high-speed development, and many economic policies and regulations of all walks is needed to be in the process of innovation and development, just as the water in the above second cups after heated state, will naturally increase the speed of the dissolution rate. It means that there will be plenty of new business opportunities.

When America is changed into a developing country, then America and China have many same points. Both countries need to do a large number of policy system innovation and reform. Innovation and reform had have being the driving force of China's economic development from the past 30 years to the future, and also would be the driving force of the economic development of America in the next 20 years.

When America is changed into a developing country, the difference between America and China is the starting point level of development. China's starting point level is the China in 1980; American starting point level is America in 2017. The two countries are in different economic starting point, but their economy develops can be as the same average growth rate of 7%.

C. *What is the economic pillar of the America?*

So far, Trump has been president for 100 days. He has done a lot of work during this period, such as the 15% tax cuts, \$1 trillion infrastructure investment, health care reform, etc. Which one will be the pillars of America's economy in the next 20 years? Which one will lead America economy developing at full speed? In my view, only the infrastructure

investment case is the core and pillar of American economy, only this thing can make America strong again.

But at present economic situation, this investment plan is too small. In my opinion, American infrastructure investment should not be \$1 trillion, but \$10 trillion. Next, we will explain these three questions: (1) why do we want so much investment? (2) Where do these investments come from? (3) Where do these investments go?

D. *How to create new demands in America?*

It is well known that a stupid businessman is to meet the existing demand; a clever businessman is to guide and create new demand.

Take America for example, it is impossible to have achieved great achievement only rely on satisfying the existing demands of American people. In order to achieve great achievement, the government might be necessary to guide and create a new pillar of national economic development by means of guiding and creating new strong demands of investment and consumption.

With regard to the new economic pillars and new demand, my point is creating it instead of finding it. How to create? The most possible solution may only come from the construction of high-speed Railways and super cities network in America. This plan is named “High-speed Railways add Super Cities Network Plan” (or HRSCNP). The reasons are as follows.

In the developed countries in the world, the urban population is not a one-way direction flow, but the repeat process of aggregation and dispersion. This is the “city hollow” “city center” of the repeated movement process of urban population. 100 years before, the movement of urbanization made the majority of people moved from the vast rural areas to the large cities, the last 30 years the city being hollow, most people moved from larger cities to the vast rural areas. At present, the larger cities again become important center of the world economic developed areas. For example, Tokyo, Seoul, the two cities focus about one half of the population of the country, super city center now shows a stronger advantage again.

Since twenty-first Century, the development of the internet did not make people out of the super cities; on the contrary, the super cities are more attractive. This is because the consumption and production are more concentrated in the super cities. In the super cities, transportation infrastructure, medical facilities, educational facilities, scientific research institutions, cinema, gym and stadium where allow people to get the use of high efficiency, low cost and high quality consumption, better education, more comfortable, more secure environment. At the same time, the super cities provide more jobs and higher salary. These factors more strongly urge the population towards the super cities. For example, in these today's world super cities such as Tokyo, Shanghai and Seoul, the population is increasing more and more.

Ideas are as follows: planning to build 8 super cities, two in the East Coast, three in the West Coast, three in America central, 8 super cities add the older super cities such as New

York, San Francisco, Los Angeles and other super cities, every city have about 20 million people. About one half the American population live in these cities. People in these cities get efficient employment, efficient learning, quality medical care, convenient transportation, as well as high quality and cheap fitness, catering, entertainment, social and other services.

These cities can not only give more employment opportunities, higher wages, but also give cheap, high quality services. A variety of conditions have very obvious advantages. For example, a restaurant in the countryside, only 50 people to eat every day, and in the super city of 500 people to eat every day. Of course, the latter is beneficial to get more money for the boss opening the restaurant. Because he gets more money, this boss does like to improve the quality and lower the price. It's also good for consumers, not only for cheaper fee, but also for better quality. This advantage makes the population continue to migrate to the super cities. So the prices of real estate of super cities such as Hong Kong, Beijing, Shanghai and Tokyo will be bound to continue to rise. For example, as the real estate prices in Beijing and Shanghai had been increased by 10 times in 10 years, the city's wealth had increased by more than 10 times. These riches had been changed into government revenue through various channels. So, the governments suddenly became from poor man to rich man.

When the governments become a rich man, the governments can construct the subway and high-speed Railways between these super cities, construct high-quality school and high-quality hospital in the super cities. The super cities are increasingly becoming centre of work, life, learning, entertainment, social networking, investment, and consumption. Its great advantages that make people more and more crowded together. In the future, most people during work time in the cities to live in his apartments, during vacation time they take high-speed Railways to go back to his second home that is his house in the country villa. Imagine the huge passenger flow on the weekend's high-speed Railways, how a spectacular change it is!

This is the idea of <<High-speed Railways add Super Cities Network Plan>> (or HRSCNP). High speed Railways + urban real estate will provide a pillar industry to make America strong again, and will bring America 20 years of rapid development. This plan will add millions of jobs and create about \$150 trillion in wealth.

5 high-speed railways will be closely linked about more than one half of American population. They use high-speed Railways to achieve the modernization of life and work, convenient, inexpensive, high-quality, safe and efficient.

E. how much infrastructure investment does America need?

According to the proportion of China's infrastructure investment and GDP, and the successful experience gained in China, a large amount of infrastructure investment is the key to the rapid economic development. The current American GDP is about \$18 trillion. If America wants to make its economy strong again by means of upgrading its

infrastructure, the first phase of infrastructure investment will be at least \$10 trillion instead of \$1 trillion.

F. where does American investment come from?

Two months ago, March 2017, Trump made a \$1 trillion infrastructure investment plan. It was very difficult because America is now \$19 trillion in debt, the government is now very poor. Where the money does come from?

The first way: to issue bonds or QE again? No! According to the current economic situation in America, confidence is more important than money. If the issuance of treasury bonds or QE again, this is announcing that the economic situation in America is very bad, and the world will lose confidence in US dollar immediately. This is a very terrible thing, which will lead to the collapse of the dollar, and even lead to economic crisis again. Now America needs a strong dollar in order to attract investment from all over the world to build America - This is the most important principle!

The second way, can we attract investment by means of raising the future tickets prices of the high-speed Railways? No! High speed Railways will be social services that its purpose is to provide convenient, high quality and cheap service for each city along the way. We will make the traffic of high-speed Railways between the cities like the bus, at a low price and convenient service to support to these super cities to achieve the maximum development.

The third way, we raise taxes to raise funds? No! America currently needs tax cuts, so we can not raise funds in this way for the construction.

G. Policy innovation is the largest source of funding!

Is America now poorer than China 30 years ago? No! China in 1980 has only \$2 billion. Now China has built the biggest high-speed railways network and some super cities under such conditions, China can do, why America can not do?

America has the biggest advantage than any other countries, that is US dollar is not only belongs to America but also to the whole world. Since dollars outflow or inflow is process of repetition, America can create a big trend actively to let dollars go back home from the whole world. This big trend will have great power just as rivers irresistible flow into the sea. America can get these huge funds through this big trend. It can be used to create any great achievements.

Where is the China's huge investment come from? One of the most correct answers is real estate. If China's real estate sold for \$100; about \$70 of it will go into the pockets of China governments. In order to get the most money from the real estate, and at the same time, it can not make investors feel pain, according to some statistics, the fee items of China's real estate have as high as 60 more. However, China has been success in real estate. In China in the last 30 years or even in the future for long time, real estate always is the Chinese people favorite investment. The key to China's real estate success lies in flexible policy innovation. The largest innovation sources are come from China National Reform and Development Commission.

IV. HIGH-SPEED RAILWAYS ADD SUPER CITIES NETWORK PLAN

A. *America needed to be changed into a developing country?*

The first paragraph of this paper suggested that if someone wants to dissolve a large amount of potassium nitrate into the saturated solution, the trick is to heat this cup of water to change its temperature. Because now America is a developed country, its economic development has been saturated. If someone wants to make America strong again, the rate of economic growth to catch up with China or India, first America must break its saturation. In order to break its saturation, first America needed to be changed into a developing country. Implement HRSCNP is the best way to break the saturation and making America become a developing country.

If the plan is implemented, Americans and all people from over the world will suddenly find that America is a lack of high-speed traffic and a lack of super cities country. How a best investment opportunity it is! —Isn't that situation what America wants most? As the curtain being opened, then, America can direct and perform a huge drama – let all capital of the world flow to America.

This plan will immediately produce a large amount of new investment and consumer demands. These new needs will be a completely blank vacuum area. American government needs to formulate a number of new policies, which is policy innovation and is very important work and very urgent tasks. If the policy innovation level is high enough, then American government can get the most money from it. At the same time, all the infrastructure and real estate investors, consumers do not feel the pain, even scramble enthusiastically participate, just as now the people in China buying house.

When HRSCNP plan come into operation, it will make all Americans suddenly feel that there are so many opportunities for investment everywhere, and that to invest is easier to make money than to work. Thus, a fundamental change has taken place: the American economic model from consumption driven economy is changed into investment driven economy. This change will be a powerful driving economic force in the next 20 years for America. This is also the key to China's long-term high-speed development.

B. *How much wealth will HRSCNP create?*

30 years ago, there was a saying: “the real estate of Tokyo can buy the whole of America”. Now there is another saying: “the real estate of Beijing can buy the whole of America”.

If this plan above is successful, there will be a new sentence in near future: “The present value of the real estate of the one of these American Super Cities can buy whole America in the year of 2017.” The total new added value estimated of this plan is about \$150 trillion.

The development and management of high-speed railways and super cities that newly increase millions of jobs would be not only without losing money but also bring great profits.

In the near future, America debt would soon disappear rather than increase if the plan is implemented.

One credible estimate is that America would even get a large number of sovereign funds from this plan.

V. CONCLUSION

If a developed country, such as America, wants to make its economy rapid development again, first it needs to break its economic saturation state and do much policy innovation.

By constructing a number of large national new projects which never existed before but will be sure to show up in the future, the greatest demands will be appear in the future. These projects might change the present economic situation and the future history of the world including America.

The value of the one super city in the future is equivalent to one America in the year of 2017. The total value of all super cities will be more than \$150 trillion in the future. Besides the new created wealth of these cities give American government and Americans, it will also give other greater development opportunities for America. In the near future, the huge American government debt will rapidly disappear. Americans wealth will rapidly increase. The time of America being in debt \$19 trillion and American governments facing closure will be passed forever. The government will have changed from a poor man to a very rich man soon.

Now American economy is at a peak, the history record high position so unstable that none can stop here. What should America do in such a situation? Let the iceberg collapsed crisis erupting again or take this peak as a new starting point to climb the other higher peak, with more strength power dominating the world? What happens in the future depends on the choice of the American government.

To choose a small plan or a big plan, America has only one chance. Just as a hunter has only one bullet, if he wants to shoot a bird, it is difficult to hit, and the achievement is very small even if successful. Conversely, if he wants to shoot an ox, it is easily to hit and the achievement is greater than the bird. HRSCNP is this kind of ox having come into view.

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