

# China and America

## A New Game in a New Era

William H. Overholt

China and the United States are in a different game than the rising power/established power conflicts of the past. Most analyses of such rivalries are based on pre-World War II history and fail to notice that the game changed radically after World War II. Sometimes when alterations are made in the rules or implements of a game, the risks and the optimal strategies change.

Leading scholars and strategists tend to misread the lessons of the past for Sino-American conflict because they fail to recognize that these radical changes constitute a new game.

Disciplinary silos favor an overemphasis on political-military relationships and enable political scientists and historians to ignore decisive economic issues. Those leaders responsible for managing the U.S.-China relationship arrive at the same over-emphasis on the military because in peacetime our national allocation of resources is determined by Congressional lobbying, where the military-industrial complex has an overwhelming advantage.

I will begin and end with the problems of understanding and playing the right game, while addressing other crucial issues in the relationship. The key messages are; military conflict is far from inevitable; we have serious conflicts with China, but also enormous common interests that are currently being neglected; China is not a demon and our allies are not angels; we need to live in the world as it is, not as we wish it to be; and, above all, to continue as a world leader, Americans must play the new game.

### Is War with China Inevitable?

A common baseline analogy of the U.S.-China relationship is the Thucydides Trap. From the time of ancient Greece through World War II, when a rising power met an established power, war resulted roughly three out of every four times.<sup>1</sup> Even putting aside that fourth time, political scientists have been unwilling to confront the way things have changed since World War II. From ancient Greece through World War II, important conflicts were typically between neighbors, each using its military power to grab territory from its neighbors: examples include Athens and Sparta, or Germany and France. Post-WWII conflicts are not like that. Two things have changed: We have learned how to grow economies much faster;

---

William H. Overholt, Senior Research Fellow at the Harvard Kennedy School, is the author of *China's Crisis of Success and Asia, America and the Transformation of Geopolitics*, among other works.

and military technology— not just nuclear technology—has become vastly more destructive. Both sides are likely to lose if they pursue the historical path to great power dominance.

As a result, the path to becoming or remaining a great power has become primarily an economic path. This is a fundamental shift in the way the world works—a new game. To miss that, as most of our international relations writers and strategists do, is tantamount to an economist missing the industrial revolution.

During the Cold War, the United States needed a superior military. We had to prevail in the Berlin Airlift and the Cuban Missile Crisis. But it was our economic strategy that ultimately won the Cold War. We delivered decisive aid and institution-building programs, starting with Greece and Turkey. Then, using the Bretton Woods system, organized around the World Bank, the International Monetary Fund (IMF), and General Agreement on Tariffs and Trade (GATT)/World Trade Organization (WTO), we created a global network of development centered on ourselves, uplifting friends and allies in a way that was sustainable and continually growing. In contrast, the Soviet Union poured all its resources into its military, while maintaining a traditional empire, and bankrupted itself. For us this was an *economic* victory. The United States played the game the new way. The Soviets played the old way and lost.

### **What About Other Countries?**

Japan became a big power without much of a military. South Korea, initially inferior economically, militarily, and in political stability to its northern opponent, changed its bet under General Park Chung Hee from military to economic priorities. It is now about 50 times larger economically than North Korea, which continues to emphasize military priorities.

Until the 1960s, Indonesia claimed much of Southeast Asia but had a hapless economy and less

regional stature than the Philippines. Social distress made Indonesia home to a vast, potentially violent and destabilizing Islamist movement as well as a huge communist party. After 1966, it refocused on economic development and, having stabilized by providing most of its people a stake in society, became the unquestioned leader of Southeast Asia. Importantly, it became a leader by giving up most of its territorial claims in order to focus on economic development. It played the new game.

In China, Deng Xiaoping instituted dramatic cuts to the military budget as a percent of GDP and settled most of China's land border disputes in order to focus on economic growth. The subsequent economic takeoff made China a major power well before the current military buildup began. China's military rise is impressive, but its global leadership lives or dies on domestic economic growth and its international economic strategy.

The path to becoming a successful big power has become an economic strategy protected by a strong military—or an ally with a strong military. Economic strategies differ from military strategies in that they are not inherently zero-sum; both sides can win. When Germany and France fought, one won while the other lost. When the United States and Japan, or the United States and China compete, both can prosper. That is a vital aspect of the current U.S.-China rivalry.

China is 8000 miles away from the United States: U.S.-China territorial issues are trivial. If we behave like a pre-World War II power, we risk making the Thucydides Trap a self-fulfilling prophecy. To some extent, we are falling into that trap, as are China and Japan. If we play the game the traditional way, we may indeed end up trapped. Graham Allison's *Destined for War*, offers a brilliant exposition of the consequences.<sup>2</sup> We may just lose in the struggle for leadership by fumbling our economic management. Military conflict is not a law of history, particularly post-World War II.

## A Complex Relationship

There are some issues on which the United States must confront China frontally; for instance, some of China's predatory maritime claims, as well as its refusal to provide foreign access to its domestic market. These critical issues are well known, so I will largely focus on less-known interests. There are times and events that call for decisive action, including military action when necessary. In 2012, China took action to claim Scarborough Shoal near the Philippines. This was a critical moment. Scarborough Shoal has long been an important fishing ground for Philippine families. Unlike other South China Sea rocks, Scarborough Shoal was officially claimed by the Philippines in the 1930s, so China's assertion that its 11-dash line was the first

claim in the region is false.<sup>3</sup> Lacking Scarborough Shoal, China's line of rocks is broken. In 2012 the United States had overwhelming military superiority in the area and, a very loyal Philippine ally. This was a time for decisive action to limit China's claims and reassure allies. U.S. failure to intervene militarily at that moment was a critical historical turning point in the region.

While we have conflicts with China that require decisive action, we also have enormous mutual interests. For instance, China is much more open to U.S. trade and investment than allies Japan and South Korea. This openness to trade enabled us to save a failing General Motors and a huge number of jobs during the 2007-2008 financial crisis, an imperative for the American economy. Car companies,



The area which is claimed under China's nine dashed line. (Keanehm, May 14, 2020)

the movie industry, all major luxury goods manufacturers, and much of the rest of the economy can only survive with access to Chinese demand. The center of gravity of the world consumer market is now Asia, mainly China, in the way the Western baby boomer generation once was. That is only going to increase, and advocates of decoupling, who typically focus only on China as a supplier, may lead the United States into radical decline. These mutual interests are inextricable.

Effective Sino-American economic collaboration has led to the greatest reduction of poverty in human history. For the first time in thousands of years of human existence, mankind has more basic goods—clothes, food, and much else—than we actually need. There are immense unpublicized national security benefits from the resulting stabilization and concomitant reduction in global grievance and terrorism.

Sino-American collaboration has midwived the world into a post-industrial era, where the majority of jobs are in the service economy, mostly higher-paying and free of the backbreaking labor of the agricultural and industrial eras. Sino-American collaboration has given our world real hope of addressing the fundamental challenges of the next generation; climate change and environmental degradation. If China were still mired in poverty, as is India, there would be little hope of meeting these challenges.

One would never know this from U.S. politicians of both parties, who prefer to focus exclusively on the conflicts with China. They particularly like to blame China for our own failure to adjust to a world of automation. Our society was severely stressed by losing three million manufacturing jobs in a decade, but when China lost 45 million state enterprise jobs in an earlier decade, mostly in manufacturing, their leaders helped citizens find new jobs, mostly in services, rather than blaming us. Our politicians chose to blame China rather than address a domestic social crisis that has dangerously polarized our society.<sup>4</sup>

## China's Maritime Issues with Our Allies

These look like a Thucydides Trap problem. They are important but complicated. Chinese behavior in the East and South China Seas, particularly its militarization of rocks there, is destabilizing. China broke its promise not to militarize the area; it broke its promise to withdraw from Scarborough Shoal. China signed the UN Law of the Sea agreement, then violated it. It is impoverishing millions of people in Southeast Asia by using dams to divert vitally needed water. The United States must oppose some of this behavior and be prepared to use force. But there are some other things we must keep in mind as well:

- China's behavior reflects our friends' and allies' historical behavior. China is just late and on a Chinese scale.
- The maritime claims of smaller Japan cover twice as much of the ocean as China's claims.
- The model for Chinese island-building is Japan's earlier buildup of Okinotorishima, halfway between Taiwan and Guam. Japan's territorial claim of 400,000 square kilometers around it is more expansive than China's around any South China Sea rock. Repeated Japanese assertions that the UN has recognized this claim are false.
- If you apply the Hague Tribunal standards to the Senkaku/Diaoyu islets, they are rocks, not islands, and Japan should not claim an exclusive zone around them. While the biggest of these rocks is about twice the size of the biggest Spratly or Paracel rocks, they are unable to sustain human life in the manner of the Itu Aba and Woody Island rocks.
- U.S. policy for decades acknowledged that China's claims to those rocks have the same legal status as Japan's. That remains true.

- Our base in Diego Garcia is key to our strategic position in the Indian Ocean and rests on British control, which offends international standards roughly as much as China's island claims do.
- U.S. use of surveillance vessels to provoke and read Chinese defenses evokes deep Chinese fears from a century of predation by Western maritime powers. China's reaction is the exact counterpart of how we feel about their militarization of South China Sea rocks.
- Our allies plead for our protection but also that we should not provoke China. Too often we hear the first part but mute the second.

The danger of demonizing China rather than taking a balanced view is illustrated by the Senkaku/Diaoyu crisis of 2012. A Japanese right-wing extremist, Governor Shintaro Ishihara of Tokyo, faced with fading support, decided to mobilize his base by having the Tokyo government purchase the Senkaku/Diaoyu islands from their private owner. The national government, not wanting to be outflanked in domestic politics, proposed to buy them instead. That would break a 40-year understanding with China that kept the peace by promising to defer sovereignty conflicts for the indefinite future. Despite strong warnings from the United States and China, the Japanese government went ahead and bought the islands, effectively transferring sovereignty to Japan in fact, if not in law. China protested with ships and planes as well as words, but in a relatively moderate fashion. The United States reversed its stance and backed Japan emphatically, characterizing China as a potential aggressor.

That action broke the traditional, evenhanded U.S. policy in Asia. That policy was exemplified when President George W. Bush, a strong supporter of Taiwan, finding that Taiwan President Chen Shui-bian was pushing to the edge of conflict with China, made clear that, if Taipei provoked war, Taiwan was

on its own. Based on Bush's wise management, his administration ended up with good relations with both Beijing and Taipei. Likewise, in the early 1970s, U.S. Ambassador to Philippines Philip Habib often started his briefings by saying, "I have two jobs. One is to prevent North Korea from coming south. The other is to prevent South Korea from going north." That balance in no way compromised successful U.S. defense of its ally. In contrast, the foolish decision to fully support Tokyo's provocation in 2012 ceded to a marginal politician of Japan's extreme right wing the ability to provoke war between the United States and China.<sup>5</sup>

We have serious legitimate grievances about Chinese behavior, but we live in a glass house and need to aim cautiously when we throw stones. America's post-World War II successes have always been facilitated, not harmed, by pragmatically managing complex realities, often relying on soft power.<sup>6</sup> Our soft power derives heavily from providing a public good of peace and international law, which is impaired if we shift to being just a leader of one gang.

## Managing Relations with a Rising Power?

First, we must realize that China will not collapse. Unlike the Soviet Union and its successor state Russia, China has a competitive, self-sustaining economy. Moreover, it has taken care of its people to a degree that countries like Russia, let alone India, cannot imagine. Unlike the Soviet Union and Russia, China's economy and social system are both successful and sustainable.

Second, China is not destined for fast growth indefinitely. Its current administration is seriously mismanaging China's economy. The things our politicians denounce most should actually make them happy; China is making the same mistakes as Japan once did, turning inward and conceding power to giant, inefficient traditional industries. Moreover, this Chinese administration is giving

Party committees—politicians—final say over strategic business decisions in every company. China’s growth is slowing—it is weaker than official figures suggest—and destined to slow more. Decades of surplus resources have given Chinese leaders a bull market mentality that will likely lead to tears. From 2030 on, China will probably struggle to sustain 3 percent annual growth. China is destined to have the biggest but far from the most advanced or innovative economy.

Third, within a few years, China will change dramatically. Its strategy of maximizing political control is at war with its economic strategy of market efficiency.<sup>7</sup> While Xi Jinping has strong popular support, the balance of elite opinion is that he is taking China backward. China’s decades of rapid growth have made generational change extremely sharp. Each decade, a new generation has brought fundamental change to China’s economic and political structure, and generational change is overdue.

China will experience this change—it might get much better, it might get much worse—but it will not remain the same. The United States therefore must position itself for rapid adaptation to a wide range of possible outcomes. We must be ready for an even more muscular authoritarianism and an effort to subdue Taiwan. On the other hand, we must also be ready for the possibility of a much more friendly, restrained, and liberal China. We cannot ensure a good outcome, but if we lock ourselves into an institutionalized Cold War mentality, we can ensure a bad outcome.

### **Can We Live with The China Model?**

Many U.S. commentators, led by Princeton’s Aaron Friedberg,<sup>8</sup> argue that we cannot live with another great power that has such an alien system. This lesson was learned from the depredations of Nazi Germany and the Soviet Union. But, unlike those dictatorships, China is not trying to impose its system on other countries. Unlike Russia, it has not

sought to destabilize democracies. China sees its system as unique. Although that is wrong, because China mainly emulates lessons from the earlier Asian miracle economies, it contradicts any temptation to impose a China Model everywhere. Beijing’s mantra is that every country should have the right to choose its own path without foreign pressure.

While China does not impose or proselytize its model, its success in improving the lives of its people, compared to India or the Philippines, challenges our insistence that the Western form of democracy always works best for every country at every level of development. While China formerly was attracted to the Western model of political economy, the global financial crisis of 2007-2008 and the ascent of President Donald Trump and Brexit convinced Chinese leaders that the Western political economy is vulnerable to catastrophic economic mismanagement. We cannot beat that argument by force, subversion, or economic disincentives. We must find ways to make democracy work better than it has in places like India, in Africa, and recently at home. If we uphold India as the good society in contrast with China, on the basis of a philosophy supposedly based on human dignity, most of the developing world reacts with justified disdain. That is a fundamental challenge, but it is our problem as well as India’s, and not a Chinese threat.

Where does this leave us? For the foreseeable future, we cannot defeat or dominate China and they cannot defeat or dominate the United States. We have a peer competitor. That peer competitor does not seek war. A world in which multiple systems coexist is normal in history.

For a brief historical moment—in the 1990s—we were spoiled by a world in which we were not only the dominant economic and military power but also the preeminent role model. Recent peaceful history, not aggression, has changed that. If we eschew nuclear war, we have to live in the world that is and not the world of our dreams.

## Geoeconomics: the World We Live In

In the Cold War era, we won the geopolitical game with a geoeconomic strategy. The Bretton Woods system, the core of which was the World Bank, funded infrastructure together with the IMF and the GATT/WTO; they set international standards and managed economic crises.

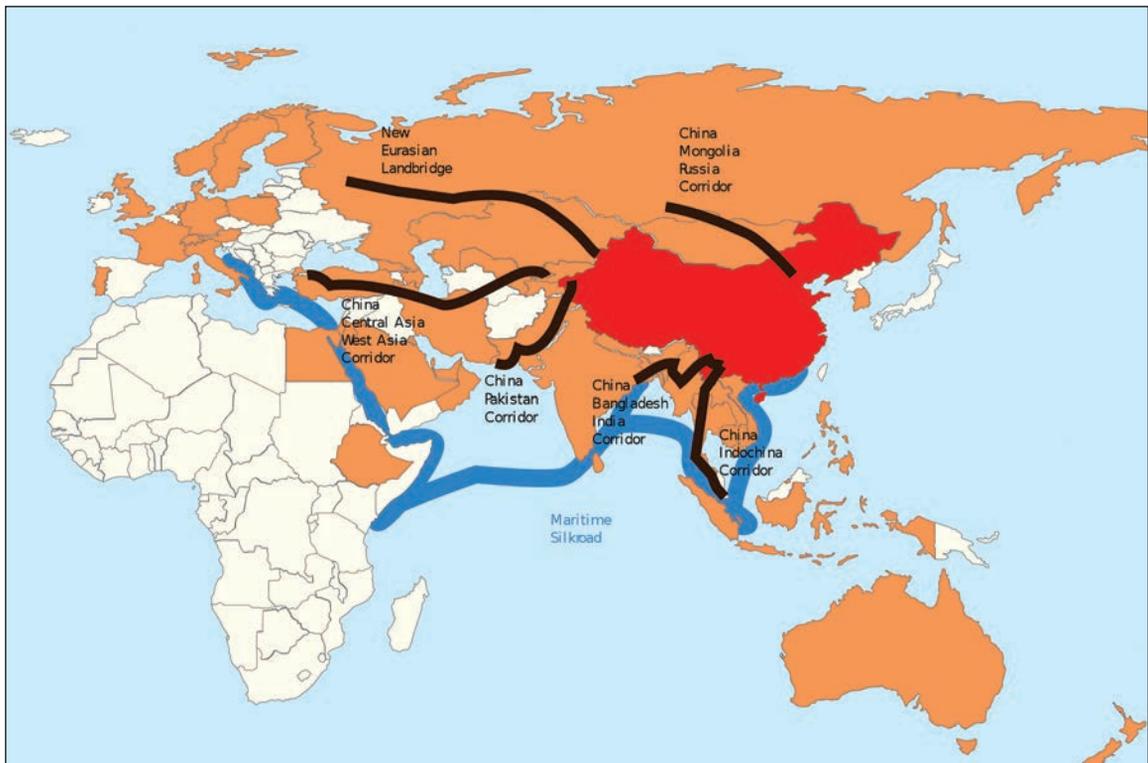
Economic success stabilized, energized, and unified our alliance system. Again, military superiority was absolutely necessary but not sufficient; the core game was economic.

Having won the Cold War, we allowed the Bretton Woods institutions and aid systems to atrophy. After the 1994 costless Mexican bailout, Congress banned such bailouts, making it impossible to rescue allies like Thailand during the Asian Crisis of 1997-98. A stingy Congress refused to increase the capital of the World Bank and IMF—even though

that capital ultimately costs the United States nothing. Congress did not want to reform the governance of those institutions to conform to the world economy of today, rather than the world of the 1940s. Conforming would have meant ceding some authority to rising powers, especially China. Short-sighted leaders gutted the State Department budget, eliminated the U.S. Information Agency, and truncated our aid and institution-building development programs.

Recently our overuse of economic sanctions has soured much of the world, including leading European allies, on the hegemonic U.S. dollar although they have not (yet) found alternatives.

More recently the Trump administration has reacted against the constraints and price of global leadership, attacking allies, the WTO, the World Health Organization, and the International Criminal Court. Sometimes in dealings with allies



China in red, transport corridors in blue and black and in orange, members of the AIIB (Asian Infrastructure Investment Bank). (WIKIPEDIA, October 23, 2020)

and international organizations, we paid a price for leadership; often a leader must give more than it gets. But the prize of leadership was the most powerful position in world history.

The effort to constrain China to a disproportionately small role created a vacuum—for instance, a deficit of \$12 trillion needed for global infrastructure investment—and more recently, a vacuum of leadership on international economic integration, environmental improvement, and amelioration of climate change. China has moved into that vacuum. The Belt and Road Initiative (BRI) is now the big game. It emulates our Bretton Woods system: development banks to fund infrastructure; systematic efforts to create common standards (in railroads, customs clearance procedures, IT standards, and much else); an effort to build the Chinese renminbi (RMB) into a global currency; a currency swap system to aid countries in economic crisis; and institutions to liberalize trade and investment. BRI is a constructive theft of U.S. intellectual property. Moreover, China is now the leader in every form of green energy, and it spends more on environmental alleviation than the United States or all of Europe, while we abandon leadership and subsidize a declining coal industry.

BRI is an inspiring vision—as was the Bretton Woods vision. China convenes four dozen African heads of state to make development plans, then delivers funding and roads. In contrast, the United States provides special forces teams to fight terrorism plus an offshore naval and air presence. If that is the game of competition for influence, China wins. Our greatest recent source of influence in Africa has been President George W. Bush’s HIV initiative known as PEPFAR. Even on terrorism, we win local battles but the BRI contains terrorism in the long run.

### Three Potential Responses to BRI

First, we can compete. This is our game and we are good at it, but we largely withdrew from the field. The Japanese do compete successfully. China negotiates a

power deal in Indonesia, offering second-rate technology and high prices while demanding a government guarantee. Japan enters, offering first-rate technology, reasonable prices, a record of reliability, and feasibility studies that eliminate the need for a state guarantee. Japan wins. Indonesia wins.

Second, we can compete and coopt, as we did when we faced the same situation with Japan. Japan was competing unfairly in exactly the same ways as China today; bribes, tied aid, and subsidies. We gradually negotiated some common standards. We and the Japanese both won. Above all, countries like Indonesia won. The same is possible with China. The key new Chinese institution—the Asia Infrastructure Investment Bank—accepts the basic standards of the World Bank and the Asian Development Bank. Its leader, Jin Liqun, is a respected veteran of both, and many of its projects co-invest with the World Bank and Asian Development Bank. While other, bigger Chinese institutions use much lower standards, the Asian Infrastructure Investment Bank shows where China wishes to go. Recent Chinese reforms of BRI have moved in the right direction—although still inadequately—for the same reasons that Japan did.

Third, we can stand on the sidelines and complain. So far, this third option has been our main response, repeating thoroughly refuted claims<sup>9</sup> that China is deliberately building a great wall of debt, focusing exclusively on the (very substantial) weaknesses of BRI while ignoring its strengths.

Not only is this a competition we can win if we engage. We win even when BRI succeeds. When successful, Bretton Woods and BRI stabilize countries, reducing the risk of war or terrorism. With competitive Japanese-American help in the 1960s, the growth of the Indonesian economy gave almost everyone a stake in society and Indonesian jihadism mostly evaporated.

Likewise, in the 1970s, everyone knew that Bangladesh was hurtling toward state failure. It

might have turned into a gigantic jungle Somalia, spewing terrorists. Instead, the textile industry spilled over from China, employing millions, and stabilized the country. While the factories moved from China, the largest ownership of those factories was American. Bangladesh's stabilization was a joint Chinese-American national security success.

Not long ago, Ethiopia had six violent Leninist parties fighting for control, along with a great famine. But more recently it has been the world's fastest growing country and prior to a recent ethnic flareup showed the potential for more stable politics. The largest foreign contributor to Ethiopia's success is China.

Each of these successes saves the United States both blood and treasure in antiterrorism efforts. The United States must compete against while collaborating with China to spread such successes. BRI mostly services the parts of the world least affected by Bretton Woods successes; Central Asia, the Middle East, and Africa. Just denouncing it,

as recent U.S. policymakers have done, has only discredited ourselves.

The outcome of the BRI is unclear. What it means and how it works change frequently. It has big victories, especially in Africa, and huge failures, especially its effort to make the RMB a global currency. BRI has potentially significant vulnerabilities. China has escalated counterproductive sovereignty disputes with all its maritime neighbors from North Korea around to India. It has frequently conducted economic warfare, making countries wary of dependence on China. In Hong Kong and elsewhere it has shattered its previously superb record for honoring international agreements. Chinese leaders overestimated the financial resources that will be available for BRI, and Chinese banks have paid inadequate attention to the creditworthiness of BRI projects.

However, BRI also has major advantages. It puts mutual development at the core of China's policy and brand. Its roads, railroads, ports, and



The highest LEED Certified Green Garment factories in the world. February 2, 2020 (Photo by Fahad Faisal (WIKIPEDIA))

telecommunications are connecting Africa and Central Asia. BRI is giving Chinese business global reach. When BRI promises a road, it gets built immediately, whereas the atherosclerotic World Bank is likely to take 8 years to make a decision. And just as Bretton Woods rode and accelerated the waves of Western European and Eastern Asian recovery from World War II, BRI rides and accelerates the great waves of the 21<sup>st</sup> century; the integration of Eurasia<sup>10</sup> and the emergence of Africa. The BRI vision of a global network of development is much more sophisticated than the mostly bilateral thinking of the IMF and World Bank.

### **China Is Playing the Right Game; the United States Is Not**

Why is the United States failing to play the right game when its Cold War strategy delivered the most successful big power outcome in modern history? A small part of the problem is that our scholars have failed to articulate the new game. But the big problem is that in peacetime our resources are allocated by Congressional lobbying, not by any strategic calculation.

Our problem is not a self-aggrandizing military. In fact, our top military officers and officials are the most conscious that we have left the military bereft of the complementary resources that it needs. General James Mattis said, “If you don’t fund the State Department fully, then I need to buy more ammunition.”<sup>11</sup> Former Secretary of Defense Robert Gates, General H.R. McMaster, and many others have been equally outspoken. If we don’t re-energize all the instruments of national power, then we are not just going to spend ammunition. We are going to waste our soldiers’ lives.

### **Competition, Cooperation, and Overarching Issues**

In national security, this combination of competition and shared interests mirrors the economics.

Everyone knows the conflicts. They are very important. But also:

- The world’s greatest threat of nuclear war is North Korea and there the Chinese goal of denuclearization overlaps 90–95 percent with ours.
- Middle East stability matters even more to China than to us because China is far more dependent on Middle East oil.
- The United States and China combine efforts to combat piracy.
- The greatest long-run threats to us are environmental degradation and climate change. China is now the world leader in those areas.
- The national security benefits of the global development created by Sino- American collaboration are never counted but they are vital.

Chinese leaders are very conscious of common interests and do not seek to destabilize the U.S. and EU democracies the way Russia does.

To live in a peaceful world, we Americans must accept that we have a peer competitor, something that never occurred to us during the President George W. Bush years. We can manage that or choose nuclear war. China wants to be number one but is not trying to destroy the United States. We can no longer rule the seas to the beaches of Fujian. We can no longer dominate space unilaterally. We can no longer make all the trade and investment rules or set all the IT standards. No strategy will get us to that dominant end-state; the likely future is simply competition forever. Our assertion that democracy is the best path to human dignity for all societies at all levels of development will be challenged for the indefinite future. This will be a really difficult adjustment for Americans. However, when we have tried to confine China to a disproportionately small role, we have harmed ourselves and created a vacuum that actually strengthened China. We have to live in the world as it is.

China's challenge is that it must grow up. If it wants to be a great power and world leader, it can no longer aggrandize the South China Sea as if it were Vietnam or Malaysia. If it is to be a great power, then it can no longer exploit its century of weakness to play the victim. If it has four of the world's ten largest banks, it may no longer use infant industry arguments to protect its banks. If it wants Huawei to have the opportunity to run the world's 5G network, then it can no longer exclude foreign firms from the opportunity to play a similarly large role in China. If China wishes the West to limit decoupling, then it must abandon its long-term drive for "self-reliance," which is the same as decoupling.

While the United States can coexist with China, it must still compete successfully. In the Cold War, we integrated all the elements of national power—diplomatic, information, military, and economic (DIME). Now we have world history's finest military, but we have allowed the other instruments to atrophy. We have a military budget as large as the next eight powers combined, but it is never enough. We always feel exhausted. We do not lose but we do not win. America can only succeed if we recognize that since World War II we have been competing in a new game. It is time to articulate a national security strategy suitable for this new game.

While a successful national strategy requires a rebalance to an economic emphasis, the articulation of that strategy is going to have to come primarily from the war colleges. In the relative complacency of this new century, we no longer elect presidents with foreign policy experience, our Congress allocates resources based on lobbying influence rather than on strategic needs, and our academies are too siloed to provide strategic leadership. Only the war colleges, with their singular focus on national security, and a handful of think tanks have the combination of resources and motivation. **PRISM**

## Notes

<sup>1</sup> Graham Allison, *Destined for War: Can America and China Escape Thucydides's Trap?* (Houghton Mifflin Harcourt; First Edition (May 30, 2017).

<sup>2</sup> Ibid.

<sup>3</sup> Jay L. Batongbacal, "Bajo de Masinloc (Scarborough Shoal): Less-known Facts vs. Published Fiction," Institute for Maritime and Ocean Affairs, De La Salle University, September 26, 2014.

<sup>4</sup> The decline in U.S. manufacturing jobs has been inexorable since 1947 for the same reasons that agricultural jobs disappeared earlier: automation and rising productivity. The increase of U.S. manufacturing output has remained relatively steady, just refocused on much higher value-added, less labor-intensive manufacturing. For the statistics and political analysis, see William H. Overholt, "The Great Betrayal: How America's Elites are Failing to Confront the Challenges of Trade Politics," *The International Economy*, Winter 2017, available at <[http://www.international-economy.com/TIE\\_W17\\_Overholt.pdf](http://www.international-economy.com/TIE_W17_Overholt.pdf)>.

<sup>5</sup> Supporters of this regrettable policy often resort to legalism. The U.S.-Japan alliance requires that the United States treat any attack on an area under Japanese administration as an attack on the alliance. But all U.S. alliances have a hedge for exactly this kind of contingency; the U.S. response will be based on U.S. constitutional processes. If any ally provokes an attack for domestic political reasons, the United States can reasonably indicate that its constitutional processes will move slowly and uncertainly.

<sup>6</sup> For the original articulation of the concept of soft power, see Joseph Samuel Nye Jr., *Bound to Lead: The Changing Nature of American Power* (London: Basic Books, 1990).

<sup>7</sup> See William H. Overholt, *China's Crisis of Success* (Cambridge: Cambridge University Press, 2018).

<sup>8</sup> Aaron L. Friedberg, *A Contest for Supremacy: China, America, and the Struggle for Mastery in Asia* (New York: W.W. Norton, 2011).

<sup>9</sup> See Agatha Kratz, Allen Feng, and Logan Wright, "New Data on the 'Debt Trap' Question," Rhodium Group, April 29, 2019, available at <<https://rhg.com/research/new-data-on-the-debt-trap-question/#:~:text=The%20sheer%20volume%20of%20debt,the%20loans%20to%20finance%20them>>.

<sup>10</sup> The masterwork on Eurasian integration and its importance is Kent E. Calder, *Super Continent: The Logic of Eurasian Integration* (Stanford: Stanford University Press, 2019).

<sup>11</sup> General James Mattis, Testimony Before the Senate Armed Services Committee, March 5, 2013.