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# Policy Forum 06-18A: Is China the Nemesis in a New Cold War?



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## Is China the Nemesis in a New Cold War?

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Policy Forum Online 06-18A: March 6th, 2006

### "Is China the Nemesis in a New Cold War?"

Essay by Emanuel Pastreich

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#### I. Introduction

Emanuel Pastreich, visiting scholar at the Center for East Asian Studies, University of Pennsylvania and a Japan Focus associate, writes, "The United States is losing its economic and cultural authority through the lethal mixture of ballooning trade deficits and torture scandals. The danger is that a classic military reflex will be one of the few tools left in the chest at a time when the U.S. needs a far more varied and sophisticated set of responses to negotiate successfully the path ahead."

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## **II. Essay by Emanuel Pastreich**

- Is China the Nemesis in a New Cold War?"  
by Emanuel Pastreich

There was nothing surprising about Bill Gertz's inflammatory article in the Feb. 15 *Washington Times* speculating about "secret underground arms facilities" in China. The drive to paint China as a threat akin to the Soviet Union in the American mind serves those corporate interests that manufacture weapons systems while obscuring the true nature of the predicament in which United States finds itself.

The implied analogy between the Soviet Union of the 1960s and the People's Republic of China today found in such journalism may serve to prop up an obsolete Cold War security system that refuses to adjust to the true dangers of a globalized world, but it does so by diverting attention from the palpable challenge that China poses for the United States.

The relationship between the United States and the People's Republic of China today bears a far greater similarity to the bitter rivalry between Great Britain and the United States that played out between 1910 and 1970. That contest, although obscured by contemporary ideology positing Great Britain as America's closest ally, was not a military conflict, but rather a global struggle over markets, finance, technology and cultural authority. Unfortunately, after winning that contest decisively in the last century, the United States is blithely walking down the same path that England did in the previous century, but at a faster pace.

Great Britain maintained undisputed dominion in the economic, diplomatic and military realms at the start of the twentieth century. Although England had its rivals, the British navy controlled the shipping lanes, the British Sterling served as the universal currency, English culture carried awesome authority, and the sun never set on the Empire.

As Britain's rival for global domination, the U.S. did not offer military confrontation with Britain, even as it increased the size of its military considerably. Rather, the U.S. calmly set to work in other areas, ultimately supplanting Great Britain as the dominant political, social, and economic world power.

Great Britain actually helped the U.S. in that process much as the U.S. aids China today. Britain's ensnarement in two debilitating world wars during the 20th century taxed its resources to the limit and encouraged reliance on the United States for both finance and manufacturing. For example, during the Second World War, it was not that the United States forcibly took control of shipping lanes from England, but rather the U.S. Navy stepped in to protect shipping lanes when the British Navy proved, due to overextension and other commitments, unequal to the task.

It requires no stretch of the imagination to envision a scenario in which the United States concedes its dominant status to China, not because of China's nuclear arsenal, but rather because the U.S. has unnecessarily mired itself in a global "War on Terror" that, because the term "terror" is so broad in meaning, recognizes no end and promises to harm America's prosperity, curtail its traditional freedoms, and leave a moral blot on its reputation among the community of nations.

The 20th century also saw the United States increase, gradually but decisively, its control of

technology, intellectual capital, and market share. Although Great Britain did not fully appreciate the rise in American sophistication, over time England found itself crucially dependent upon American support. Before the First World War, England was the primary source for capital, controlling over 40 percent of overseas investments. After that war, however, England found itself deeply in debt, mostly to the United States. As a consequence, interest payments soaked up almost 40 percent of British government expenditures thereafter.

World War II allowed England to dig itself into an even deeper pit. For example, the Lend-Lease program supplying England with war materiel at the height of the conflict required that British production be dedicated to the war effort, rather than to goods for export. The predictable result was that overall British exports in 1944 were 31 percent of what they had been in 1938. If the analogy to the Lend-Lease Program seems farfetched to readers, that is in part because the role of Chinese manufacturing in supporting the present American military campaign is so poorly understood.

Similarly, the American debt to China, and other Asian nations, is often dismissed by economists who cite the unique position of the Dollar in the world economy. But is there any good reason to assume that the Dollar will not, over time, ultimately follow the path of the British Sterling? Americans can no longer completely ignore the amount of American debt that the People's Republic of China has bought up. China has also made deep inroads in the fields of high technology and manufacturing at the start of this century as the U.S. did at the dawn of the last one. Although Americans may comfort themselves with the assumption that China still does not possess the most advanced technology, the technological gap between the U.S. and China has shrunk considerably in many fields. Moreover, although it is true that China would suffer considerably from a downturn in the American economy, the undeniable fact is that China is diversifying its markets whereas the United States is concentrating its debt.

Even in ideological terms, the rivalry between the United States and China displays striking parallels to that between England and the United States in the previous century. China has studiously avoided statements about a moral imperative to interfere in the affairs of other nations at the very moment that the United States makes constant calls for the opening of markets, the importance of democracy and the dangers of terrorism. American insistence on this narrow agenda has benefited China immensely. Because the Chinese expand economic ties throughout the world without passing judgment on other nations, they have become popular partners for many in marked contrast to the demanding Americans.

The Chinese approach recalls the Open Door policy for trade advocated by the United States in the 19th century and the ideal of "self-determination" pronounced by President Woodrow Wilson in the twentieth. The United States slowly tipped perception on a global scale by presenting itself as a nation concerned with the sovereignty of the peoples of the world -- in contrast to Great Britain's pride in its colonial empire. Most nations today see American demands as a direct violation of their sovereignty and therefore find in China an easier negotiating partner.

Of course there will always be the possibility of a military conflict between the United States and the People's Republic of China. Even American security planners sympathetic to China are aware of that scenario -- and plan for it. But intentional misdiagnosis of the challenge posed by China is far more dangerous for the U.S. in the long run. Posing the threat in purely military terms allows Americans to deny the negative trends in technology and economics bedeviling the United States. If a serious response to that threat is put off, the day will come when it no longer can be remedied.

Finally, arguments about a military threat from China make clear just how narrow America's responses have become. The United States is losing its economic and cultural authority through the

lethal mixture of ballooning trade deficits and torture scandals. The danger is that a classic military reflex will be one of the few tools left in the chest at a time when the U.S. needs a far more varied and sophisticated set of responses to negotiate successfully the path ahead. The image of China as an ominous rising military power serves the purpose of drawing attention away from the degree to which the American military has been gutted in the name of privatization, leaving basic facilities neglected as an increasingly fragmented and unfocused conflict is pursued. Planning for a global confrontation with China may help maintain the status quo and prop up an outmoded security system, but it does so at the very moment that the United States is approaching the absolute limits of its material power.

### **III. Nautilus Invites Your Responses**

The Northeast Asia Peace and Security Network invites your responses to this essay. Please send responses to: [napsnet-reply@nautilus.org](mailto:napsnet-reply@nautilus.org) . Responses will be considered for redistribution to the network only if they include the author's name, affiliation, and explicit consent.

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