

# **The USA, China and a new Cold War?**

**Scott Newton**

*The US vs China: Asia's new Cold War?*

Jude Woodward

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**T**he late Jude Woodward's *The US vs China: Asia's new Cold War?* is an excellent guide to the developing crisis in relations between China and the West and essential reading for anyone who wants to understand this disturbing new turn in world affairs.<sup>1</sup> It examines the rise of China, why this has provoked a hostile reaction in Washington, the development by the USA of a strategy for the 'containment' of China and why this is unlikely to work. Her argument on each of these points turns conventional wisdom about this subject on its head, and it is worth following each one in turn.

## **The Rise of China**

**T**he media in the UK and the USA in particular is now so full of stories about conflict with China that it is worth remembering that only a little over a decade ago, in the wake of the 2008 global financial crisis, relations between China and the West were good. A significant factor in those more cordial relations was that China had played a major part in rescuing the international economy from a real danger of severe depression. This was achieved through the provision of substantial liquidity to the IMF and through a dramatic reflationary economic strategy. For example, China used as much concrete in the three years from 2011-2013 as the USA had done during the whole of the twentieth century.<sup>2</sup> This startling development resulted from massive spending on

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<sup>1</sup> Woodward died in April this year. See, for example, Alan Freeman, 'Jude Woodward - Obituary', *New Cold War*, 26 April 2020, <<https://www.newcoldwar.org/jude-woodward-obituary/>>.

<sup>2</sup> Ana Swanson, 'How China used more cement in 3 years than the U.S. did in the entire 20th Century', *The Washington Post*, 24 March 2015. <<https://tinyurl.com/hy66zq9>> or <<https://www.washingtonpost.com/news/wonk/wp/2015/03/24/how-china-used-more-cement-in-3-years-than-the-u-s-did-in-the-entire-20th-century/>>

infrastructure, concentrating on housing, urban development and road and railway construction. Demand was generated for minerals and raw materials throughout much of Asia, Australasia and Latin America, and European firms benefited from the business which resulted. The world trade and payments system, which had seemed to be on the brink of a historic crash in 2008-9, bounced back from an annual growth rate of -1.67 per cent in 2009 to one of 4.3 per cent in 2010, before settling at a rate of between 2.5 and 3 per cent in subsequent years.<sup>3</sup> British Prime Minister David Cameron hailed a 'golden era' in Anglo-Chinese relations, announcing in 2015 a 'global comprehensive strategic partnership' and trade deals worth £40 billion.<sup>4</sup> Chinese investment became a common feature on the international scene, developing ports and transport and communication facilities throughout much of Asia, Africa and Latin America. It was also welcomed in Britain, with the China General Nuclear Power Group set to play a critical role in the construction of a new generation of nuclear power stations.<sup>5</sup>

China, a somewhat isolated and predominately agrarian economy in the 1950s and 1960s, had been transformed in the decades following the death of Chairman Mao in 1976. Industrialization and the modernization of the nation followed a series of economic reforms driven through during Deng Xiaoping's time as 'paramount leader of the People's Republic of China'. These focused on economic liberalization and the opening of the country to Western trade and investment. China embraced the market, though large parts of the economy remain publicly owned, and it has enjoyed rapid growth – which averaged 10 per cent per annum for the best part of three decades after the early 1980s. There was a huge internal migration of citizens from the countryside to the cities, to work in the country's fast developing industrial sector. China became the world's largest trading nation in 2013.<sup>6</sup> In the same year it overtook the USA as the world's leading industrial producer. Its economy surpassed Germany's in 2007 and Japan's in 2010, becoming the world's second largest in the

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<sup>3</sup> World Bank, 'GDP growth (annual %)' <<https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>>.

<sup>4</sup> Oliver Turner, 'The Golden Era of UK-China Relations Meets Brexit', *The Diplomat*, 18 December 2018 <<https://tinyurl.com/yylbgwgf>> or <<https://thediplomat.com/2018/12/the-golden-era-of-uk-china-relations-meets-brexit/>>.

<sup>5</sup> See, for instance, 'The UK-China Civilian Nuclear Agreement' by Jane Nakano for the The Center for Strategic and International Studies (23 October 2015) <<https://tinyurl.com/y6fnful2>> or <<https://www.csis.org/analysis/uk-china-civilian-nuclear-agreement>>.

<sup>6</sup> Woodward p. 3

process.<sup>7</sup> Output was dominated initially by labour-intensive heavy industry, but production moved into consumer goods and now is shifting fast into capital-intensive sectors based on high technology. The upshot has been rapid creation of a powerful telecommunications and artificial intelligence industry. China is in the vanguard of nations developing 5G technology, seen in the success of Huawei in penetrating international markets.

This economic expansion has facilitated a remarkable drive against poverty: Woodward points to World Bank data which showed that between 1981 and 2010 'the number of people living in China in its definition of "extreme poverty" fell from 878 to 150 million'; or to put it another way 728 million people were lifted out of extreme poverty in just 29 years. Over the same period, the number living in extreme poverty throughout *the rest of the world* dropped by 150 million.<sup>8</sup> Martin Jacques, the British academic and author of *When China Rules the World*, has forecast that China will become the world's greatest economic power, in terms not just of its mass of GDP but GDP per head, by 2050.<sup>9</sup>

## **Tension**

**T**his remarkable success story has not been accompanied by continuing international harmony. There has, instead, been increasing tension in relations between China and the West. Beijing's relations with the US in particular have turned sour and the Sino-British 'golden era' has faded very fast indeed. Meanwhile, dealings between China, the EU and Japan have all become characterised by growing distrust. This development is apparently rooted in a series of strategic, economic and human rights issues.

A quick survey of the main problems shows that the most sensitive of the strategic issues concern allegations that China is seeking to expand into the South China Seas. Here the claim of sovereignty over the Paracel and Spratly Islands in a bid to extend its territory to within striking distance of Vietnam, Malaysia and the Philippines. This has been accompanied by significant investment in naval and air power, including the construction of an aircraft carrier, short range missile systems and fighter jets. All this has fed anxieties that Chinese efforts to develop a

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<sup>7</sup> Woodward p. 3

<sup>8</sup> Woodward p. 31

<sup>9</sup> Loyd Eskildson, '2027: When China Rules The World, Will Surpass U.S GDP', <<https://tinyurl.com/yxzlenlf>> or <<http://www.martinjacques.com/when-china-rules-the-world/2027-when-china-rules-the-world-will-surpass-u-s-gdp/>>.

new network of sea and land based trade routes linking East Asia with Europe, East Africa and the Middle East – known as the ‘maritime silk road’ and the ‘belt and road’ initiatives – are designed to project political and military power as well as commerce.

The deterioration in economic relations has followed accusations from the Trump administration that China has not respected intellectual property rights and that it has operated a mercantilist economic strategy while paying lip service to the ideals of free trade. There have also been anxieties expressed in Washington that China is using both foreign investment and its increasingly sophisticated IT and AI sectors for espionage against the West. These have recently centred on Huawei along with Chinese social media corporations such as TikTok and WeChat. The upshot has been a series of moves towards what has been called ‘The Great Decoupling’, with the President suggesting that there will be tax incentives for American businesses to move factories out of China back to the US, and no Federal government contracts for firms which outsource production to China. This ‘decoupling’ has been more rhetorical than actual so far, and has been opposed by the the internationally-oriented wing of US capital. Representatives of this are companies such as Apple, Hewlett Packard, Microsoft, Ford and General Motors – which see good business prospects in ongoing engagement with China. Nevertheless, the political momentum is currently coming from those sections of the US economy under pressure from Chinese competition, such as components manufacturers and the steel and tyre industries. They are supportive of steps towards the kind of protectionist ‘America First’ economic strategy favoured by Trump and his supporters<sup>10</sup> (although the Democrats have also shifted in this direction, in a bid to win back working class votes lost in the 2016 Presidential Election).

The increasing conviction evident in Western media and governments that China’s disregard for human rights puts a large question mark over its suitability as a close economic and political partner, stems mainly from allegations of serious abuses in two particular areas. The first is the province of Xinjiang, on China’s far western frontier with Russia and the central Asian republics. Here, it is said, there has been a vigorous repression and persecution of the local inhabitants, specifically the Muslim Uyghur population, with between one and two million of these being kept in detention or in camps designated for ‘re-education’. In Hong Kong, criticism of Beijing has focused on what has been portrayed as a vicious crackdown on those agitating for more democracy and against legislation

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<sup>10</sup> Woodward p. 67

relating to extradition and national security. On top of this, the USA has not been slow to accuse China of responsibility for the COVID-19 pandemic, claiming that the virus was manufactured in a laboratory in Wuhan and that its escape into the community was mismanaged and hushed up by the authorities, causing it to spread before effective countermeasures were taken.

## **The reality**

**W**oodward shows that these charges against China are, for the most part, not grounded in reality (though the escalation of the crisis in Hong Kong and the recriminations caused by the COVID-19 pandemic came too late for the book).<sup>11</sup> Thus the Chinese claims over islands in the South China Seas, an unfavourable 2016 ruling by an international tribunal at the Hague notwithstanding, go back many decades and indeed were supported by the USA when they were pursued by the Nationalist Chinese government prior to the Communist takeover in 1949.<sup>12</sup> The expansion of Chinese naval power in the region is designed to deter the US, which has assembled and deployed a formidable maritime task force in the region. This US fleet is large enough to close off Chinese access to the Straits of Malacca, through which travel 80 per cent of its imported oil and much of its merchant shipping.<sup>13</sup> Woodward sees no strategic challenge from China to East Asian countries, or to US Pacific interests. Its moves have been defensive and its foreign policy is guided by a doctrine which calls for multipolarity and international co-operation through the UN and regional organisations such as the Shanghai Co-operation Organisation (SCO). Both Woodward and Martin Jacques have pointed out that, despite its extraordinary progress since 1980, China remains less prosperous and militarily powerful than the US and that it has neither the capacity nor the desire to rule the world.<sup>14</sup>

The charges that China is in reality a 'mercantilist' State, seeking to protect its own economy while aiming at the economic domination of foreign nations through one-sided trade and investment deals as well as

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<sup>11</sup> And to date (August 2020) no scientific evidence has been found or presented which suggests that COVID-19 started life in a Wuhan laboratory.

<sup>12</sup> Woodward p. 176

<sup>13</sup> Woodward pp. 73-74

<sup>14</sup> Woodward p. 255

via the intrusive activities of Huawei and its social media corporations,<sup>15</sup> are based on flimsy evidence. Woodward points out that in clear contrast to the 'zero-sum game' philosophy of the so-called 'realists' of the West, which sees international relations as characterised by rivalry and 'beggar-my-neighbour' conflicts and competition, China seeks 'win-win co-operation and economic development'<sup>16</sup> through international bodies such as the Asian Infrastructure Investment Bank, the New Development Bank supporting projects in the BRICS (Brazil, Russia, India, China, South Africa) and the Shanghai Co-operation Organisation (SCO). Its vision of commerce promoting mutual prosperity and development, leading to a more prosperous and co-operative global community, is one that the great Victorian liberal Richard Cobden would have recognised. Indeed China's external economic expansion, with its emphasis not only on trade but investment and the construction of port, transport and communication facilities linking developing states in Asia and Africa to the world market, bears a good deal of resemblance to the activities of British capital throughout much of the nineteenth century.

The accusations relating to abuses in Hong Kong and, above all, in Xinjiang, are harder to dismiss: the reaction of the Chinese State to events in Hong Kong and in Xinjiang especially has shown a clear disregard for human rights and legitimate protest. There has been a severe crackdown in Hong Kong and some disturbing pictures have come out of Xinjiang in recent months. Some of the local Muslim Uyghur population have participated in separatist and pro-Islamic political and, on occasion, terrorist activity – both in Xinjiang itself and further afield in China. Beijing's response appears to have been fierce and has led to accusations that as many as two million Uyghurs have been rounded up and detained in what are euphemistically called 're-education' camps.

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<sup>15</sup> Finger-pointing by the West here conveniently ignoring allegations about links between Facebook, Twitter and Google and the CIA. See for example Jody Chudley, 'REVEALED (sic): Facebook's CIA connections', *St Paul Research*, 29 March 2018, <<https://tinyurl.com/yxkcdc48>> or <<https://stpaulresearch.com/2018/03/29/revealed-facebooks-cia-connections/>> and Jim Edwards, 'Social Media is a Tool of the CIA. Seriously.' *CBS News Moneywatch*, 11 July 2011, <<https://tinyurl.com/y6wrrcal>> or <<https://www.cbsnews.com/news/social-media-is-a-tool-of-the-cia-seriously/>>.

<sup>16</sup> Woodward p. 55

These claims may be overstated,<sup>17</sup> but there does not seem much doubt that something has gone seriously wrong in Xinjiang.

Chinese President and Communist Party General Secretary Xi Jinping has expressed the aspiration for China to become a fully democratic state by 2050<sup>18</sup> but during his time at the top there has been a shift away from political openness towards repression of dissident activity, and Beijing's actions in Hong Kong and Xinjiang are clear demonstrations of this tendency. They display conduct which would not be found in any democratic State and point to a genuine clash of values between the West and what remains a totalitarian government in Beijing. This has damaged China's image throughout much of the world and has become counterproductive: internationally it has, rightly or wrongly, raised anxiety about the implications of China's rise towards superpower status for democratic values throughout the world and, in Xinjiang at least, has actually contributed to disaffection with Beijing on the part of many in the local population. The Associated Press has reported that 'Since 2013 , thousands of Uighurs [sic] . . . have travelled to Syria to train with the Uighur militant group Turkistan Islamic Party and fight alongside al-Qaida', with 'several hundred [joining] the Islamic State', many of them radicalised by their treatment on the part of the Chinese State and determined to use their time in the Middle East to gain experience and return to Xinjiang as battle-hardened fighters capable of taking on Beijing.<sup>19</sup>

But the picture is not clear cut. The Chinese government has complained about unhelpful 'foreign interference' in Hong Kong and there is evidence to support this. Senior US politicians such as Vice-President

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<sup>17</sup> Ajit Singh and Max Blumenthal, 'China detaining millions of Uyghurs? Serious Problems with Claims by US-backed NGO and Far-Right Researcher "led by God" against Beijing', *The Grayzone*, 21 December 2019 <<https://tinyurl.com/swhnb5q>> or <<https://thegrayzone.com/2019/12/21/china-detaining-millions-uyghurs-problems-claims-us-ngo-researcher/>>

Against this, see Maya Rajagopalan, Alison Killing and Christo Buschek, 'Built to Last', a BuzzFeed News Investigation, 27 August 2020, <<https://tinyurl.com/yyzq3us6>> or <[https://www.buzzfeednews.com/article/meghara/china-new-internment-camps-xinjiang-uyghurs-muslims?utm\\_source=digg](https://www.buzzfeednews.com/article/meghara/china-new-internment-camps-xinjiang-uyghurs-muslims?utm_source=digg)>.

<sup>18</sup> Daniel Hirst, Katherine Murphy and Tania Brannigan, 'Tony Abbott lauds Xi Jinping's "commitment to fully democratic" China', *The Guardian*, 17 November 2014. <<https://tinyurl.com/y48x5odq>> or <<https://www.theguardian.com/world/2014/nov/17/tony-abbott-xi-jinping-china-democracy>>

<sup>19</sup> Gerry Shih, 'AP Exclusive: Uighurs fighting in Syria take aim at China', *AP News*, 23 December 2017, <<https://tinyurl.com/yyxdodgd>> or <<https://apnews.com/79d6a427b26f4eeab226571956dd256e/AP-Exclusive:-Uighurs-fighting-in-Syria-take-aim-at-China>>.

Mike Pence have met leading members of the opposition in Hong Kong, and civil society organizations there have received significant financial support from the National Endowment for Democracy (NED), a CIA spin-off established in 1983 to promote what later became known as 'regime change'. This has, of course, always been change to one committed to a political economy characterised by neoliberalism, in other words by free market capitalism.<sup>20</sup> In Hong Kong the NED has been financing groups since 1994. A *China Daily* article from 2019 stated that the NED has been financing groups in Hong Kong since 1994 and that the Hong Kong Human Rights Monitor received \$1.9 million between 1995 and 2013.<sup>21</sup> A search of the NED's grants database further reveals that, between 2016 and 2019, the (US-based) Solidarity Center received more than \$600,000 and the (US-based) National Democratic Institute \$825,000.<sup>22</sup>

As far as Xinjiang is concerned, the real story is complex. This area is rich in oil, gas and 'other natural resources and profoundly important to China's national security'.<sup>23</sup> The region borders Kazakhstan, Kyrgyzstan, Tajikistan, Afghanistan, Pakistan and India. At times of invasion and civil war in Chinese history it has tended to fall under foreign influence: for much of the twentieth century until the mid-1980s the Soviet Union played a powerful role in the province's politics, backing separatist groups.<sup>24</sup> This role has now been taken by the USA, which is funding a set of far-right and fundamentalist Islamic organisations such as the Victims of Communism Memorial Foundation<sup>25</sup> in a bid to promote instability in Xinjiang and perhaps even its detachment from China itself.<sup>26</sup>

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<sup>20</sup> For further discussion of this, see David Harvey, *A Brief History of Neoliberalism* (Oxford: OUP, 2007) and Scott Newton, 'The crisis: an historical perspective', *Lobster* 67 (2014) <<https://www.lobster-magazine.co.uk/free/lobster67/lob67-the-crisis.pdf>>

<sup>21</sup> Wei Xinyan and Zhong Weiping, 'Who is behind Hong Kong protests?' *China Daily*, 17 August 2019, <<https://tinyurl.com/yygyag4w>> and <[https://www.chinadaily.com.cn/a/201908/17/WS5d578b28a310cf3e355664f1\\_2.html](https://www.chinadaily.com.cn/a/201908/17/WS5d578b28a310cf3e355664f1_2.html)>

<sup>22</sup> NED Awarded Grants Search <<https://tinyurl.com/y3gwtohn>> and <<https://www.ned.org/wp-content/themes/ned/search/grant-search.php>>.

<sup>23</sup> Woodward p. 236

<sup>24</sup> Woodward p. 237

<sup>25</sup> '. . . a group founded after World War Two by Ukrainian nationalist Lev Dobriansky to lobby against any effort for detente with the Soviet Union. Its co-chairman, Yaroslav Stetsko, was a top leader of the fascist OUN-B militia that fought alongside Nazi Germany during its occupation of Ukraine. They helped found the World Anti-Communist League. See Ajit Singh and Max Blumenthal, note 17.

<sup>26</sup> Singh and Blumenthal, 'China detaining millions of Uyghurs?', see note 17.

The efforts of these shadowy parapolitical outfits have been supported by another NED-financed group, the World Uyghur Congress(WUC), which is keen to promote the creation of a separate Turkic State out of Xinjiang. WUC is linked to the extreme Right in Turkey, notably to the Fascist Grey Wolves organization. Finally there is the East Turkestan Islamic Movement (ETIM) whose objective is also the establishment of an independent state carved from Xinjiang, known as East Turkestan. The EU, UN Security Council and indeed the US government have all identified ETIM as a terrorist organization linked to Al-Qaida. In addition to its activities in the Middle East, during the last twenty years ETIM has carried out terrorist attacks in China, including in Xinjiang.<sup>27</sup> Given Xinjiang's strategic importance to China's security and territorial integrity and given the nature of the externally-trained and funded agencies at work in Xinjiang, the attitude of the Chinese State to dissidents there cannot be called surprising, even if the taking of a repressive line has exacerbated problems in the region. It has also provoked increasing global disquiet and has contributed to international tension, though it cannot be said to be the root cause of this, which stems from changing geopolitical conditions.<sup>28</sup>

## **The Thucydides Trap**

**I**t seems clear from reading Woodward and other, even more recent, sources that the accepted narrative explaining why China's relations with the West have deteriorated in recent years leaves a good deal to be desired. What has happened? The key is President Obama's 'pivot to China' in 2011, which heralded a shift in US external strategy, with diplomatic and military resources being shifted away from the Middle East and the Persian Gulf to Asia and the Pacific. This was provoked by growing US anxieties, common to both the Democratic and Republican Party establishments, concerning the long-term threat presented to American global hegemony by the rise of China as an economic and military power. The development has come to be seen in US think tanks as well as the Pentagon as a 'Thucydides trap'. The author of this expression was the political scientist Graham T. Allison, who quoted a passage from the *History of the Peloponnesian War* (fought during the last decades of the 5th Century BC) by the ancient Greek historian and

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<sup>27</sup> <<https://tinyurl.com/y6n6c4wt>> or <[https://www.un.org/securitycouncil/sanctions/1267/aq\\_sanctions\\_list/summaries/entity/eastern-turkistan-islamic-movement](https://www.un.org/securitycouncil/sanctions/1267/aq_sanctions_list/summaries/entity/eastern-turkistan-islamic-movement)>

<sup>28</sup> See 'Who is the root cause of China-U.S. tensions?' *The Point* programme, China Global Television Network <<https://www.youtube.com/watch?v=P1PQOy8arr4?>>.

general Thucydides, in a 2012 piece for the *Financial Times*: 'It was the rise of Athens and the fear that this instilled in Sparta that made war inevitable.'<sup>29</sup> The lesson was clear: when a previously dominant State is challenged by a rising power, conflict will result. In the contemporary era this meant that the USA (Sparta) and China (Athens) are drifting to war. And indeed, as Woodward shows, American strategists have developed a strategic plan known as 'Air-Sea Battle' for a US seaborne attack on 'an extensively armed major state'. This 'major state' is unnamed, but in reality can only be China.<sup>30</sup>

Few commentators seriously think war between the US and China is likely in the near future absent outright and unprovoked aggression from Washington. What does seem more probable, however, is a US effort to start a Cold War Mark Two, this time against China. The US is making efforts to not only isolate China economically but geopolitically as well, by surrounding it with a coalition of hostile powers and forward military bases; through this, China is also being engaged in an arms race – just like the USSR was during the first cold war. The encouragement of regional separatist tendencies within the People's Republic, and the launch of a propaganda offensive against it via mainstream and liberal media outlets throughout the West, also recalls the strategy of 'containment' deployed against the USSR from 1947 until it collapsed and disintegrated in 1991.

## **The Rules of the Game**

**W**hy should Washington turn its back on co-operation with China and pursue this provocative course? After all, as we noted earlier, there are powerful sectors of US capital which benefit from engagement with China; China's prompt action prevented a global depression after 2008; and Chinese trade and investment are stimulating international economic development and activity. The Chinese have made no move to roll back the liberalisation of the international economy and have not promoted the spread of autarkic socialist regimes anywhere. They have, in addition, bought very significant amounts of dollar-denominated assets, helping to sustain the international role of the dollar as the world's leading trading and reserve currency. It may not seem rational for the US to pursue a confrontation here but two quotations explain the reality from Washington's perspective. The first is the comment of former French

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<sup>29</sup> Graham Allison, 'Thucydides's trap has been sprung in the Pacific', *Financial Times*, 21 August 2012. <<https://www.ft.com/content/5d695b5a-ead3-11e1-984b-00144feab49a>>

<sup>30</sup> Woodward p. 72

Foreign Minister Hugo Vedrine that 'most great American leaders have never doubted . . . that the United States was chosen by Providence as the "indispensable nation" and that it must remain dominant for the sake of humankind'.<sup>31</sup> The second is a comment by Perry Anderson that the US state acts 'not primarily as a projection of the concerns of US capital, but as a guardian of the general interest of all capitals, sacrificing – where necessary and for as long as needed – national gain for international advantage in the confidence of the ultimate pay-off'.<sup>32</sup>

In other words, the US both writes and polices the rules of the game and the rise of China represents a *de facto* challenge to this hegemony. On the surface this seems a strange observation. China has engaged very successfully and indeed supportively (shown by its reaction to the 2008-9 Crash) with global capitalism. But it does so in a qualified way, or, to paraphrase Xi Jinping, 'with Chinese characteristics'.<sup>33</sup> Not only does the Chinese economy continue to operate a large state-owned sector but its financial system is closely regulated, with controls over the currency and over capital movements. China does not possess the conviction that private economic activity trumps public enterprise, that government should be small, organised labour suppressed, trade free and international capital flows unhindered. Its assistance for developing nations is not accompanied by requirements that states cut spending, privatise public industries and services and liberalise the foreign trade sector. In short China has never, in practice, endorsed the neoliberal norms of the 'Washington consensus' established during the 1980s and there is a real prospect that, if it does become the world's largest economy, it will seek to re-write the rules of the game in a way that is not compatible with free market capitalism. This is what the US fears and its strategy is therefore directed to forcing China to accept Washington's leadership and 'enter the world family of nations' on US terms or it would face the likelihood of pre-emptive diplomatic, economic and, if necessary, military action to halt its rise. As Woodward points out, this approach is designed to ensure not only protection of the interests of global capital but to secure 'a longer-term pay-off' for US domestic industry and finance 'by preventing China reaching the point of

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<sup>31</sup> Woodward p. 14

<sup>32</sup> Woodward p. 68. The quote is taken from Perry Anderson, 'Imperium and Consilium', *New Left Review*, 83 (September-October 2013).

<<https://newleftreview.org/issues/II83/articles/perry-anderson-imperium>>

<sup>33</sup> A reference to his characterisation of the contemporary Chinese political economy as 'socialism with Chinese characteristics'.

competing at US levels of productivity and technology'.<sup>34</sup>

## **A Strategy Doomed to Fail?**

**W**oodward shows that there are real problems with the feasibility of the US strategy. Its efforts to establish a coalition of central Asian and Pacific nations to surround China have not been wholly successful, and the balance of forces in the Far East does not suggest prospects are likely to improve. Thus the Philippines, which had strongly opposed China regarding its claims to sovereignty over islands in the South China Seas, has recently performed a volte-face and is looking for accommodation with Beijing. US-Pakistan relations are poor. India has stepped-up military and economic co-operation with Washington, but shows no enthusiasm for a diplomatic and economic rupture with China (despite longstanding Sino-Indian border disputes). The Central Asian republics, strategic partners of the USA in the aftermath of 9-11 in 2001, have now gravitated to increasingly close military and economic relations with China and Russia through the SCO. China has become South Korea's top trading partner, a fact which has led Seoul to turn away from confrontation with Beijing. Indeed the only country in the region which has followed the American line concerning China is Japan, whose history of aggressive and militaristic expansion in East Asia tends to leave other nations there more anxious about the long-term intentions of the government in Tokyo, especially the nationalist Liberal Democrat administration of Shinzo Abe, than the one in Beijing. All these states are attracted by the size of the Chinese economy, which acts as a growing market and an important source of foreign investment on a scale the US cannot begin to match. They have no urgent common interest in diplomatic, economic or military conflict with China.<sup>35</sup>

At the start of Cold War Mark One, against the USSR, the USA was supported by the powerful coalition of West European states which after 1949 became institutionalised in NATO. The USSR, after suffering terrible loss of life and damage between 1941-45, was not well positioned to play a critical role in helping Western Europe to recover: the attractive power of its economy was limited, unlike China's today, which meant that the costs of a breach with Moscow were bearable, especially given US aid through programmes like the Marshall Plan. In the same way, Cold War Mark Two cannot be conducted successfully in the absence of full backing for Washington from a strong and sympathetic group of Asian and Pacific

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<sup>34</sup> Woodward p. 68

<sup>35</sup> See the excellent analysis in Woodward parts III-V inclusive.

nations. Washington and its friends in the media on both sides of the Atlantic may be able to mobilise a coalition of anti-Communists and Western liberals against China but the current indications are that its efforts to put together a NATO-style alliance in Asia, one based not on public opinion but on hard military and economic power, will not be rewarded. If the USA, no longer capable of offering significant economic incentives to its allies, has to go it alone, or with the assistance of, say, the UK, Japan and a few half-hearted local powers unwilling to disrupt their relations with Beijing, prospects for its efforts to contain, isolate and enfeeble China through the pursuit of Cold War Mark Two are not at all good. Barring a ruinous decision to go to war with China (and the outcome of that cannot be certain) Washington's attempt to check China's rise seems doomed.

We are left with one final thought, about where Britain stands in all this. The UK is likely to find itself in a very difficult position as a result of the deterioration in Sino-US relations. Given the Anglo-American 'special relationship', arguably even more important to London now, in the aftermath of Brexit, than at any time in the last five decades, the British government will be very cautious about taking steps in foreign affairs which are not popular in Washington, as the recent controversy over the role of Huawei in the UK's move to a 5G network has shown. There is clearly a strong push within the British establishment, coming mostly from within the Tory Party and its friends in the City and the armed services, in favour of military deployment in support of US forces in the Far East, even if few other nations are willing to join.<sup>36</sup> This might make sense for the complex of defence industries, banks, hedge funds and private equity firms at the core of modern British Conservatism<sup>37</sup> but it is hard to see what benefit there is for the rest of us in the UK from confrontation with a nation which appears to harbour no aggressive intentions to foreign countries and seems destined to become within a short time the world's largest economy.<sup>38</sup>

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<sup>36</sup> See Scott Newton, 'The Lexit delusion', *Lobster* 79 (2020) <<https://tinyurl.com/y4wg36f4>> or <<https://www.lobster-magazine.co.uk/free/lobster79/lob79-the-lexit-delusion.pdf>> and Tom Cotterill, 'Royal Navy aircraft carrier HMS Queen Elizabeth to be based in Far East as UK bans Chinese tech firm Huawei from Britain's 5G network', *The News*, 14 July 2020, <<https://tinyurl.com/yxjo93ru>> or <<https://www.portsmouth.co.uk/news/defence/royal-navy-aircraft-carrier-hms-queen-elizabeth-be-based-far-east-uk-bans-chinese-tech-firm-huawei-britains-5g-network-2913359>>.

<sup>37</sup> For further discussion of this see Newton, 'The Lexit delusion', see note 36.

<sup>38</sup> Martin Jacques, 'Civilization state versus nation-state', <<http://www.martinjacques.com/uncategorised/civilization-state-versus-nation-state/>>.

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