U.S.-China Relations Under the Trump Administration

Changes and Challenges

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Abstract: The beginning of the 21st century witnessed remarkable changes in the distribution of global power. The lack of strategic vision by the United States has resulted in a power crisis, which in turn accelerates the trends of new multipolarity with several power centers in the world. Since President Trump took office in January 2017, the United States has been challenging the established norms of international relations on many fronts and, in particular, shifting its policy toward China to one that trumpets geopolitical rivalry amid their economic interdependence. The ever increasing anxiety of the United States has undermined

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multilateralism and globalization, generating profound consequences and impacts on major-power relations around the world. In the future, Washington and Beijing must seek common goals that can bring them together to resolve disagreements and set boundaries for potential conflicts. The U.S. leadership should always keep in mind that China is an important partner; and if the two powers fail to cooperate, there will be devastating implications for the whole world. In the meantime, Washington and Beijing need to be aware that an acute conflict of any kind between two high-tech countries may substantially change the world for all.

Keywords: U.S.-China relations; Donald Trump; trade war; "China Threat."

Amid the changing dynamics of major-power relations, *Destined for War: Can America and China Escape Thucydides' Trap*, written by Harvard professor Graham Allison, has attracted worldwide attention since its publication in 2017, for it concludes that a situation known as the "Thucydides' trap" can very possibly lead to war between the United States and the People's Republic of China. Comparing U.S.-China tensions today with those in history between ancient Sparta and Athens described by Thucydides, Allison contends that it is "the rise of Athens, and the fear that this inspired in Sparta, that made war inevitable."¹ By contrast, some U.S. statesmen, including former Secretary of State Henry Kissinger, still believe that Washington and Beijing will nevertheless be pragmatic enough to continue cooperation in their mutual interest, given the existing "complex interdependence" between both countries and the need to rely on each other to reduce their costs.²

Since Donald Trump took office as U.S. President in January 2017, the future direction of U.S.-China relations seems to be clearer. Unfortunately,

¹Graham Allison, *Destined for War, Can America and China Escape Thucydides' Trap* (Boston, MA: Houghton Mifflin Harcourt, 2017), pp. 11–12.

²Robert Keohane and Joseph Nye regard this kind of modern inter-state relations as not only competitive, but of "complex interdependence" as well. See Gideon Rose, "The Fourth Founding: The United States and the Liberal Order," *Foreign Affairs* (January/February 2019), p. 19.

President Trump's "America First" policy has resulted in the U.S. withdrawal from a large number of international agreements and a new U.S. strategy for conditional participation in allied commitments in Europe and Asia, which makes Washington appear less credible to the international community. Furthermore, the Trump administration is inclined to apply the mindset of comprehensive confrontation when dealing with Beijing, which could strengthen Sino-American rivalry and ultimately lead to a new Cold War.

This article intends to explore the reasons behind the emergence of the "China Threat" notion in the United States and the consequences of geopolitical rivalry between Washington and Beijing. To be more specific, why has the United States changed its stance toward China? And how might future Sino-American rivalry proceed? The article first provides a historical overview of U.S.-China relations from the 1970s until President Trump came into power. It then explains the deterioration of U.S.-China relations under the Trump administration. The third section further elaborates on how the United States has become more anxious toward China and has finally shifted its China policy. After analyzing the roots and implications of the "China Threat" notion, the fourth section examines the potential consequences of Sino-American rivalry. The article concludes by discussing the future development of U.S.-China relations in the context of global political and economic instability.

U.S.-China Constructive Engagement: A Historical Perspective

During the 1950s and 1960s, China, as an isolated and underdeveloped country, did not catch much attention from the United States. However, in the early 1970s, the Nixon administration realized that cooperation with Beijing would be useful to the United States in its strategic competition with the Soviet Union in order to "increase the flexibility of U.S. diplomacy." U.S.-China constructive engagement was thus kicked off by "ping-pong diplomacy," the ensuing visit of U.S. President Richard Nixon to Beijing, and the signing of the Shanghai Communiqué in 1972, in which the United States "acknowledge[d] that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China" and "affirm[ed] the ultimate objective of the withdrawal of all U.S. forces and

military installations from Taiwan.”³ At that time, both leaders in the United States and China were aware of their common geopolitical threat from the Soviet Union and the urgent need to strike a new balance of power in Asia. As Henry Kissinger, Nixon’s Secretary of State, described, “Beijing and Washington were in a marriage of convenience, that had later grown into an emotional relationship, mostly thanks to China’s diplomatic ability.”⁴

The signing of the Shanghai Communiqué paved the way for a policy of cooperation with China followed by the next five U.S. administrations. In May 1975, President Gerald Ford withdrew the last fighter jet from Taiwan. During his tenure, a 200 million dollar-contract was approved for the sale of intelligence-gathering aircraft to China, breaking the decades-long blockade of military technology sales to this Asian country. Following the death of Mao Zedong in 1976, the Ford administration approved the sale of the first two computers (US Cyber 72-Control data), which were intended for oil exploration and seismological testing, but could also be used for military purposes. However, the U.S. elections in 1976 showed that the conservative wings of both the Republican and Democratic parties were still divided over the U.S. policy toward China. The anti-communist right wing, led by Ronald Reagan, opposed continuing normalization with China, primarily because it would require the United States to abandon official relations with Taiwan and withdraw its military personnel and facilities from the island.

A major step was taken by President Jimmy Carter in 1979 with the establishment of U.S.-China diplomatic relations, although it was overshadowed by the ensuing Congressional moves on the *Taiwan Relations Act* and including China in its annual report on human rights — at the very moment when China made great efforts to obtain the Most Favored Nation (MFN) status in trade negotiations

U.S.-China cooperation has been expanding despite lasting debate within the U.S. government on China policy.

³The Sino-US Joint Communiqué was signed by President Richard Nixon and Premier Chou En-lai in Shanghai on February 27, 1972.

⁴Quoted from Dragan Miljanić, “Oscilacije u odnosima SAD-Kina,” *Međunarodna politika*, 1996, p. 30.

with the United States. Nevertheless, cooperation between the two countries started to gather momentum, especially in terms of military exchanges.

When President Reagan took office in 1981, the U.S. policy toward China became a hot topic of debate again within the U.S. government — between the reformist and conservative wings of the Republican Party, between the White House and the State Department and, conditionally, between President Reagan and his Secretary of State Alexander Haig. Thanks to Haig, the first two years of Reagan's tenure were marked by successful U.S.-China cooperation in most areas. However, with the departure of Haig and the arrival of Paul Wolfowitz and George Shultz, Washington's position toward China changed, with Japan becoming the focus of the U.S. Asia policy. During this period, The U.S. policy toward Taiwan and the control of Chinese arms sales to Middle Eastern countries highlighted growing disagreement between Washington and Beijing. Yet, President Reagan's visit to China in April 1984 was a great success for Beijing, given that he was much more conservative, anti-Communist, and pro-Taiwan than his predecessors.

In the 1990s, the idea of a potential conflict between the United States and China re-emerged when the dissolution of the Soviet Union diminished fears of a common threat and weakened U.S. support for a common goal, threatening a return to tensions from the 1950s.⁵ The first reason was the demise of communism in Europe, which began with the revolutions in Central and Eastern Europe in 1989 and culminated two years later with the breakdown of the Soviet Union. Second, Washington began to impose heavy sanctions on China's import of weapons and high technology since late 1989. The third reason was the bombing of the Chinese embassy in Belgrade in 1999 by the United States.⁶ These events made it necessary for both President George H. W. Bush and President Bill Clinton to find a new rational framework for the U.S. policy toward China.

Although President Bush was first convinced that he would continue to develop relations with China, he was forced to make the biggest policy change. He ordered sanctions against China in 1989 while managing to

⁵Henry Kissinger, *Does America need a Foreign Policy? Toward a Diplomacy for the 21st Century* (New York, NY: Simon & Schuster, 2001), p. 114.

⁶Three Chinese embassy officials were killed during the bombing, while 27 Chinese citizens were wounded.

open a secret channel of communication with Deng Xiaoping to maintain relations with China.⁷ Due to the constant struggle between the American establishment and the U.S. media and public opinion, U.S.-China relations were rebuilt very slowly. Yet, after a while, it became evident that the bilateral relations were on an upward trajectory as the United States abstained from voting in the World Bank, tacitly granting necessary loans to China, and as Beijing abstained during the voting on the United Nations Security Council resolution on Iraq. However, in order to attract voters during the 1992 presidential campaign, the Bush administration announced that it would sell F-16 fighter jets to Taiwan. Such a move was not enough to win him a second term; and the key was now in President Clinton's hands to reshape the U.S. policy toward China.

At the very beginning of his term, President Clinton signed a bill into law that made China's restoration of the MFN status be connected with a positive assessment of China's respect on human rights and non-proliferation of nuclear weapons.⁸ This decision was opposed by the majority of the American business community. As a result, Clinton decided to abandon economic sanctions on China in 1993. Although during this period, warming U.S. relations with Taiwan defined U.S.-China relations in almost all areas, both countries continued to foster their strategic partnership and common interests, such as on North Korea's nuclear program, which led to renewed U.S. communication with Chinese representatives at all levels and President Jiang Zemin's visit to Washington in 1997. It was clear that President Clinton, enduring the criticism from a group of Republicans in Congress made up of neo-conservatives and religious activists, was constantly striving to develop constructive relations with China.

As Clinton's successor, President George W. Bush, who treated China as both a rival and partner at the same time, had an equally rational approach to improve relations with China. Aware of China's growing role in the world, he prioritized their common interests, such as the fight against terrorism, which allowed both countries to develop relations based upon co-existence and cooperation throughout his tenure. In line with this

⁷James H. Mann, *About Face: A History of America's Curious Relationship with China, from Nixon to Clinton* (New York, NY: Alfred A. Knopf, 1999), p. 226.

⁸*Ibid*, p. 281.

position, the United States backed China's accession to the World Trade Organization (WTO) as well as its hosting of the 2008 Beijing Olympics.

The U.S.-China policy has always served to meet U.S. national interests of the time.

After President Barack Obama took office in 2009, the United States continued to maintain a positive approach in cooperation with Beijing. As Obama's first Secretary of State Hillary Clinton confirmed, while many believed that China was, by definition, an adversary, the United States believed that cooperation could bring benefits to both countries.⁹ However, when President Obama

entered into his second term, divided opinions on Chinese goals began to be heard and various "China Threat" notions were constructed. Increasingly, the anti-communist right wing called the authorities in Beijing a "new evil" to be eradicated. Although Chinese leaders have in their speeches constantly sought to downplay China's role on the world stage by using such words as "peaceful development" and China's "lack of cultural genes" in seeking regional hegemony, China has nevertheless attracted growing attention. This was largely driven by its incredible economic growth even during the 2008 financial crisis and the global recession right afterwards, the modernization of its military forces which was delayed in the first ten years of Deng's reform, and its increasingly assertive foreign policy. In contrast, the U.S. left-wing, traditionally wary of geopolitics-based politics, has focused much on advocating for human rights and promoting democracy as a U.S. foreign policy priority.¹⁰

This also led Washington to interpret Chinese moves toward neighboring and other countries in the context of geopolitical and ideological competition. Consequently, President Obama announced the U.S. "Rebalance to Asia" in 2012 (formerly "Pivot to Asia"), which indicated the U.S.' increasing reliance on a "containment" strategy toward China to preserve the balance of power in Southeast Asia. For U.S. officials, Beijing is

⁹Josh Rogin, "Obama contradicts Clinton, calls China an 'adversary,'" *Foreign Policy*, October 22, 2012, <https://foreignpolicy.com/2012/10/22/obama-contradicts-clinton-calls-china-an-adversary>.

¹⁰Henry Kissinger, *Does America need a Foreign Policy? Toward a Diplomacy for the 21st Century*, p. 116.

becoming a “potential rival” rather than a close partner, with whom the relationship was once described as “Chimerica” by Harvard professor Niall Ferguson.¹¹ This negative attitude has continued to grow due in large part to the forecast by some world-renowned analysts that China will be climbing to the top of the international system within only 20 to 30 years.

U.S.-China Relations Under Trump: The End of Constructive Engagement

The election of President Donald Trump in January 2017 signaled that in the coming years the United States would shift its focus from global interests to national interests in accordance with his “America first” doctrine.¹² Indeed, Americans have become less prepared to take on the burden of maintaining a liberal international economic order, which they have been advocating for decades; instead, they place greater emphasis on their own competitiveness.¹³ As a result, the Trump administration withdrew the United States from a large number of international accords by which they perceive inadequate American interests, including the Trans-Pacific Partnership (TPP), the *Paris Agreement on Climate Change*, the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Universal Postal Union (UPU), the United Nations Human Rights Council, the Iran nuclear deal, and the *United Nations Global Compact on Migration*, among others. In turn, this accelerated the redistribution of power in the world and highlighted the need for the transfer of global responsibility from the United States to other countries, especially those emerging in Asia.

Bearing in mind the unpredictability of President Trump’s policy, it is very likely that U.S. relations with its allies will also be compromised because of Trump’s conviction that the United States has long been the victim of bad trade deals and unfair trade practices. Washington has already

¹¹Niall Ferguson, “Not two countries, but one: Chimerica,” *The Telegraph*, March 4, 2007.

¹²President Trump has set the goals of deficit reduction, infrastructure building, improving public education, greater investment in social security, and adopting a smart immigration system that will allow talented foreigners to come and stay.

¹³Charles W. Kegley and Eugene R. Wittkopf, *World Politics: Trend and Transformation* (Boston, MA: Bedford/St. Martin’s, 2001), p. 472.

adopted an aggressive stance that seeks to alter existing agreements to establish and promote free and “fair” trade with all major partners. In this regard, the process of renegotiating trade agreements that Washington deems detrimental to U.S. interests has begun. The *North America Free Trade Agreement* (NAFTA) and the *U.S.-Korea Free Trade Agreement* have been scrutinized and amended. To achieve the same objective, President Trump launched re-negotiations with Beijing to cut huge U.S. deficits in its trade with China. After several unsuccessful rounds of talks with Chinese officials, the Trump administration waged a trade war with China in March 2018, citing unfair Chinese trade practices and U.S. intellectual property theft.¹⁴ Shortly afterwards, Beijing responded by increasing tariffs on U.S. products, mostly coming from U.S. states that voted in favor of President Trump. So far, statistics show that President Trump has failed to reduce the existing trade deficits with China through the measures he introduced. Specifically, the deficits, which totaled \$347 billion in 2016 and increased to \$375 billion in 2017, rose to \$420 billion after the introduction of protectionist measures.¹⁵

In addition to the trade war, the United States has significantly reduced the inflow of Chinese investment in recent years, especially those related to acquisitions of U.S. companies that possess technology thought to have capabilities to threaten U.S. national security. That is why the Committee of Foreign Investment in the United States (CFIUS), formed in the 1970s to reduce the flow of Japanese investment, was activated as part of the review process of the Bureau of Industry and Security of the Department of Commerce. For example, in recent years, the CFIUS has prevented

¹⁴Trump believes that the United States has already lost in economic competition with China because China enjoys a trade deficit of \$500 billion per year and intellectual property theft of \$300 billion, mainly due to the irresponsible policies made by previous administrations. See Jeff Smith, “China’s Belt and Road Initiative: Strategic Implications and International Opposition,” The Heritage Foundation, August 9, 2018, <https://www.heritage.org/asia/report/chinas-belt-and-road-initiative-strategic-implications-and-international-opposition>.

¹⁵Swanson Ana, “U.S.-China Trade Deficit, Hits Record, Fueling Trade Fight,” *The New York Times*, February 6, 2018, <https://www.nytimes.com/2018/02/06/us/politics/us-china-trade-deficit.html>; and Stevanović Jelena, “Bez primirja u trgovinskom ratu SAD i Kine,” *Politika*, May 11, 2019, <http://www.politika.rs/sr/clanak/429275/Svet/Bez-primirja-u-trgovinskom-ratu-SAD-i-Kine>, May 30, 2019.

the acquisition of Aixtron by Fujian Grand Chip Investment Fund, Lattice Semiconductor Corp by Canyon Bridge Capital Partners, Global Eagle by HNA Group, and MoneyGram by Ant Financial.¹⁶

In August 2018, the acquisition process of U.S. companies was further complicated by the passage of a new *Foreign Investment Risk Review Modernization Act* (FIRRMA) in the Congress, which extends the CFIUS's authority to audit foreign companies' investments in critical and emerging technologies. Following this trend, foreign investment in U.S. semiconductor manufacturing companies or technologies that have a potential for armed use, investments that would result in access to personal data of U.S. citizens, as well as those that would give a competitive edge to the new generation of telecommunications or other advanced technologies may no longer be acceptable. With these laws and regulations, the security screening system of the U.S. government has made Chinese investment in U.S. high-tech companies practically impossible in any form.

The result of such measures, according to research data from the 2018 Mergermarket report, is that Chinese investments in U.S. companies have fallen by 94.6 percent compared with 2016 (from \$55.3 billion to \$3 billion).

Chinese procurement of U.S. high-tech companies may be totally impossible in the near future.

¹⁶Although the U.S.-China Economic and Security Review Commission published a report in 2012 calling for greater scrutiny of Chinese investment in the United States in the case of national security breaches, the CFIUS subsequently approved dozens of Chinese acquisitions, as reflected in a March 2018 Congressional Research Service Report summarizing acquisitions subject to the CFIUS review by country of origin and investment sector. Thus, the CFIUS approved the acquisition of Syngenta by ChemChina, the Chicago Stock Exchange by Chongqing Casino Enterprise Group, and Fairchild Semiconductor by ON Semiconductor. Even in cases of opposition by some members of Congress as well as the Strategic Materials Advisory Council, the CFIUS approved the acquisition of A123 Systems by the Wanxiang Group. It also approved the acquisition of Smithfield Foods by Shuanghui International Holdings Ltd. worth \$4.7 billion, though there was significant opposition from the National Farmers Union and the Center for Rural Affairs. See David Blumenthal *et al.*, "CFIUS and Chinese Investment in the United States — A closed door," Latham & Watkins, No. 2352, June 4, 2018, <https://www.lw.com/thoughtLeadership/CFIUS-chinese-investments-united-states-reprint>.

The situation will be further aggravated by the new changes of the CFIUS, which will extend the bans to a specific category of “critical infrastructure” that will include telecommunications, power generation (nuclear power), utilities and transport (high-speed railway).¹⁷ Consequently, the United States will be able to block a far wider array of foreign transactions that are deemed threats to its national security, including minority stakes and joint ventures in technology, telecommunications and other cutting-edge companies. Although these measures are not targeted at China alone, the fact that over 50 percent of declined transactions in the U.S. market are investment requests of Chinese companies suggests that Chinese investments are no longer welcome in the United States.¹⁸ In addition to these measures, the Trump administration has developed other ones that would kill the business deals right from the start. For example, instead of making a negative CFIUS decision, the Trump administration has introduced a rigorous review system that drastically extends the review period, which would greatly demotivate companies seeking to invest in the U.S. market.

Over the past years, anti-Chinese rhetoric has also become increasingly prominent in key strategic documents, such as the *2017 United States National Security Strategy* and the *2018 United States National Defense Strategy*. In these documents, China is presented (with Russia) as a strategic competitor and “predator” who uses economic inducements and penalties, influence operations, and implied military threats to persuade other states to heed its political and security agenda. Accordingly, the Trump administration will focus on the Indo-Pacific in the coming years as a key region of interest to the United States.¹⁹ In his speech in June 2018 on the U.S. policy towards Europe, A. Wess Mitchell, U.S. Assistant Secretary of State for Europe and Eurasia, presented China and Russia as political models based on

¹⁷Steve Dickinson, “New CFIUS Rules Shut Down Chinese Investment in U.S. Technology,” China Law Blog, January 16, 2019, <https://www.chinalawblog.com/2019/01/new-cfius-rules-shut-down-chinese-investment-in-u-s-technology.html>.

¹⁸Alan Rappeport, “In New Slap at China, U.S. Expands Power to Block Foreign Investments,” *The New York Times*, October 10, 2018, <https://www.nytimes.com/2018/10/10/business/us-china-investment-cfius.html>.

¹⁹Embassy in Georgia, “National Security Strategy of the United States of America,” December 19, 2017, <https://ge.usembassy.gov/2017-national-security-strategy-united-states-america-president>; and Jeff Smith, “China’s Belt and Road Initiative: Strategic Implications and International Opposition.”

authoritarianism and military power that challenge the position of the West, which represents an area of regulated freedom where the separation of branches of government guarantees the preservation of freedom of the individual and the community, and where the alliances protect the nations that rest on that freedom.²⁰

After Chinese President Xi Jinping inaugurated the Belt and Road Initiative (BRI) in 2013, Washington has begun lobbying against the participation of its allies in the Asian Infrastructure Investment Bank (AIIB), a China-initiated financial institution to support the BRI. Then, in October 2017, the Trump administration — in conjunction with its allies — launched “silent talks” on how to create alternative financing schemes to developing countries which are in need of foreign investments. For example, the Trump administration raised funds for the Overseas Private Investment Corporation (OPIC) fund from \$29 billion to \$60 billion.²¹ Memoranda were signed with the Japan Bank for International Cooperation (JBIC) and the Association of European Development Finance Institutions (AEDFI) to promote cooperation on “sustainable investments” in developing countries and promote “democratic values, self-sustaining societies and the strengthening of best practices.”²² Moreover, the International Development Finance Corporation (IDFC) has been established together with Australia and Japan to fund and assist U.S. companies involved in overseas digital infrastructure projects; and in December 2017, the United States, Japan, and the European Union (EU) set up an informal alliance within the WTO to combat “the unfair market distorting and protectionist practices by third countries,” which primarily referred to China.

The U.S. worries that China’s “debt trap diplomacy” will win China more leverage in international politics.

²⁰Wess Mitchell, “The Transatlantic Bond: Preserving the West,” The Heritage Foundation, June 5, 2018, <https://www.heritage.org/europe/event/the-transatlantic-bond-preserving-the-west>.

²¹“Pompeo says U.S. to be more Engaged in East Europe, warns Russia trying to divide West,” *Radio Free Europe/Radi Liberty*, February 11, 2019, <https://www.rferl.org/a/pompeo-begins-central-europe-trip-with-focus-on-russia-china/29762993.html>.

²²Embassy in Georgia, “National Security Strategy of the United States of America.”

However, only after China highlighted its “Made in China 2025” initiative did Trump’s White House begin to openly claim that most of the projects implemented under the BRI represent “debt trap diplomacy.” 16 U.S. Congresspeople, by referring to President Xi’s statement²³ at the 19th National Congress of the Communist Party of China (CPC), indicated in a letter to Secretary of State Michael Pompeo and Secretary of Treasury Steven Mnuchin in August 2018 that the participation of individual countries in the BRI projects led to their indebtedness, citing Montenegro, Pakistan, Sri Lanka and Djibouti as examples. These Congresspeople pointed out that borrowing from Chinese financial institutions would harm these countries because they would fall in a dependent position, and that the final consequences are often borne by the International Monetary Fund (IMF) to which the United States is the largest contributor, in order to save them from excessive debt and bankruptcy. For these countries’ debts often lead to financial default and debt-to-equity conversion, which is a security problem that is of strategic importance; and possibly leading to changes in foreign policy decisions of these countries, which can best be seen when they vote in international organizations in favor of Beijing.²⁴ These criticisms were echoed in April 2018 by former IMF Director Christine Lagarde, who indicated that borrowings from Chinese financial institutions could lead to problems of increasing public debt, making it necessary for China to be preventive in concluding preferential loans with countries within the BRI and to insist on debt sustainability and conduct of a risk analysis, with which the Chinese leadership has agreed.²⁵

Additionally, to heighten pressure on Beijing and prevent Chinese competition in telecommunications, the United States began to accuse ZTE and Huawei of being security risks due to possible “wiretapping” of users

²³At the 19th National CPC Congress held in Beijing on October 18, 2017, Xi announced that “China’s development does not pose a threat to any other country. No matter what stage of development it reaches, China will never seek hegemony or engage in expansion.” See full text of the report at <http://www.china.org.cn/20171105-002.pdf>.

²⁴United States Senate, “Senators’ Letter to Michael Pompeo and Steven Mnuchin,” August 3, 2018.

²⁵Richard Partington, “IMF chief urges China to focus on ‘belt and road’ sustainability,” *The Guardian*, April 26, 2019, <https://www.theguardian.com/world/2019/apr/26/belt-and-road-forum-xi-jinping-promises-transparency-to-ease-concerns>.

of their devices by the Chinese government. Arrests of Ms. Meng Wanzhou, Chief Financial Officer (CFO) of Huawei in Canada and Wang Weijing, Regional Director of the company in Poland, together with a Polish citizen on charges of spying in favor of China,²⁶ a ban on the use of Huawei technology in the United States and Washington's warnings on suspending cooperation with countries that continue to do business with Chinese companies flagged as security risks have forced countries around the world to rethink their 5G telecommunications network contracts set up with Huawei.²⁷ In addition to technology companies, the Confucius Institutes and Chinese student organizations are also subject to scrutiny in the United States, and the U.S. government is now investigating other forms of potential Chinese influence, whether through think-tanks, media or the Chinese diaspora.

Behind the Shift of Trump's China Policy

The reasons for the increasingly negative attitude toward China from Trump's America can be found in history, which is imbued with paranoia as an important driver of American expansionism. Constantly creating enemies while expanding and annexing territories, the United States has adopted the position that American enemies are everywhere and that it is necessary to fight and destroy them.²⁸ The paranoia was further strengthened by the relatively low level of social trust that Americans had toward other races and ethnic groups. This has been demonstrated by the long history of slavery in the United States, where great differences could be seen in terms of ethnicity and race, especially with regard to African-Americans,

²⁶Paul Mozur and Raymond Zhong, "Huawei and China, Facing U.S. Charges, Have Few Ways to Retaliate," *The New York Times*, January 29, 2019, <https://www.nytimes.com/2019/01/29/technology/huawei-indictment-criminal-charges.html>.

²⁷Alicja Bachulska and Richard Q. Turscanyi, "Behind the Huawei Backlash in Poland and Czech Republic," *The Diplomat*, February 6, 2019, <https://thediplomat.com/2019/02/behind-the-huawei-backlash-in-poland-and-the-czech-republic>.

²⁸Jeffrey D. Sachs, "Will America Create a Cold War with China?," *Horizons* (No. 13, Winter 2019), <https://www.cirsd.org/en/horizons/horizons-winter-2019-issue-no-13/will-america-create-a-cold-war-with-china>.

Asians, native Americans, Hispanics, Arabs, Jews and other immigrant groups who were not native English speakers.

Back in the 1960s, American historian Richard Hofstadter wrote about “the paranoid style in American politics,” i.e., how the American right invents or exaggerates dangers that do not exist. This has led to episodes such as the “Red Scare” against Bolsheviks just after World War I, accusations against Communism after World War II during Joseph McCarthy’s era, fear of Japan as a superpower during the 1980s, and the global war on terrorism after 9/11.²⁹ This paranoid approach of the United States could also be seen in the official documents of the National Security Council of 1950 (NSC-68), where the Soviet Union was labeled as an unrelenting enemy seeking to undermine and destroy the integrity and vitality of the United States. However, unlike strategists who sought U.S. protection in preventative wars, some analysts felt that a different approach should be taken. Thus, George Kennan, designer of the “containment” policy, opposed the existing arms and proxy race with the Soviet Union and advised the U.S. leadership to patiently wait for the collapse of the Soviet Union’s unsound centralized economy due to its own failures. Aware of the implications of the tension between the two great powers, Daniel Ellsberg noted in his latest book *The Doomsday Machine* that the world should be happy that it survived the Cold War madness. Unfortunately, soon after the collapse of the Soviet Union, it became apparent that the years to come would lead to a new multiplication of fears and exaggeration of the dangers in American society — paranoia would prevail again and the United States

would start looking for new enemies in other corners of the world.

The U.S. has an intrinsic paranoia for a growing power of different race and culture.

Immediately after the end of the Cold War, Americans replaced the decades-long threat from the Soviet Union with a new “Chinese threat.” Back in 1991, Deng Xiaoping issued press statements that “conflicts between the two countries constituted a

²⁹Richard Hofstadter, “The Paranoid Style in American Politics,” in Richard Hofstadter, *The Paranoid Style in American Politics and Other Essays* (Cambridge, MA: Harvard University Press, 1964), <https://static1.squarespace.com/static/55258625e4b00cfda38b47d7/t/56e84dc12fe131ff71851fca/1458064834964/Hofstadter-Paranoid-Style-American-Politics.pdf>.

'new Cold War.'"³⁰ Even then, it was clear that China, as the largest remaining Communist nation, had assumed the role of the leading ideological and geopolitical rival of the United States. This was further compounded by China's rapid economic growth and its significant budgetary allocation for modernizing the military. As a result, many researchers, analysts, and journalists in the West began amplifying the "China threat" notion and potential conflicts between a declining power and a rising power. As the famous Athenian historian Thucydides wrote in his book *History of the Peloponnesian War*, war could break out if an established force began to fear the rising power — "What made the war inevitable was the rise of Athenian power, and the fear it aroused in Sparta," which was the cause of the Second Peloponnesian War. The essence of the "Thucydides' Trap" is that the existing power becomes nervous because of the rise of a new power, which can lead to war.³¹

For a long time, coexistence was something that described the relations between the United States and China. However, the inauguration of Donald Trump as the 45th President of the United States has triggered a visible shift of policy toward Beijing. Immediately at the beginning of Trump's presidency, it became apparent that Washington had ceased to believe that the Chinese leadership would abandon the authoritarian approach, further integrate China into the post-war international order and liberalize its politics in line with Western democracies; instead, it seeks to change the existing order into a Sino-centric world based on Chinese values.

Criticizing the political "doves" in Washington who continue to consider Beijing as a constructive partner and not an existential threat in any way, "hawks" within the Trump administration began to emerge, such as Peter Navarro, Wilbur Ross and Robert Lighthizer. To a large extent, their views toward China were shaped by the polemical essay of Robert D. Blackwill and Ashley Tellis written in 2015 for the Council of Foreign Relations (CFR) entitled "Revising the U.S. Grand Strategy toward China." Blackwill and Tellis believe that the United States, since its establishment,

³⁰Samuel Huntington, *Clash of Civilizations and the Remaking of World Order* (New York, NY: Simon & Schuster, 2011), p. 246.

³¹Graham Allison, *Destined for War, Can America and China Escape Thucydides' Trap*, pp. 11–12.

has consistently pursued a grand strategy aimed at gaining and maintaining dominance over various rivals, first in the North American continent, then in the Western Hemisphere, and finally at the global level. During the Cold War, this strategy manifested itself as a policy of “containment” that yielded good results in protecting the security of the United States and its allies, followed by the defeat of the Soviet Union. However, to stop the threat from China and remain as the largest global power in the 21st century, they believe that it is necessary for the United States to halt further Chinese growth by using all existing mechanisms from hard power to geo-economic and geopolitical pressure which Washington used during the Cold War to contain the Soviet Union. They recommend that the United States prioritize strengthening domestic economy and then, in addition to existing alliances, establish new partnerships and create new forms of co-operation across the Indo-Pacific region that exclude Beijing, in order to enhance the ability of Asian countries to counter China. While working to create new mechanisms to contain the development of Chinese technologies, they also suggest the U.S. government conduct high-level diplomacy with Beijing, with constant assurances to allies and friends that the goal of the United States is not to provoke conflicts with China.³²

“Made in China 2025” was the “last straw” breaking Washington’s strategic patience toward China.

More importantly, the negative attitude of the Trump administration toward Beijing comes from allegations of China’s unfair trade practices, forced technology transfer, intellectual property theft and the imposition of non-customs barriers that prevent U.S. companies from entering into the Chinese market. In this regard, officials in Washington constantly emphasize the problem of the U.S. trade deficits with China.³³ They argue that

³²Robert D. Blackwill and Ashley J. Tellis, “Revising the U.S. Grand Strategy Toward China,” Council on Foreign Relations, Special Report No. 72, March 2015, <https://carnegieendowment.org/files/Tellis.Blackwill.pdf>.

³³Since 1985, the United States has had a trade deficit with China that reached \$344 billion in 2018, 15 times more than the total U.S. trade deficit in 1982. Meanwhile, China’s trade surplus jumped from \$4.7 billion in 1982 to \$237 billion in 2017.

although U.S. consumers and industry have benefited from cheap Chinese products for years, domestic manufacturers and millions of Americans have suffered from the “made-in-China” process and lost their jobs because a great number of U.S. companies have outsourced their production to China. The last straw was China’s “Made in China 2025” initiative to elevate the country on the global value chain from a manufacturer of low-end commodities to high-tech products, which Washington interpreted as a biggest enduring threat to the U.S. primacy.

The U.S. trade war on China may remind some of the first Opium War started by the British in the mid-19th century to establish a trade balance with China. In fact, Great Britain sent its first diplomatic mission to Beijing in 1793, hoping to trade with China on its terms — for China to open its markets, agree on a new customs regime, and abolish its closed hierarchical trading system. When the Chinese Emperor rejected those demands, the British encouraged the opium trade to reduce deficits from importing tea and other Chinese commodities, and subsequently resorted to brute force, knowing that the Chinese had no modern weapons to fight back.³⁴ Like Great Britain in the 19th century, the United States today is dissatisfied with large trade deficits with China. Thus, Washington is ready to make every move — even by launching a trade war — to turn the economic relations with China in its own favor. The difference from nearly two centuries ago, however, is that the United States cannot achieve these goals by the use of force, as China has already become a regional power with significant economic and military might. Attempts by the Obama administration to balance China’s rise in the Pacific by negotiating the Trans-Pacific Partnership (TPP) can be said to have failed because the Trump administration finally abandoned this agreement and opted for a more populist approach and less subtle instruments. For President Trump, his shift of China policy to activate confrontation with Beijing is to at least increase his chance of winning a second Presidential term in 2020.

³⁴Frederic Jr. Wakeman, “The Canton trade and the Opium War,” in John K. Fairbank and Liu Kwang-Ching, *Late Ch’ing, 1800–1911*, Part two, The Cambridge History of China, Vol. 11 (Cambridge, UK: Cambridge University Press, 1980); and Graham Allison, *Destined for War, Can America and China Escape Thucydides’ Trap*, p. 151.

Consequences and Impacts of U.S.-China Rivalry

The shift of the U.S. foreign policy by the Trump administration has seriously threatened the very foundation of globalization: multilateralism. The U.S. withdrawal from existing political and trade agreements has brought the world into a period of instability in which protectionism and perception on securing national interests are dominant; cooperation and partnerships are sidelined. In particular, U.S.-China rivalry will have much spillover effect on the growth of emerging economies and world trade.

For the United States, in the short run, the impact that President Trump's decisions will have on the U.S. market may be positive. Specifically, the shortage of products coming from China (among which are products of U.S. companies that have moved their assembly lines to China) does contribute to strengthening the manufacturing industry in the United States, attracting American companies back home and increasing local employment. However, the Trump administration should keep in mind that, in the past decades, China has strengthened a *de facto* strategic partnership with the United States by resisting a powerful Taiwanese lobby that sought to extinguish the Chinese mainland's MFN status in the U.S. Congress, which is tied to hundreds of thousands of jobs, mostly on the West Coast.³⁵ Thus, it can be expected that a trade war will cause great harm to U.S. local producers who procure raw materials from China, transnational companies that have relocated their production to China, U.S. interest groups who, due to Beijing's reciprocal measures, cannot export products to the Chinese market, and U.S. consumers who will have to pay higher prices.³⁶ At the global level, the United States will also suffer significant consequences. Countries around the world will see Washington less interested in the common welfare and more in its own interest, which is detrimental to its image and credibility as the leading global power.

³⁵Simić Predrag, *Kratka istorija Kine* (Belgrade: Nea, 2003), p. 203.

³⁶The agricultural lobby is very influential in the U.S. Congress. It should be borne in mind that the American Soybean Association has 21,000 members, making it a very powerful lobbying group.

Policy shifts by the United States and its trade war with China will certainly generate profound implications for Beijing. Globally, China will increasingly turn to other trade partners to make up for the share of the U.S. market. President Xi has repeatedly criticized protectionist measures for violating the norms of the WTO and disrupting the international order. In May 2019, he gave a speech at the 2nd Belt and Road Forum for International Cooperation in which he emphasized that China is fighting against the rise of protectionism and committed to build an open world economy.³⁷ Domestically, the imposition of high tariffs by the United States will seriously affect the Chinese economy, evident in how Chinese GDP growth hit a record low at 6.6 percent in 2018.³⁸ The competitiveness of Chinese products in the U.S. market has also been undermined. To be more specific, Chinese products have become more expensive as labor costs in Chinese factories hike, partly caused by an aging society as a result of the decades-long “One Child” policy,³⁹ as well as environmental degradation.

In order to maintain economic and political stability, China must maintain its economic growth in the coming years. That is why it has endeavored to change its model of development from low-end manufacturing to high-tech production while increasing the purchasing power of the Chinese people. It is against such a background that in 2015 the “Made in China 2025” initiative was devised, which, together with the “Going Global” strategy and the BRI, will facilitate China’s technological readiness and internationalization of Chinese companies as well as new markets for Chinese products. At the domestic level, a series of reforms targeting state-owned enterprises (SOEs), environmental, health and pension standards, “One Child” policy, corruption and the Hukou (family registration) system

³⁷Belt and Road News, “Xi, Putin urge World Leaders to reject US Protectionism,” April 28, 2019, <https://www.beltandroad.news/2019/04/28/xi-putin-urge-world-leaders-to-reject-us-protectionism>.

³⁸In 2016, China’s GDP was at 6.7% compared with 6.8% in 2017. See Kevin Yao, “China’s economy seen growing 6.8 percent in 2017 and 6.7 percent in 2018: Reuters pool,” *Reuters*, October 24, 2017, <https://www.reuters.com/article/us-china-economy-gdp/chinas-economy-seen-growing-6-8-percent-in-2017-and-6-4-percent-in-2018-reuters-poll-idUSKBN1CT0FO>.

³⁹The “One Child” policy was introduced by Deng Xiaoping in 1979 to enhance quality of the population and increase GDP per capita.

have been launched, which will help the middle class reach an income level sufficient for consumption of more high-quality products.

Negative effect of the U.S.-China trade war is mostly felt at the local level in both countries.

If we ignore the domestic problems that the Chinese have to solve, the trade war seems inevitable because of abundant foreign exchange reserves in China and high public debt in the United States. The Chinese government has much greater control over the economy and therefore has the ability to pump up domestic spending with monetary and fiscal stimuli. The Chinese government

can also boost exports by letting the RMB fall and instructing state banks to support industries and companies most affected by U.S. tariffs. In this sense, China will be able to endure the trade war for years. At the local level, however, the negative consequences will be felt much more. Budgetary funds received by dominant SOEs are very likely to be reduced; and there may well be a real income decrease, triggering a negative sentiment.

With regard to the EU, the U.S.-China trade war can bring some positive outcomes for its member states, whose exports to the United States may increase. However, most EU member states find it difficult to balance their foreign policy decisions about China and the United States. This can be seen in the increasingly warning tone of leading European officials demanding reciprocal concessions from their Chinese counterparts for European companies in the Chinese market similar to those of Chinese companies in the EU market. Although EU Trade Commissioner Cecilia Malmström made statements in early 2017 urging countries around the world to resist protectionism, Brussels has initiated changes in the last two years to several policies aimed at protecting the EU market and preventing the open market principles — on which the EU is based — from furthering its strategic vulnerability. In March 2019, the EU adopted a common framework for monitoring foreign direct investment coming to Europe, especially those investments in strategic sectors and assets.⁴⁰ Also, the

⁴⁰European Sources Online, "Foreign Investment Screening: new European framework to enter into force in April 2019," March 5, 2019, https://europa.eu/rapid/press-release_IP-19-1532_en.htm.

European Commission has proposed revising competition rules and launching a public procurement reciprocity strategy advocated by France for many years, which would represent a “better weapon in the fight” against large Chinese companies in the European market.⁴¹ In addition, in a joint position paper published in March 2019, Brussels described China as a partner with whom the EU has closely aligned objectives and needs to find a balance of interests, but at the same time regarded China as an economic competitor in pursuit of technological leadership and a “systemic rival” promoting alternative models of governance.⁴²

What strengthened the negative feeling of the EU was the large amount of Chinese investment entering the European market in the past few years. In such context, the capital flow into the EU from China was reduced from 37 billion Euros in 2016 to 29.1 billion Euros in 2017 and 17.3 billion Euros in 2018, due to restrictive measures taken by both Beijing and Brussels.⁴³ In 2016, the takeover of German semiconductor manufacturer Aixtron by China's Fujian Grand Chip was terminated after American intervention.⁴⁴ In 2018, the entry of China's State Grid into the German energy market was also blocked with the suspension of the purchase of 20 percent of 50-Hertz Transmission, as well as Yantai Taihai Group's acquisition of Leifeld Metal Spinning which produces high-quality metals for the aviation and nuclear industries.⁴⁵ Faced with public pressure, politicians in Belgium prevented the purchase of 14 percent of the country's gas and electricity

⁴¹Jakob Hanke and Jacopo Barigazzi, “EU accelerates moves to block China's market access,” *Politico*, March 18, 2019, <https://www.politico.eu/article/eu-accelerates-moves-to-block-chinas-market-access>.

⁴²European Commission, “Commission reviews relations with China, proposes 10 actions,” March 12, 2019, https://europa.eu/rapid/press-release_IP-19-1605_en.htm.

⁴³Thilo Hanemann *et al.*, “Chinese FDI in Europe: 2018 trends and impact of new policies,” MERICS Papers on China, March 16, 2019, <https://www.merics.org/en/papers-on-china/chinese-fdi-in-europe-2018>.

⁴⁴Rasmussen Global, “Foreign Investment Screening and the China Factor — Memo,” November 16, 2017, <https://rasmussenglobal.com/media/foreign-investment-screening-china-factor-memo>.

⁴⁵Jens Kastner, “Germany toughens stance on Chinese investment,” *Asian Review*, August 2, 2018, <https://asia.nikkei.com/Business/Business-Deals/Germany-toughens-stance-on-Chinese-investment>.

distribution company EANDIS by China's State Grid.⁴⁶ In the name of protecting national security, Polish Defense Minister blocked the tender by the Military Property Agency to sell state-owned land to a Chinese company,⁴⁷ and Polish regulatory authorities blocked three major infrastructure tenders won by Chinese companies including two highway projects and a demolition waste recycling plant.⁴⁸

The EU and Russia will reap immediate benefits from the U.S.-China trade war.

Besides the EU, Russia also benefits from the trade war between the United States and China. After the formal settlement of 97 percent of the Beijing-Moscow territorial dispute in 2008, the two countries have their "coalition of convenience" further deepened to "the highest level of bilateral relations in

history" due to the Western sanctions imposed on Russia and increasing U.S. tariffs on Chinese products. Political cooperation has been strengthened by frequent high-level visits as well as the growing bilateral trade which surged from \$69.6 billion in 2016 to \$107.1 billion in 2018, with China as Russia's largest individual trade partner in both exports and imports. Furthermore, the U.S.-China trade war will enable Moscow to extend its cooperation with Beijing to other areas, because the existing cooperation is largely confined to Chinese purchases of Russian energy and minerals. In this sense, the trade war can make agricultural and petrochemical products from Russia natural hedges for China during its negotiation with the United States.

For now, China has removed all restrictions on imports of soybeans from Russia, a decision that the Kremlin considers a "huge breakthrough" as Beijing has long been restricting imports of Russian agricultural products. While it is not realistic that Russian products could completely replace U.S. products in the Chinese market, there is certainly a noticeable

⁴⁶John Seaman *et al.*, "Chinese Investment in Europe," ETNC, December 2017, https://www.pism.pl/files/?id_plik=23889.

⁴⁷Mercy A. Kuo, "China in Eastern Europe: Poland's Perspective," *The Diplomat*, December 19, 2017, <https://thediplomat.com/2017/12/china-in-eastern-europe-polands-perspective>.

⁴⁸Alicja Bachulska and Richard Q. Tursanyi, "Behind the Huawei Backlash in Poland and Czech Republic."

increase in Russian soybean and pork exports to the Chinese market. During the period of 2017–2018, Russian soybean export to China was 2.5 times as much as that in 2016–2017.⁴⁹ In other areas where there is interest in Russian products, it is also expected that China will be more flexible when it comes to legal and sanitary restrictions.

Conclusion

The second decade of the 21st century ended with remarkable changes in the world. Most prominently, the foreign policy shift of the United States under the Trump presidency has brought new dynamics to international relations. For generations, Washington has shaped international politics as a team player, bringing together a significant group of countries thanks to their shared values established after World War II. By strengthening collective hard power, the United States is protecting both interests of its own as well as the community at the forefront.⁵⁰

Since President Trump took office, the United States has withdrawn itself from a large number of international agreements and embarked on a new strategy for conditional participation in allied commitments. Such a self-interest-oriented approach of the world's greatest power has resulted in a growing sense of insecurity in countries that have been protected for decades under the U.S. umbrella. In May 2017, Herbert R. McMaster, President Trump's second national security adviser, and Gary D. Cohn, head of the Economic Council, asserted to the *Wall Street Journal* that America's support could only be expected by those who are strong and willing to pursue directly expressed American interests.⁵¹ When the United States initiated a trade war with China in 2018, the allied nations were urged by Secretary of State Mike Pompeo to show how willing they were to pursue

⁴⁹Dmitriy Frolovskiy, "China and Russia aren't economic equals but, thanks to the US trade war, their partnership looks build to last," *South China Morning Post*, May 14, 2019, <https://www.scmp.com/comment/insight-opinion/article/3009679/china-and-russia-arent-economic-equals-thanks-us-trade-war>.

⁵⁰Gideon Rose, "The Fourth Founding: The United States and the Liberal Order," p. 19.

⁵¹Herbert R. McMaster and Gary Cohn, "America First doesn't mean America Alone," *Wall Street Journal*, May 30, 2017, <https://www.wsj.com/articles/america-first-doesn-t-mean-america-alone-1496187426>.

U.S. interests worldwide. Undoubtedly, the United States is now standing at the forefront of a new group of countries that are resisting further Chinese rise in the name of safeguarding the “liberal world order.”⁵² Peter Navarro, President Trump’s trade adviser, even called it a “zero-sum game between China and the rest of the world.”⁵³ Such statements by top U.S. officials imply that an economic “iron curtain” is rising between Washington and Beijing after their four decades of constructive engagement.

If we take a look at U.S.-China relations under the Trump administration, we can conclude that the Chinese leadership has shown a much more robust and stable approach than its American counterpart. Decision-makers in China have warned about the dangers that a trade war may have on global economy, urged everybody to sit at the negotiating table, accepted U.S. demands on the negotiation table as long as they would not threaten China’s economic and political stability, and refrained from countermeasures when Washington introduced excessive tariffs on Chinese products. When all diplomatic mechanisms were exhausted, China adopted a smaller range of countermeasures against the United States. Unfortunately, the Trump administration did not seem to apprehend the basic premise of successful negotiations, which do not depend on the power of the stronger party, but the compromise of both parties. By contrast, President Xi is fully aware that China is now at a critical moment, and he outlined China’s stance when addressing the CPC cadres in early September 2019 that “For those risks or challenges that jeopardize the leadership of the Communist Party and China’s socialist system; for those that endanger China’s sovereignty, security and development interests; for those that undermine China’s core interests and major principles; and for those that deter China’s realization of a great national rejuvenation, we will wage a determined struggle against them as long as they are there. And we must win the struggle.”⁵⁴

⁵²Gideon Rose, “The Fourth Founding: The United States and the Liberal Order,” p. 20.

⁵³Mike Calia, “Trump trade advisor Peter Navarro: ‘Zero-sum game’ between China and the rest of the world,” CNBC, July 19, 2018, <https://www.cnbc.com/2018/07/19/peter-navarro-zero-sum-game-between-china-and-the-rest-of-the-world.html>.

⁵⁴Frederick Kempe, “The US-China trade war has set in motion an unstoppable global economic transformation,” CNBC, September 14, 2019, <https://www.cnbc.com/2019/09/14/us-china-trade-wars-unstoppable-global-economic-transformation.html>.

If U.S.-China contention continues to rise, humanity faces a period of uncertainty in which almost nobody will play by the rules and everyone will strive to maintain a strategic advantage over other actors in international relations. There is no doubt that the behavior of the two greatest economic powers will create huge impacts on the stability of the post-World War II global order. Closing domestic markets of countries that have advocated economic liberalization will inevitably lead to a reduced cash inflow. The consequences can be felt by all stakeholders of the global market; and the developing nations have already found themselves in a risky situation among diverse interests as they try to keep their markets functional in a more volatile world order. Global security will be particularly threatened, given that the cooperation of major powers is indispensable for the security of each country.

To overcome the obstacles, it will be necessary to reemphasize the world order based on full-hearted cooperation of countries whose main drivers are shared benefits. The prerequisite for this is that the United States ceases to think individually, because that is the only way to reclaim the epitome of a benevolent global leader. In order to succeed in this regard, the Trump administration needs to be guided by examples from history. Even at its peak of power in 1945, the U.S. leaders realized that it was not good for their country to be in isolation. Therefore, they decided to use the U.S. power to transform international politics and design a world with institutions tailored to U.S. standards that have a stronghold in global military supremacy. As Ralph Waldo Emerson wrote, "the only way to have a friend is to be one."⁵⁵ President Theodore Roosevelt also believed that "[w]e have learned that we cannot live alone at peace; that our own well-being is dependent on the well-being of other nations far away. . . We have learned to be citizens of the world, members of the human community." Such words could not have been better accepted by people of other countries who, in the following decades, embraced American leadership and supported Washington in protecting Western values.

However, as geo-economics gives way to geopolitics, it will be very difficult to overcome existing U.S.-China rifts without one party deviating, which is unlikely given the global trends and the need for both leaders to

⁵⁵Quoted from Gideon Rose, "The Fourth Founding: The United States and the Liberal Order," p. 21.

cater to public opinion and show strength in domestic politics. According to Henry Kissinger, former U.S. Secretary of State and the one credited for rapprochement between the United States and China, there is always a solution because peace and well-being of the world will depend on the success of U.S.-China relations, but it will depend primarily on the goodwill and success of Washington and Beijing to find common goals that can bring them together to resolve disagreements and set boundaries for conflict. The U.S. leadership should keep in mind at all times that China is an important partner and therefore, it is not a solution to seek allies around the world to jointly oppose Chinese influence. More importantly, both Washington and Beijing need to be aware that a conflict of any kind between two high-tech countries will never make the world the same again.