

A new cold war: Trump, Xi and the escalating US-China confrontation

October 5, 2020



© FT montage; Getty. Then: Truman vs Stalin. Now: Trump vs Xi

In the first of a series, Gideon Rachman explores how the rivalry between the two superpowers is starting to feel eerily familiar

Gideon Rachman in London

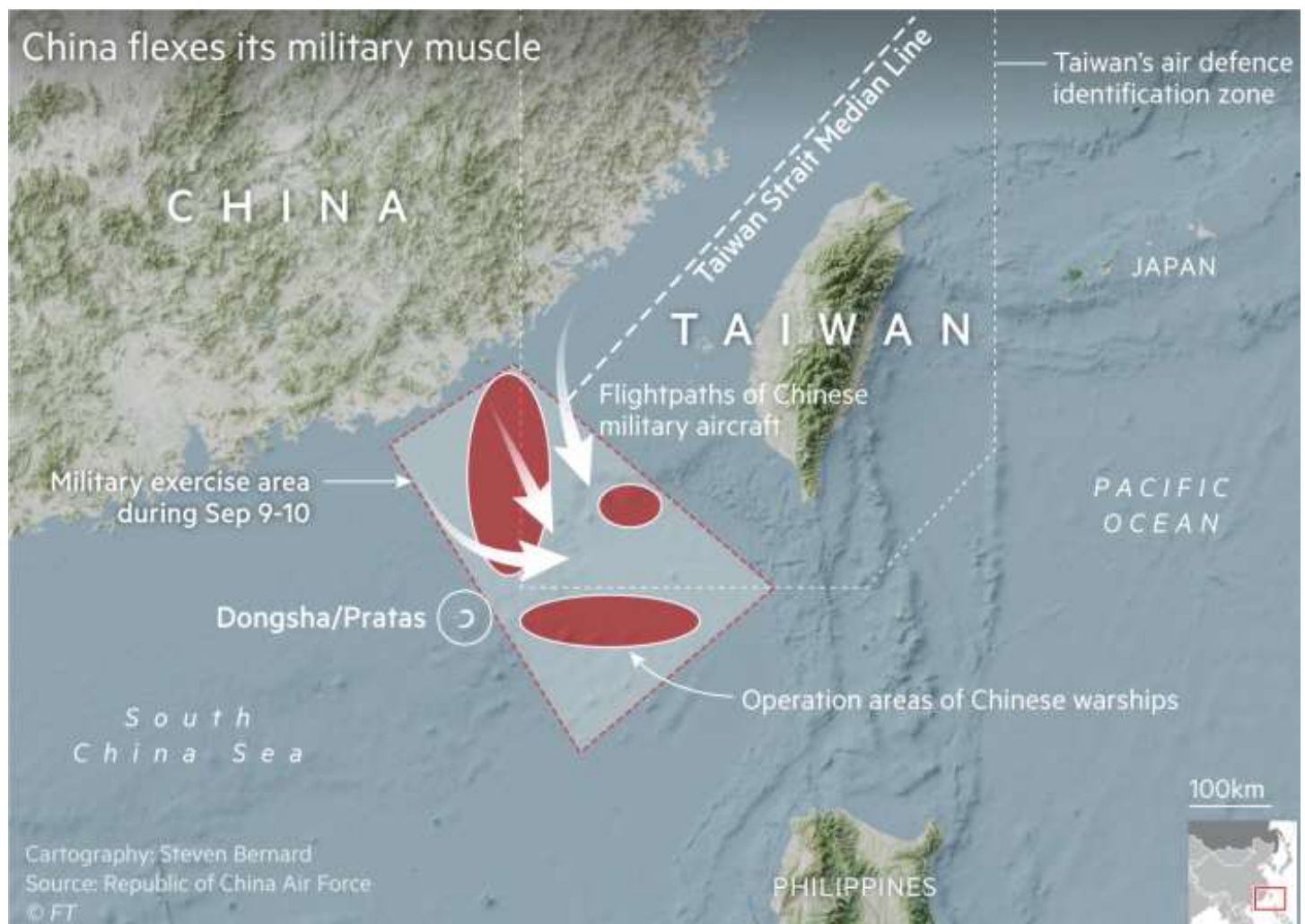
“From Stettin in the Baltic to Trieste in the Adriatic, an ‘iron curtain’ has descended across the continent.” Winston Churchill’s speech in Fulton, Missouri, in March 1946 is remembered as a key moment in the outbreak of the cold war.

If future historians are ever looking for a speech that marked the beginning of a second cold war — this time between America and China — they may point to an address by Mike Pence delivered at Washington’s Hudson Institute in October 2018.

“China wants nothing less than to push the United States of America from the western Pacific . . . But they will fail,” the vice-president declared. “We will not be intimidated and we will not stand down.” Pointing to China’s political system, Mr Pence argued: “A country that oppresses its own people rarely stops there.”

For students of the first cold war between the US and the USSR, some of this sounded eerily and worryingly familiar. Once again, the US is facing off against a rival superpower. Once again, a military rivalry is taking shape — although this time, the main theatre is the western Pacific rather than central Europe. And once again, the conflict is being framed as one between the free world and a dictatorship. To add to the sense of symmetry, the People’s Republic of China, like the Soviet Union, is run by a Communist party.

Even in the past few months, the deterioration in relations between the US and China has rapidly gathered pace, against the backdrop of a feverish election campaign in the US. Military tensions in the Pacific are rising. [Taiwanese](#) officials say the September exercises by the Chinese military within its air defence buffer zone were the most significant threat to its security since Beijing launched missiles into the seas around the island in 1996. The US has a commitment to help the country defend itself.



The US has moved aggressively to block [Chinese technology firms](#), such as [TikTok](#) and [Huawei](#) — from expanding their international operations, or buying US-made computer chips. China and America are even indulging in tit-for-tat expulsions of journalists.

And [coronavirus](#), which originated in China, has devastated the global economy and led to more than 200,000 deaths in America. President Donald Trump, who is currently in hospital after testing positive for the virus, has made it clear that he holds the government of China directly responsible for the pandemic.

In another confrontational speech that will probably be remembered by historians, secretary of state Mike Pompeo warned in July that five decades of engagement with [China had been a failure](#).

New Cold War



In a series of articles this week, the FT explores how the US-China rivalry is beginning to resemble a new cold war, with the technology world splitting into two blocs and countries being asked to choose sides.

Tuesday: Can supply chains in China be shifted elsewhere?

Wednesday: The battle for tech supremacy.

Thursday: How America turned hawkish on China.

“If we don’t act now, ultimately, the [Chinese Communist party] will erode our freedoms and subvert the rules-based order that our free societies have worked so hard to build,” he said, speaking at the Californian library of Richard Nixon, the president who reopened ties with Beijing during the cold war. “The old paradigm of blind engagement with China simply won’t get it done. We must not continue it. We must not return to it.”

New uncertainty

For Joseph Nye, a professor at Harvard University and former senior Pentagon official, US-China relations are now “at their lowest point in 50 years”.

There is even a fear that, as in the cold war, the world could increasingly divide into two blocs — one that looks to Washington and one that looks to Beijing. That may sound implausible in a world of [globalised supply chains](#). But, especially in the tech sector, there are signs that this is already starting to happen.

As the Huawei case illustrates, the US is now clearly leaning on its allies to cut tech ties with China — and, in some cases, such as in Britain and, to an extent, Germany, the pressure is working. China, however, is also building its own global network of influence through trade and its [Belt and Road Initiative](#) — which could involve loans and investment of up to \$1tn in infrastructure development outside China.

Recommended



[Henry Kissinger](#), the former US secretary of state who helped bring about the rapprochement between the US and China in the 1970s, said last year that Beijing and Washington were now in the “foothills of a cold war”.

If China’s growing technological prowess has captured US attention this year, its [defence capabilities](#) are also driving the growing anxiety. China’s rapid military build-up has altered the balance of power between Beijing and Washington. The Chinese navy now has more ships than the US navy — and they can all be concentrated in the western Pacific. China has also developed a formidable range of missile and satellite weaponry that could threaten American aircraft carriers and disrupt the US military’s communications.

In a recent article, [Michèle Flournoy](#), who is tipped as a possible US defence secretary if Joe Biden wins the presidential election, worried that “dangerous new uncertainty about the US ability to check various Chinese moves . . . could invite risk-taking by Chinese leaders”, adding: “They could conclude that they should [move on Taiwan](#) sooner rather than later.”

Since President Xi Jinping came to power in 2012, China has become more assertive overseas and more authoritarian at home

Ms Flournoy’s recommendation is that America should strengthen its military capacity, so as to restore deterrence. The fact that a prominent Democrat is taking this position points to an important aspect of the new US-China

rivalry: it will not disappear if Mr Trump loses the White House in the presidential election.



There is no doubt that the current US president uses much more confrontational language with China (and indeed most countries) than any of his predecessors. Mr Trump’s single-minded focus on the [US trade deficit with China](#) and his protectionist policies are also distinctive. But Mr Trump may have helped to bring about a permanent shift in orthodox opinion in Washington. Daniel Yergin, an economic historian, notes that “while Democrats and Republicans hardly agree on anything today in Washington, one thing they do agree on is that China is a global competitor and that the two countries are in a technology race”.

A Biden approach to China would place more emphasis on American alliances than the Trump administration, and would probably make less use of tariffs. The Democrats would also look to work with China on climate change. But a Biden administration would not alter the basic premise of the Trump policy — which is that China is now an adversary.

Topography of Taiwan makes Chinese invasion difficult



In Beijing, this move towards a “cold war mentality” is decried — and is often attributed solely to America’s supposed refusal to accept a multipolar world. It probably is the case that there is a bipartisan determination in Washington to retain America’s status as “number one”. But the Chinese view skates over the extent to which Beijing itself has contributed to the emergence of a second cold war.

Since President Xi Jinping came to power in 2012, China has become more assertive overseas and more authoritarian at home. Beijing’s construction of military bases across the South China Sea has been perceived in Washington as a direct challenge to American power in the Pacific. [Constitutional changes](#) that would allow Mr Xi to rule for life, the crackdown in Hong Kong and the mass imprisonment of the [Uighur minority](#) have all driven home the message that China is becoming more dictatorial — dashing any remaining hopes in Washington that economic modernisation in China would lead to political liberalisation.

Winston Churchill delivering his speech ‘The sinews of peace’ at Fulton, Missouri, in March 1946 is remembered as a key moment in the outbreak of the cold war.

© Popperfoto via Getty



An increasingly wealthy, illiberal and aggressive China is much easier to see as a dangerous rival that needs to be confronted. In public the Chinese leadership continues to decry the “zero-sum thinking” of the Americans. In private, however, the Xi leadership seems to regard the US as a dangerous rival, intent on overthrowing Communist party rule. As long ago as 2014, Wang Jisi, a well-connected Beijing academic, wrote that China’s leadership was preoccupied by “alleged US schemes to subvert the Chinese government”.

If continuing rivalry between the US and China is inevitable, how do the two sides match up?

US president Donald Trump, left, has made it clear that he holds the government of China directly responsible for the coronavirus pandemic.

© Andy Wong/ AP



It is generally acknowledged that the military gap between Washington and Beijing has narrowed considerably. But the US has a network of allies that China cannot replicate. There is no “Beijing Pact” to rival the Warsaw Pact that once bolstered the Soviet Union. On the contrary, other key powers in the Indo-Pacific region are treaty allies of the US, including Japan, South Korea and Australia. And India, while it is not a formal ally of the US, is likely to tilt towards Washington following the recent deadly confrontations between [Indian and Chinese troops](#) on the two nations’ disputed border.

However, if America stood aside in the event of a Chinese assault on Taiwan, then the US alliance system might not survive the shock. Conversely, if the rivalry between Beijing and Washington never escalates into military confrontation, then China has other assets it can deploy. It is the largest trading partner for more than 100 nations; compared with 57 nations for America.

China is also a plausible rival to the US in a tech race. It is clear that some Chinese tech firms are vulnerable to cut-offs of key American components — in particular [computer chips](#) and semiconductors. On the other hand, China is ahead in certain technologies, such as mobile payments, and it is a formidable competitor in other areas such as artificial intelligence and medicine.

A scientific rivalry between America and China is certainly reminiscent of the US-Soviet rivalry, which was driven by a space race.

Vice-president Mike Pence said at Washington's Hudson Institute in October 2018: 'China wants nothing less than to push the United States of America from the western Pacific . . . But they will fail'

© Jacquelyn Martin/ AP



Integrated rivals

But while the parallels between the current US-China rivalry and the start of the cold war are striking, there are also some important differences. The most obvious is that the economies of the US and China are deeply integrated with each other. Trade between China and the US amounts to more than half a trillion dollars a year. China owns [more than \\$1tn of US debt](#). Important American companies rely on making and selling their products in China. Manufacture of the [Apple iPhone](#) is built around a supply chain based in southern China. There are more [Kentucky Fried Chicken restaurants](#) in the PRC than in the US.

This economic intertwining has also created a degree of social convergence. China may be run by a Communist party, but its major cities are throbbing with commercial life, private enterprise and western brands, and could never be mistaken for the grey uniformity of Soviet Russia. "Chinese society is more similar to American society than

Soviet society ever was,” Yale University historian Odd Arne Westad [noted in Foreign Affairs](#) magazine.

There are also strong scientific and educational ties between China and the US. Mr Xi’s daughter was educated at Harvard. Stalin’s daughter was not sent to Yale.

China is also a plausible competitor to the US in a tech race, reminiscent of the US-Soviet rivalry driven by a space race.

© Aleksandar Plaveski/EPA-EFE



Given the levels of economic and social integration between the US and China, some scholars argue that the cold war may not be the best historical analogy — although some of the other potential comparisons are no less alarming. Margaret Macmillan, who has written a history of the origins of the first world war, thinks the “more important parallel is the UK and Germany before 1914”. This was a classic great power rivalry between an established and a rising power. At the time, some argued that the extent of economic integration between Germany and Britain made war both irrational and unlikely. But that did not prevent the two nations sliding into hostilities. Mr Westad, an expert both on China and the cold war, points out that, unlike the Soviet people in 1946, the Chinese have enjoyed 40 years of peace and prosperity. Therefore, “in a crisis, the Chinese are more likely to resemble the Germans in 1914 than the Russians after the second world war — excitable, rather than exhausted,” he says.

A yearning to test and demonstrate national strength is certainly visible in nationalist circles in China. Hu Xijin, editor of the Global Times newspaper, [tweeted in July](#) that China “is fully capable of destroying all of Taiwan’s military installations within a few hours, before seizing the island shortly after. Chinese army & people have such self-confidence.”

The Chinese navy now has more ships than the US navy, and can all be concentrated in the western Pacific.

© Reuters



Another historical analogy, less discussed in the west but often heard in Tokyo, is the clash between Imperial Japan and the US that reached an endpoint in the second world war. As a senior Japanese diplomat sees it: “The Chinese are making the same mistake we made, which is to challenge American hegemony in the Pacific.” But at the time of Pearl Harbor, the Japanese economy was just 10 per cent the size of America’s. China, by contrast, now has [an economy](#) that is two-thirds the size of America’s — and [larger when measured](#) by [purchasing power](#).

There is one further aspect in which the comparison between modern China and the Japan of the 1930s is suggestive. Imperial Japan argued that it was liberating Asia from western imperialism (countries invaded by the Japanese, such as China and Korea, did not see it that way). There is a similar hint of a “clash of civilisations” in some Chinese nationalist discourse — in which the rise of China is portrayed as ending centuries of domination of the global order by white, western nations.

The Anglo-German rivalry and the US-Japanese confrontation culminated in war. But they broke out in an age before nuclear weapons. By contrast, the threat of nuclear annihilation defined the cold war. Perhaps as a result, US and Soviet forces never clashed directly during the cold war, although they often battled through proxies. Yan Xuetong, a prominent scholar at Tsinghua University in Beijing, has argued that fear of nuclear conflict makes it unlikely that [China and America](#) will ever go to war — which would make the current US-Chinese confrontation more like the cold war, than the run-up to the two world wars.

Michèle Flournoy, tipped as a possible US defence secretary if Trump loses the presidential election, said the US should strengthen its military capacity to restore deterrence . . .

© *Mark Wilson/Getty*



. . . suggesting the new US-China rivalry will not disappear if Democrat Joe Biden enters the White House

© *Kevin Dietsch/Bloomberg*



Strength of systems

But perhaps the most intriguing comparison is about how the cold war ended, rather than how it began. The contest was not settled on the battlefield or in space. In the end, it was determined by the resilience and success of the two societies — the US and the USSR.

Ultimately, the Soviet system simply collapsed under the weight of its own internal problems. (Ironically, this was the fate that Communists had long predicted for the capitalist system). The USSR's fate vindicated the strategy first sketched out by the American diplomat George Kennan, who in 1946 had advocated the patient containment of Soviet power while awaiting the system's ultimate demise. Kennan also

argued that the vitality of America's own system would be crucial in any contest with the USSR.

It is this last comparison which should disquiet the Americans and their allies most. The current [presidential election](#) threatens to provoke a crisis in the American democratic system of a sort that has not been seen since the 19th century. Even if the US achieves the peaceful transition of power that Mr Trump has failed to guarantee, the Trump era has revealed social and economic divisions that have turned America inwards and damaged the country's international prestige.

A yearning to test and demonstrate national strength is certainly visible in nationalist circles in China

© Thomas Peter/Reuters



The spectacle of the Trump-Biden contest has strengthened the sense in China that the US is in decline. Eric Li, a trustee of the China Institute at Shanghai's Fudan University, inverts the cold war analogy — by casting the US as the USSR, in the grip of an “existential brawl between two near octogenarians”, referring to Mr Trump and Mr Biden. “Remember [former Soviet rulers] Brezhnev, Andropov and Chernenko?” By contrast, according to Mr Li, “China today is the opposite of what the USSR was decades ago. It is practical, ascendant and globally connected.”

For all the confidence of pro-government intellectuals in China, like Mr Li, there is no doubt that Mr Xi's China also has significant internal problems. As Mr Westad notes, it is “a de facto empire that tries to behave as if it were a nation-state” and the strains are showing from Hong Kong to Tibet to Xinjiang. But the PRC has also demonstrated an economic prowess that the USSR never possessed.

If the US and China are indeed embarking on a new cold war to determine which country will dominate the 21st century, the vitality of their domestic systems may ultimately determine who prevails.

***Copyright: The Financial Times Limited 2020.
All rights reserved.***

[\[Return to head of page\]](#)

