The New China Scare
Why America Shouldn’t Panic About Its Latest Challenger

Fareed Zakaria
The New China Scare

Why America Shouldn’t Panic About Its Latest Challenger

Fareed Zakaria

In February 1947, U.S. President Harry Truman huddled with his most senior foreign policy advisers, George Marshall and Dean Acheson, and a handful of congressional leaders. The topic was the administration’s plan to aid the Greek government in its fight against a communist insurgency. Marshall and Acheson presented their case for the plan. Arthur Vandenberg, chair of the Senate Committee on Foreign Relations, listened closely and then offered his support with a caveat. “The only way you are going to get what you want,” he reportedly told the president, “is to make a speech and scare the hell out of the country.”

Over the next few months, Truman did just that. He turned the civil war in Greece into a test of the United States’ ability to confront international communism. Reflecting on Truman’s expansive rhetoric about aiding democracies anywhere, anytime, Acheson confessed in his memoirs that the administration had made an argument “clearer than truth.”

Something similar is happening today in the American debate about China. A new consensus, encompassing both parties, the military establishment, and key elements of the media, holds that China is now a vital threat to the United States both economically and strategically, that U.S. policy toward China has failed, and that Washington needs a new, much tougher strategy to contain it. This consensus has shifted the public’s stance toward an almost instinctive hostility: according to polling, 60 percent of Americans now have an unfavorable view of the People’s Republic, a record high since the Pew Research Center began asking the question in 2005. But Washington elites have made their case “clearer than truth.” The nature of the
challenge from China is different from and far more complex than what the new alarmism portrays. On the single most important foreign policy issue of the next several decades, the United States is setting itself up for an expensive failure.

Let’s be clear: China is a repressive regime that engages in thoroughly illiberal policies, from banning free speech to interning religious minorities. Over the last five years, it has intensified its political control and economic statism at home. Abroad, it has become a competitor and in some places a rival of the United States. But the essential strategic question for Americans today is, Do these facts make China a vital threat, and to the extent that they do, how should that threat be addressed?

The consequences of exaggerating the Soviet threat were vast: gross domestic abuses during the McCarthy era; a dangerous nuclear arms race; a long, futile, and unsuccessful war in Vietnam; and countless other military interventions in various so-called Third World countries. The consequences of not getting the Chinese challenge right today will be vaster still. The United States risks squandering the hard-won gains from four decades of engagement with China, encouraging Beijing to adopt confrontational policies of its own, and leading the world’s two largest economies into a treacherous conflict of unknown scale and scope that will inevitably cause decades of instability and insecurity. A cold war with China is likely to be much longer and more costly than the one with the Soviet Union, with an uncertain outcome.

**BROKEN ENGAGEMENT**

Henry Kissinger has noted that the United States has entered all its major military engagements since 1945—in Korea, Vietnam, Afghanistan, and Iraq—with great enthusiasm and bipartisan support. “And then, as the war developed,” Kissinger said, “the domestic support for it began to come apart.” Soon, everyone was searching for an exit strategy.

To avoid retreading that path, the United States should take the time to examine closely the assumptions behind the new China consensus. In broad terms, they are the following. First, engagement has failed because it did not “transform China’s internal development and external behavior,” as the former U.S. officials Kurt Campbell and Ely Ratner wrote in these pages in 2018. Second, Beijing’s foreign policy is currently the most significant threat to U.S. interests and, by extension, to the rules-based international order that the United States cre-
U.S. Secretary of State Mike Pompeo has gone much further, saying in a 2019 speech at the Hudson Institute that “the Chinese Communist party is a Marxist-Leninist party focused on struggle and international domination.” And third, a policy of active confrontation with China will better counter the threat than a continuation of the previous approach.

This bipartisan consensus has formed in response to significant and in many ways worrying changes in China. Ever since President Xi Jinping became the country’s supreme ruler, China’s economic liberalization has slowed and its political reform—limited in any case—has been reversed. Beijing now combines political repression with nationalist propaganda that harks back to the Mao era. Abroad, China is more ambitious and assertive. These shifts are real and worrying. But how should they alter U.S. policy?

Formulating an effective response requires starting with a clear understanding of the United States’ China strategy up to this point. What the new consensus misses is that in the almost five decades since U.S. President Richard Nixon’s opening to Beijing, U.S. policy toward China has never been purely one of engagement; it has been a combination of engagement and deterrence. In the late 1970s, U.S. policymakers concluded that integrating China into the global economic and political system was better than having it sit outside it, resentful and disruptive. But Washington coupled that effort with consistent support for other Asian powers—including, of course, continued arms sales to Taiwan. That approach, sometimes described as a “hedging strategy,” ensured that as China rose, its power was checked and its neighbors felt secure.

In the 1990s, with no more Soviet foe to contain, the Pentagon slashed spending, closed bases, and reduced troop numbers around the world—except in Asia. The Pentagon’s 1995 Asia-Pacific strategy, known as the Nye Initiative, warned of China’s military buildup and foreign policy ambitions and announced that the United States would not reduce its military presence in the region. Instead, at least 100,000 American troops would remain in Asia for the foreseeable future. Arms sales to Taiwan would continue in the interest of peace in the Taiwan Strait—that is, to deter Beijing from using force against the self-governing island, which the mainland government considers to be part of China.

This hedging approach was maintained by presidents of both parties. The George W. Bush administration overturned decades of bi-
partisan policy and embraced India as a nuclear power, in large part to add yet another check on China. Under President Barack Obama, the United States ramped up deterrence, expanding its footprint in Asia with new military agreements with Australia and Japan and nurturing a closer relationship with Vietnam. Such was also the purpose of the Trans-Pacific Partnership, designed to give Asian countries an economic platform that would enable them to resist dominance by the Chinese market. (The Trump administration pulled out of the agreement in early 2017.) Obama personally confronted Xi about Chinese cybertheft and placed tariffs on tire imports to retaliate against China’s unfair trade policies.

To say that hedging failed reflects a lack of historical perspective. In the early 1970s, before Nixon’s opening to China, Beijing was the world’s greatest rogue regime. Mao Zedong was obsessed with the idea that he was at the helm of a revolutionary movement that would destroy the Western capitalist world. There was no measure too extreme for the cause—not even nuclear apocalypse. “If the worst came to the worst and half of mankind died,” Mao explained in a speech in Moscow in 1957, “the other half would remain while imperialism would be razed to the ground and the whole world would become socialist.” Mao’s China funded and fomented anti-Western insurgencies, guerrilla movements, and ideological movements around the world, from Latin America to Southeast Asia. By one estimate, Beijing spent between $170 million and $220 million from 1964 to 1985 in Africa alone, training 20,000 fighters from at least 19 countries.

By comparison, today’s China is a remarkably responsible nation on the geopolitical and military front. It has not gone to war since 1979. It has not used lethal military force abroad since 1988. Nor has it funded or supported proxies or armed insurgents anywhere in the world since the early 1980s. That record of nonintervention is unique among the world’s great powers. All the other permanent members of the UN Security Council have used force many times in many places over the last few decades—a list led, of course, by the United States.

China has also gone from seeking to undermine the international system to spending large sums to bolster it. Beijing is now the second-

---

**On the economic front, almost every charge leveled at China today was once leveled at Japan.**
largest funder of the United Nations and the UN peacekeeping program. It has deployed 2,500 peacekeepers, more than all the other permanent members of the Security Council combined. Between 2000 and 2018, it supported 182 of 190 Security Council resolutions imposing sanctions on nations deemed to have violated international rules or norms. Granted, the principles anchoring Beijing’s foreign policy today—“respect for sovereignty,” “territorial integrity,” and “nonintervention”—are animated in large part by a desire to fend off Western interference. Yet they highlight a remarkable shift from a radical agenda of revolution to a conservative concern for stability. Had someone predicted in 1972 that China would become a guardian of the international status quo, few would have believed it possible.

**TRADING PLACES**

The new consensus on China’s economic behavior holds that China has forced multinational companies to transfer their technology, has subsidized its “national champions,” and has placed formal and informal barriers in the path of foreign firms seeking to enter its market. Beijing has, in short, used the open international economy to bolster its own statist and mercantilist system.

It is true that these unfair policies demand attention and action from the rest of the world. The Trump administration deserves some credit for tackling this problem—especially in light of Xi’s embrace of statism after decades of liberalization. But how large and permanent is this reversal? How different are China’s practices from those of other emerging market countries today? And again, what is the right American response?

Almost all economists agree that China owes much of its economic success to three fundamental factors: the switch from communist economics to a more market-based approach, a high savings rate that makes possible large capital investments, and rising productivity. Over the last three decades, the country has also opened itself up substantially to foreign investment—more so than many other large emerging markets—allowing capital to pour in. China is one of only two developing countries to have ranked in the top 25 markets for foreign direct investment since 1998. Of the BRICS group of large emerging markets (which includes Brazil, Russia, India, China, and South Africa), China is consistently ranked as the most open and competitive economy. As for the effect of mercantilist Chinese policies on the U.S. economy,
former U.S. Treasury Secretary Lawrence Summers has noted that “it cannot be argued seriously that unfair Chinese trade practices have affected U.S. growth by even 0.1 percent a year.”

It is worth noting that on the economic front, almost every charge leveled at China today—forced technology transfers, unfair trade practices, limited access for foreign firms, regulatory favoritism for locals—was leveled at Japan in the 1980s and 1990s. At the time, Clyde Prestowitz’s influential book *Trading Places: How America Is Surrendering Its Future to Japan and How to Win It Back* explained that the United States had never imagined dealing with a country in which “industry and trade [would be] organized as part of an effort to achieve specific national goals.” Another widely read book of the era was titled *The Coming War With Japan*. As Japanese growth tapered off, so did these exaggerated fears.

China today presents some new challenges, especially given Xi’s determination to have the state play a leading role in helping the country gain economic dominance in crucial sectors. But in the broad sweep of history, China’s greatest advantage in the global trading system has come not from its willingness to violate the rules but from its sheer size. Countries and companies want access to China and are willing to make concessions to get it. This hardly makes China unusual. Other countries with similar clout often get away with similar behavior or worse—none more so than the United States. A 2015 report by the financial services giant Credit Suisse provides a useful tally of nontariff barriers against foreign goods put in place by major countries between 1990 and 2013. With a total count of almost 450, the United States is in a league of its own. Next is India, then Russia. China comes in at number five, with one-third as many nontariff barriers imposed as the United States. The picture hasn’t changed much in the years since.

Most of the recent changes in Beijing’s economic policy have been negative, but even that is not the entire story. China is changing along several, sometimes contradictory lines. Even with the return to greater state control under Xi, a wild free market has flourished in vast spheres such as consumer goods and services. There has also been some real regulatory liberalization—even administrative and judicial reform, as the political scientist Yuen Yuen Ang has detailed. Government support for state-owned enterprises is greater than it was a few years ago, but Beijing has abandoned what was once a central part of its mercantilist strategy: using an undervalued currency to boost growth. The
economist Nicholas Lardy has calculated that the end of currency mercantilism accounts for “about half of China’s growth slowdown since the global financial crisis.”

Or consider what is, according to Peter Navarro, U.S. President Donald Trump’s top trade adviser, issue number one in the United States’ trade dispute with China: “the theft of our intellectual property.” That China engages in rampant theft of intellectual property is a widely accepted fact—except among U.S. companies doing business in China. In a recent survey of such companies conducted by the U.S.-China Business Council, intellectual property protection ranked sixth on a list of pressing concerns, down from number two in 2014. These companies worry more about state funding for rival companies and delayed approval of licenses for their products. Why this shift from 2014? That year, China created its first specialized courts to handle intellectual property cases. In 2015, foreign plaintiffs brought 63 cases in the Beijing Intellectual Property Court. The court ruled for the foreign firms in all 63.

Of course, reforms such as these are often undertaken only in the face of Western pressure and, even then, because they serve China’s own competitive interests—the largest filer of patents worldwide last year was the Chinese telecommunications giant Huawei. But it is also true that many Chinese economists and senior policymakers have argued that the country will modernize and grow its economy only if it pursues further reform. Failure to do so, they have warned, will get the country stuck in the “middle-income trap”—the common fate of countries that escape poverty but hit a wall at a GDP of around $10,000 per capita, having failed to modernize their economic, regulatory, and legal systems any further.

As far as China’s political development is concerned, the verdict is unambiguous. China has not opened up its politics to the extent that many anticipated; it has in fact moved toward greater repression and control. Beijing’s gruesome treatment of the Uighurs in Xinjiang, a region in northwestern China, has created a human rights crisis. The state has also begun to use new technologies, such as facial recognition software and artificial intelligence, to create an Orwellian system of social control. These realities are a tragedy for the Chinese people and an obstacle to the country’s participation in global leadership. It would be an exaggeration, however, to adduce them as proof of the failure of U.S. policy. In truth, few U.S. officials ever argued that engagement
would lead inexorably to liberal democracy in China. They hoped that it would, even expected it, but their focus was always on moderating China’s external behavior, which they achieved.

CROSSING THE LINE
Under Xi, China’s foreign policy has become more ambitious and assertive, from its pursuit of leadership roles in UN agencies to the vast Belt and Road Initiative and the construction of islands in the South China Sea. These moves mark a break with the country’s erstwhile passivity on the global stage, captured by the former Chinese leader Deng Xiaoping’s adage “Hide your strength, bide your time.” China’s military buildup, in particular, has been of a size and designed in a manner that suggest that a long-term plan is being systematically executed. But what would an acceptable level of influence for China be, given its economic weight in the world? If Washington does not first ask this question, it cannot make serious claims about which uses of Chinese power cross the line.

China is, by some measures, already the world’s largest economy. Within ten to 15 years, it will probably take this spot by all measures. Deng offered his advice to “bide your time” when the country’s economy represented roughly one percent of global GDP. Today, it represents over 15 percent. China has indeed bided its time, and now, a much stronger China naturally seeks a larger regional and global role.

Consider the case of another country that was rising in strength, this one back in the nineteenth century, although not nearly on the scale of China today. The United States in 1823 was what would now be called a developing country—not even among the world’s top five economies—and yet with the Monroe Doctrine, it declared the entire Western Hemisphere off-limits to the great powers of Europe. The American case is an imperfect analogy, but it serves as a reminder that as countries gain economic strength, they seek greater control and influence over their environment. If Washington defines every such effort by China as dangerous, it will be setting the United States up against the natural dynamics of international life and falling into what the scholar Graham Allison has called “the Thucydides trap”—the danger of a war between a rising power and an anxious hegemon.

For the United States, dealing with such a competitor is a new and unique challenge. Since 1945, the major states rising to wealth and prominence have been Washington’s closest allies, if not quasi protector-
ates: Germany, Japan, and South Korea. A normally disruptive feature of international life—rising new powers—has thus been extraordinarily benign for the United States. China, however, is not only much larger than the rising powers that came before; it has also always been outside the United States’ alliance structures and sphere of influence. As a result, it will inevitably seek a greater measure of independent influence. The challenge for the United States, and the West at large, will be to define a tolerable range for China’s growing influence and accommodate it—so as to have credibility when Beijing’s actions cross the line.

So far, the West’s track record on adapting to China’s rise has been poor. Both the United States and Europe have, for example, been reluctant to cede any ground to China in the core institutions of global economic governance, the World Bank and the International Monetary Fund, which remain Euro-American clubs. For years, China sought a larger role in the Asian Development Bank, but the United States resisted. As a result, in 2015, Beijing created its own multilateral financial institution, the Asian Infrastructure Investment Bank (which Washington opposed, fruitlessly).

Pompeo has asserted—in a patronizing statement that would surely infuriate any Chinese citizen—that the United States and its allies must keep China in “its proper place.” China’s sin, according to Pompeo, is that it spends more on its military than it needs to for its own defense. But the same, of course, could be said of the United States—and of France, Russia, the United Kingdom, and most other large countries. In fact, a useful definition of a great power is one that is concerned about more than just its own security.

The old order—in which small European countries act as global heavyweights while behemoths such as China and India are excluded from the first ranks of global institutions—cannot be sustained. China will have to be given a place at the table and genuinely integrated into the structures of decision-making, or it will freelance and unilaterally create its own new structures and systems. China’s ascension to global power is the most significant new factor in the international system in centuries. It must be recognized as such.

NEITHER LIBERAL NOR INTERNATIONAL NOR ORDERLY
To many, Beijing’s rise has sounded the death knell of the liberal international order—the set of policies and institutions, forged largely by the United States after World War II, that compose a rules-based
system in which interstate war has waned while free trade and human rights have flourished. China’s domestic political character—a one-party state that brooks no opposition or dissent—and some of its international actions make it an uneasy player in this system.

It is, however, worth remembering that the liberal international order was never as liberal, as international, or as orderly as it is now nostalgically described. From the very beginning, it faced vociferous opposition from the Soviet Union, followed by a series of breakdowns of cooperation among allies (over the Suez crisis in 1956, over Vietnam a decade later) and the partial defection of the United States under Nixon, who in 1971 ended Washington’s practice of underwriting the international monetary order using U.S. gold reserves. A more realistic image is that of a nascent liberal international order, marred from the start by exceptions, discord, and fragility. The United States, for its part, often operated outside the rules of this order, making frequent military interventions with or without UN approval; in the years between 1947 and 1989, when the United States was supposedly building up the liberal international order, it attempted regime change around the world 72 times. It reserved the same right in the economic realm, engaging in protectionism even as it railed against more modest measures adopted by other countries.

The truth about the liberal international order, as with all such concepts, is that there never really was a golden age, but neither has the order decayed as much as people claim. The core attributes of this order—peace and stability—are still in place, with a marked decline in war and annexation since 1945. (Russia’s behavior in Ukraine is an important exception.) In economic terms, it is a free-trade world. Average tariffs among industrialized countries are below three percent, down from 15 percent before the Kennedy Round of international trade talks, in the 1960s. The last decade has seen backsliding on some measures of globalization but from an extremely high baseline. Globalization since 1990 could be described as having moved three steps forward and only one step back.

China hardly qualifies as a mortal danger to this imperfect order. Compare its actions to those of Russia—a country that in many arenas simply acts as a spoiler, trying to disrupt the Western democratic world.
and its international objectives, often benefiting directly from instabili-
ty because it raises oil prices (the Kremlin’s largest source of wealth). China plays no such role. When it does bend the rules and, say, en-
gages in cyberwarfare, it steals military and economic secrets rather than trying to delegitimize democratic elections in the United States or Europe. Beijing fears dissent and opposition and is especially neu-
ralgic on the issues of Hong Kong and Taiwan, using its economic clout to censor Western companies unless they toe the party line. But these are attempts to preserve what Beijing views as its sovereignty—nothing like Moscow’s systematic efforts to disrupt and delegitimize Western democracy in Canada, the United States, and Europe. In short, China has acted in ways that are interventionist, mercantilist, and unilateral—but often far less so than other great powers.

The rise of a one-party state that continues to reject core concepts of human rights presents a challenge. In certain areas, Beijing’s re-
pressive policies do threaten elements of the liberal international or-
der, such as its efforts to water down global human rights standards and its behavior in the South China Sea and other parts of its “near abroad.” Those cases need to be examined honestly. In the former, little can be said to mitigate the charge. China is keen on defining away its egregious human rights abuses, and that agenda should be exposed and resisted. (The Trump administration’s decision to with-
draw from the UN Human Rights Council achieved the exact opposite by ceding the field to Beijing.)

But the liberal international order has been able to accommodate itself to a variety of regimes—from Nigeria to Saudi Arabia to Viet-
nam—and still provide a rules-based framework that encourages greater peace, stability, and civilized conduct among states. China’s size and policies present a new challenge to the expansion of human rights that has largely taken place since 1990. But that one area of potential regression should not be viewed as a mortal threat to the much larger project of a rules-based, open, free-trading interna-
tional system.

**CONTAINMENT AND ITS COSTS**

The final assumption undergirding the new consensus is that some form of persistent confrontation with China will deter its adventur-
ism abroad and set the stage for an internal transformation. Few em-
brace the Cold War term “containment,” but many adopt some version
of its logic. The theory is that a hard line against China will force it to behave and even reform. Unspoken but clearly central to the hawks’ strategy is the notion that containing China will precipitate the collapse of its regime, just as happened with the Soviets.

But China is not the Soviet Union, an unnatural empire that was built on brutal expansion and military domination. In China, the United States would be confronting a civilization, and a nation, with a strong sense of national unity and pride that has risen to take its place among the great powers of the world. China is becoming an economic peer, indeed a technology leader in some areas. Its population dwarfs that of the United States, and the world’s largest market for almost every good is now in China. It houses some of the planet’s fastest computers and holds the largest foreign exchange reserves on earth. Even if it experienced some kind of regime change, the broader features of its rise and strength would persist.

The Pentagon has embraced the notion of China as the United States’ top “strategic competitor.” From a bureaucratic point of view, this designation makes perfect sense. For the last 20 years, the U.S. military has fought against insurgencies and guerrillas in failed states, and it has time and again had to explain why its expensive machinery has failed against these underequipped, cash-strapped enemies. To make an enemy of China, by contrast, is to return to the halcyon days of the Cold War, when the Pentagon could raise large budgets by conjuring the specter of a war against a rich, sophisticated military with cutting-edge technology of its own. All the while, the logic of nuclear deterrence and the prudence of the great powers ensured that a full-scale war between the two sides would never take place. Yet whatever the advantages for Pentagon budgets, the costs of such a cold war with China would be immense, distorting the United States’ economy and further inflating the military-industrial complex that U.S. President Dwight Eisenhower once warned against.

Add to this the large degree of interdependence between the United States and China. U.S. exports to China are up by 527 percent since 2001, and in 2018, China was the largest supplier of goods to the United States. There is also human interdependence—the hundreds of thousands of Chinese students who study in the United States, along with the almost five million U.S. citizens and residents of Chinese descent. The United States has benefited greatly from being the place where the brightest minds gather to do the most cutting-edge
research and then apply it to commercial ends. If the United States barred its doors to such talent because it came with the wrong passport, it would quickly lose its privileged place in the world of technology and innovation.

The Trump administration’s current approach to China runs along two distinct and contradictory tracks, at once eschewing interdependence and embracing it. On trade, Washington’s aim is, broadly speaking, integrationist: to get China to buy more from the United States, invest more in the United States, and allow Americans to sell and invest more in China. If successful, this effort would create more interdependence between the two countries. It is a laudable effort, although it bears pointing out that tariffs usually cost the party imposing the tax more than the recipient. By some estimates, the Obama administration’s tire tariffs cost around $1 million for every American job saved. The general approach, however, is wise, even if undertaken in pursuit of a narrow “America first” agenda, as interdependence gives the United States greater leverage over China.

In matters of technology, on the other hand, the Trump administration’s approach is decidedly disintegrationist. The strategy here is to sever ties with China and force the rest of the world to do the same—creating a world split between two camps. The Trump administration’s global campaign against Huawei has followed this logic; the meager results of that campaign indicate the logic’s flaws. The rest of the world is not following the lead of the United States (which lacks an alternative technology to compete with Huawei’s 5G offerings). The Trump administration has asked 61 countries to ban the company. So far, only three have acceded, all three of them close U.S. allies.

This dismal success rate is an early indicator of what a broader “decoupling” strategy would look like. China is the largest trading partner of many countries besides the United States, including key players in the Western Hemisphere, such as Brazil. When asked how they would respond to decoupling, senior leaders around the world almost all offer some version of the answer that one head of government gave me: “Please do not ask us to choose between the United States and China. You will not like the answer you get.” This is not to say that they would necessarily side with China—but they might well prefer to stay nonaligned or play the two powers off against each other. What is more, an isolated China that built its own domestic supply chains and technology would be impervious to U.S. pressure.
Strangely absent from most discussions of U.S. policy toward China is the question of China’s reaction. Beijing, too, has its hard-liners, who have warned for years that the United States seeks to keep China down and that any sign of Chinese ambition would be met with a strategy of containment. More and more, the United States’ posture toward China is allowing those voices to claim vindication, thereby giving them leverage to push exactly the kind of assertive and destabilizing behavior that U.S. policy aims to prevent.

The United States is in competition with China—that is a fact and will remain so for much of this century. The issue is whether the United States should compete within a stable international framework, continuing to try to integrate China rather than attempting to isolate it at all costs. A fractured, bifurcated international order, marked by government restrictions and taxes on trade, technology, and travel, would result in diminished prosperity, persistent instability, and the real prospect of military conflict for all involved.

The breakdown of globalization is, of course, the goal of many of the leading lights of the Trump administration. The president himself has decried “globalism” and considers free trade a way for other countries to loot American industry. He regards the United States’ alliances as obsolete and international institutions and norms as feckless constraints on national sovereignty. Right-wing populists have embraced these views for years. And many of them—especially in the United States—correctly understand that the easiest way to crack the entire liberal international edifice would be to trigger a cold war with China. More puzzling is that those who have spent decades building up that edifice are readily supporting an agenda that will surely destroy it.

**AMERICA’S NOT-SO-SECRET STRATEGY**

A wiser U.S. policy, geared toward turning China into a “responsible stakeholder,” is still achievable. Washington should encourage Beijing to exert greater influence in its region and beyond as long as it uses this clout to strengthen the international system. Chinese participation in efforts to tackle global warming, nuclear proliferation, money laundering, and terrorism should be encouraged—and appreciated. Beijing’s Belt and Road Initiative could be a boon for the developing world if pursued in an open and transparent manner, even in cooperation with Western countries wherever possible. Beijing, for its
part, would need to accept U.S. criticism about issues of human rights, freedom of speech, and liberty more generally.

The most dangerous flash points are likely to be Hong Kong and Taiwan, where the status quo is fragile and the balance of power favors Beijing. The Pentagon has reportedly enacted 18 war games against China over Taiwan, and China has prevailed in every one. Washington should make clear that any such victory would be Pyrrhic, resulting in economic collapse in Hong Kong or Taiwan, mass emigration from those islands, and international condemnation. If Beijing acts precipitously in either Hong Kong or Taiwan, a U.S. policy of cooperation will become untenable for years.

The new consensus on China is rooted in the fear that the country might at some point take over the globe. But there is reason to have faith in American power and purpose. Neither the Soviet Union nor Japan managed to take over the world, despite similar fears about their rise. China is rising but faces a series of internal challenges, from demographic decline to mountains of debt. It has changed before and will be forced to change again if the combined forces of integration and deterrence continue to press on it. Beijing’s elites know that their country has prospered in a stable, open world. They do not want to destroy that world. And despite a decade of political stagnation on the mainland, the connection between the rise of a middle class and demands for greater political openness is real, as is apparent in two Chinese societies watched closely by Beijing—Hong Kong and Taiwan.

Some American observers talk of China’s long view, of its patient, secret plan to dominate the world, consistently executed since 1949, if not before. The scholar and former U.S. Defense Department official Michael Pillsbury has called it China’s “hundred-year marathon,” in a book often praised by the Trump administration. But a more accurate picture is that of a country that has lurched fitfully from a tight alliance with the Soviet Union to the Sino-Soviet split, from the Great Leap Forward to the Cultural Revolution to a capitalist success story, and from deep hostility toward the West to close ties with the United States and back to a flirtation with hostility. If this is a marathon, it has taken some strange twists and turns, many of which could have ended it altogether.

Meanwhile, since 1949, the United States has patiently put in place structures and policies to create a more stable, open, and integrated world; has helped countries enter that world; and has deterred those
that sought to destroy it—all with astonishing success. Washington has been the opposite of vacillating or overly focused on the short term. In 2019, U.S. troops are still on the banks of the Rhine, they are still safeguarding Seoul, and they are still in Okinawa.

China presents a new and large challenge. But if Washington can keep its cool and patiently continue to pursue a policy of engagement plus deterrence, forcing China to adjust while itself adjusting to make space for it, some scholar decades from now might write about the United States’ not-so-secret plan to expand the zone of peace, prosperity, openness, and decent governance across the globe—a marathon strategy that worked.