

# **U.S.-China Cool War Beneficial to the World**

## **Mainstream and Organic Views**

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### **History of The Cold War**

The Cold War (1946-1991) literally started right after WW II (1939-1945). The Russian Bolshevik revolution took place in 1917 overthrew the Czar Nicholas II and after a few years of civil war, a socialist state emerged. The Union of Soviet Socialist Republics (USSR) grew to 12 states; Joseph Stalin took over the control of the government when Vladimir Lenin died in 1924. During WW II, USSR absorbed Estonia, Latvia and Lithuania and post WW II, the Soviet Union continued with its 'expansionism' foreign policy by installing communist-leaning governments in Eastern Europe while the U.S. was exerting her power and leading the post war recovery in West Europe and South Asia. The US-Russia wartime alliance crumbled and the Cold War began in 1946. The U.S. created the North Atlantic Treaty Organization (NATO) of 12 nations in 1949 as a political system resisting communist expansion but it became a military organization when Korean War broke out (1950-1953) ultimately forcing China to defend North Korea against the U.S.-NATO-S. Korea forces. In 1954, the Soviet wanted to join the NATO but got rejected, then the Soviet Union and seven satellite states in Central and Eastern Europe formed the Warsaw Pact, rival to NATO. From then on, the Cold War lasted more then forty years.

In 1970, the U.S. President Nixon and his adviser Kissinger formulated a plan to lure China into the West economy to confront the Soviet Union. After two decades, the Soviet Union was disintegrated out of economic collapse (1991). Basically, the Soviet Union's economic development plans were failing, they could not keep up with the arms race with the U.S. The Cold War is an all-front confrontation, including military, economy, technology and diplomacy all depending on a robust economy. Near Soviet's economic collapse, the U.S. GDP (\$5.64T) was 15.2% of the World GDP (\$36.94T, 1989), China 1.24% (\$0.46T) and Russia 1.4% (\$0.5T). The U.S.-China had a combined GDP 16.44% (\$7.10T) competing with Russia 1.4% (\$0.5T). The end result could be predicted. Fortunately, the Cold War did not develop into a hot war or world war. Even though the Cuba missile crisis was scary, but the Soviet Union backed down from the nuclear confrontation, a nuclear war prevented. The U.S. and Russia both possessed considerable nuclear warheads, if a hot war broke out, both and the world would be destroyed.

## **Another Cold war will lead to WW**

Of course, during a cold war, the military confrontation is the most dangerous. When the atomic bomb was used in WW II, Japan surrendered reluctantly. Post WW II, as Cold War started, the nuclear power was limited to a few nations. Therefore, it was relatively easy to develop a “Capping the number of nuclear warhead Treaty”. China was willing to announce a policy: “China will never use nuclear weapon first nor used it against any non-nuclear nation.” This policy helped preventing nuclear war during the Cold War. However, long after the collapse of the Soviet Union, China had maintained a rapid pace of economic development. The U.S. had shifted her attention and pressure to China. Consequently, China had increased her defense budget especially in advanced weapon development such as nuclear missiles and submarines. Unfortunately, many smaller nations also wanted to develop nuclear weapon as a deterrence to the abuse from superpowers who possess nuclear weapons. Thus a proliferation of nuclear weapon occurred, now the world is facing nuclear threat from Israel and North Korea, potentially from Iran.

Today, China has risen not only as the world's second largest economy maintaining sizable trade with 130 nations but also as a respectable military power. The U.S. seems to be cultivating a second Cold War targeting China. The U.S. pivoted her attention to Asia Pacific and attempted luring Russia against China. Recently, the U.S. increased her diplomatic activities with Japan, South Korea, Australia and India contemplating an AP version of 'NATO' (QUAD+) confronting China. However, Russia and China had elevated their bond both economically and militarily. China also signed a 25-year economic development plan with Iran making a China-Russia alliance seemingly apparent. With proliferation of nuclear weapons (over 10,000 nuclear war heads distributed worldwide), it is unwise and extremely dangerous to initiate another Cold War. First of all, in today's GDP (2020), the U.S. is \$20.94T (24.7% of the world GDP \$84.54T), China \$14.72T (17.4%) and Russia \$1.48T (1.7%), thus if the U.S. launches an economic war against China-Russia, it would be 24.7% vs 19.1% significantly worse from Cold War I (U.S.-China against Russia was 16.44% vs 1.4%). With China's man power advantage and highly integrated economy (Russia was totally isolated economically in Cold War I), the U.S. has a very poor odds to win on economic competition. Realizing fighting alone inadequate, the U.S. is trying to build alliances, but one can hardly expect the other countries to sacrifice their vital interests for 'America first' doctrine. If the U.S. dared to use nuclear weapon, it would invite mutual destruction. That is more reason for U.S. allies to hold the U.S. back.

## **Difference between Cool War and Cold War**

Since Cold War is not an option (no winning odds except mutual destruction), the U.S.

must consider a different strategy. The U.S. must have a plan B which is a Cool War. The author has introduced the concept of Cool War before, essentially competition with wisdom and caution. One makes carefully selected competition. One competes when one can. One will cooperate instead of competing when one realizes that competition is not an option. Of course, making selective competition requires wisdom, reasoning and calm attitude to avoid making wrong selection and/or miscalculating opponent's reactions. For example, Trump Administration launched a broad tariff war against China but with little gain, apparently not a well thought-out selection (China dominates in many basic goods manufacturing). However, the selection of a semiconductor wafer-chip war was a seemingly wiser choice and it indeed caused more disruption and pain in China's manufacturing industries. China has an enormous demand of various chip import. Sanction on chip products and technologies do hurt China since China does not have a complete supply chain of her own yet.

Biden continued this competition, broadening to material, design and manufacturing tools and technologies. The impact on China is considerable. However, competing in this domain requires a large sum of capital and human talents to maintain a solid domination. The U.S. does not have such a complete domination, hence she requires allies, for example Japan for advanced materials, South Korea and Taiwan for manufacturing technologies, Holland for special tool (EUV imaging system), etc. In this competition, China is likely to invest in R&D and talent development to catch up and seek self-sufficiency. This will take a few years at least, but with China's economic and industrial base she may succeed. In addition, China is the largest market for chips, the high-end chip technology companies need a market to absorb their products and generate profits to sustain their technology dominance. Therefore, there is no assurance that in the competition of semiconductor-chip technology, the U.S. will definitely come out on top. The smart thing is to assess the competition constantly and carefully, if competition does not bring victory then cooperate. When COVID-19 is still rampant and China is in a better shape in controlling the pandemic, the U.S. decision makers along with their think tank advisers must remain cool to face the Cool War not slipping into a Cold War.

### **US-China Cool War will be beneficial to the world**

Comparing Cold War and Cool War, anyone can see that Cold War is not an option. We can predict that Cold War will increase the chance of starting a world war. So if we started Cold War II, there would be no winner or loser but destruction for all. So the U.S. and China must tone down the rhetoric of Cold War and face a Cool War. In a Cool War, we must remember its principle, one must smartly select competition, if competition is not fruitful or rewarding, we must turn to cooperation. If we follow this principle, any competition or confrontation will not lead to a hot war like Cold War does. We not only can avoid world war, but also can make progress for mankind. Just like Olympic

competitions, no matter who gets the gold medal or the silver medal, breaking the world record, mankind wins. Right now the U.S. and China confrontation seems to be very fierce on the surface heading to a possible world war, but the smart people in the government think tanks on both sides must remain cool and follow the Cool War Principle. Don't let media including social media bring us into the trap of Cold War. Another Cold War will bring us a disastrous world war!