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## BBA MONTHLY PROMONTORY

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### ***BETTER READ THEN DEAD ...***

*Cope with affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile; and never claim leadership.*



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Odds are good that Deng Xiao Ping, the Chinese leader who coaxed his country into the light of the global economy, had 5-Generation internet on his mind when he circulated his "24-Character Strategy" in 1990. At the time, he was crafting a response to the global backlash from his brutal crackdown on pro-democratic protesters in the heart of Beijing. Of particular importance was to assure hardliners in the ruling court that then-US President George H.W. Bush would veto congressional attempts to sanction the "Butchers of Beijing."

Bush delivered a gift that adversaries would use as a club to beat him into a one-term wonder. But it helped preserve Deng and his reforms that, thanks to his gift for understatement, changed the world. Needless to say, there is little in the way of a soft touch between the current generation of Sino-US leadership. The tariff war gripping the global economy is not likely to dissipate any time; Nomura and JPMorgan Chase, for example, anticipate a final round of US tariffs in the third quarter of this year.

Then there is the technology war over who will control the last iteration of internet service—known as 5G—that will revolutionize how we interact with our gadgets and with each other. Having declared Chinese world-beater Huawei a digital spook and unwanted in western markets, the Trump administration has laid the foundation for a binary tech marketplace on an East-West divide. The economic battles drawn, some thoughtful experts on both sides warn of the inevitability of a real one.

Is that possible? Under what dire circumstances would compel China to destroy its mostly dollar-denominated foreign exchange reserves, or for Americans to relinquish their affordable playthings? It's a fair point for debate, and fortunately this year—the 30th anniversary of the Tiananmen Square uprising—has yielded a crop of smart books on the subject to drown out the fear-mongering.

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For those who regard China as a monolithic autocracy, immutable to change, liberal scholar Xu Jilin has published a collection of political commentaries that takes aim at his fellow Chinese scholars' parochial, nativist and gratuitous America-bashing and instead embraces open systems drawn from China's ancient imperial traditions as well as the western enlightenment. *A Liberal Critique* argues that China was most successful during its five thousand years of history when it was open to the world. Consider the country's golden era a millennium ago, or the liberal reforms introduced by the Empress Dowager Cixi in the late 18th century.

That's the good news. The bad news is that *Rethinking China's Rise* retails at \$114.99 from the Cambridge University Press.

The Trump administration compromised itself in bilateral trade negotiations, writes Sinophile George Magnus in *Red Flags: Why Xi's China Is in Jeopardy*. So egregious are China's violations of commercial norms—from policies that favor local companies and penalize foreign firms to gross theft of propriety technology—the US could easily assemble a multilateral offensive of greater thrust than unilateral ultimatums.

"Magnus's suggestion of dialogue through institutions," reviewer Kishore Mahbubani wrote recently in *Harper's Magazine*, "is a far wiser route for America to take than Trump's trade war. If the Trump Administration were to focus its economic campaign against China on the areas of these unfair practices, it would generate a great deal of global support for this campaign."

In addition to China's yawning credibility gap on trade, Magnus explores other potential traps that China must confront and overcome in order to thrive, including runaway debt, a middle income, the internationalization of the Renminbi, and an aging population. Looking at the political direction President Xi Jinping is taking, Magnus argues that Xi's authoritarian and repressive philosophy is ultimately not compatible with the country's economic aspirations, Mahbubani writes.

Graham Allison, a director at the Harvard Kennedy School, and journalist Richard McGregor take up the dread prospect of a Sino-America war. In *Destined for War: Can America and China Escape Thucydides's Trap?* Allison notes the uncomfortable fact that, at least since the ancient Greeks, no global power has given up its hegemony without a fight. That appears to be the case in the looming competition between Washington and Beijing for control of Asia, and Allison suggests that war is all but inevitable.

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McGregor, who spent years in China as a correspondent for the *Financial Times*, offers a more textual rendering of how the region's ancient past informs its future. In *Asia's Reckoning: China, Japan, and the Fate of U.S. Power in the Pacific Century*, he astutely implies that the so-called "Pax Americana"—which our military and diplomatic elites endow with talismanic powers—was only as strong as our adversaries were weak after World War II.

Now thoroughly rehabilitated, China is poised to leverage its home-field advantage.

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