

Marshall here. Welcome back to The Realignment.

Today's episode is with the author, Dr. Jonathan D.T. Ward, the author of the recently released *The Decisive Decade, American Grand Strategy for Triumph over China*. I was interested in speaking with Dr. Ward because unlike a lot of the previous China-US related books and interviews I've conducted, he really has done the work of putting together a comprehensive articulation of the means, aims, and stakes for how the US should approach China this decade.

Two aspects of the conversation and the book were ones I really appreciate and I think that whether you agree or disagree with his framing are useful ones to contend with.

Number one as retired Lieutenant General and former National Security Advisor, HR McMaster points out in the forward of Dr. Ward's book, the economic picture matters during the 2020s, great power competition in a way that it just did not matter during the Cold War. If you're looking at the grand strategists and politicians who led American foreign policy during that era, they were just not focused as much on the economic side of the picture, mostly because of the fact that the Soviet economic system was just so inherently flawed and the US and Soviet worlds at an economic level were just so separate, it just didn't come into the picture. This time and during this competition, the economic side of things is going to be key and everyone needs to act accordingly. And then number two, he's just spent a lot of time focusing on the impact of the choices that one can make in the 2020s. When he's talking about Triumph, when he's talking about competition, he isn't alleging that this is all going to resolve itself by 2031. He is arguing, though, that if the right choices are made this decade, the 2030s, 2040s, 2050s, going into the 2060s could play out much differently to the advantage of the United States. Once again, agree or disagree, I think the useful thing here for everyone is the idea that we should put together all these disparate aspects of US-China competition into one big bucket so we could actually put together a comprehensive strategy, looking forward to also speaking with other authors and strategists who have alternate viewpoints on these issues. Hope you all enjoy this conversation and a huge thank you to the Foundation for American Innovation for sponsoring this podcast. Dr. Jonathan Ward, welcome to the realignment. Thank you, Marshall. Good to be with you. Yeah, I'm great to chat with you about your new book, *The Decisive Decade, American Grand Strategy for Triumph Over China*. Your previous book was called *Vision of Victory*, and this in the subtitle is referencing triumph over China. Let's just start by defining what victory, what triumph means in the 21st century context. Yeah, absolutely. The first book, *China's Vision of Victory*, laid out the Chinese grand strategy in their own words and documents, and that really hadn't been done before utilizing all the right strategy documents, showing that it was fully global, showing that it's not just Xi Jinping. This is a vision that's passed from party leader to party leader. It really originates with Mao, and then even Mao himself saw what he was doing as saw himself as an heir to a deeper tradition in Chinese history. So, bottom line, we're dealing with this adversary, and I think speaking today in 2023, many people certainly in the policy space understand a lot about the nature of the problem, but it's time to figure out what to do about it. And I do think that the Communist Party has a clear idea of how they are going to win this contest with the United States. It's not solely a contest with the United States. In fact, it's more incidentally, I think, for them a contest with the United States, and more broadly, it's about what they call the great rejuvenation of the Chinese nation, the idea of restoring China to a central position in the world and becoming, as they see it once again, the dominant power.

So, we have to stop that, and that I think is the point here, and for the US to triumph in this contest, it means to do away with this turning point in history that the Communist Party of China envisions, where they surpass us and become that dominant power. And in order to deal with that, we're going to have to have a comprehensive grand strategy. We really haven't had one since the early days of the First Cold War with George F. Kennan and then containment, and ultimately, we did have a grand strategy for the Cold War. But today, I think we really lack one that deals with the full scope of the China challenge and certainly deals with it when it comes to what they're really trying to do, as opposed to things we might like to do. For instance, focusing on technology or small garden high fence. I mean, these things just don't address, I think, the reality of what China is seeking to accomplish here. So, I wanted to write something that goes for the trunk of the tree, and it tells us how to essentially ensure that the 21st century remains American-led, led by the democracies, by the US and our allies. I think that is the right construct for world order, and that we're able to head off this problem presented by the Chinese Communist Party. So, a question I think folks are going to have, especially if they don't share your priors, either assumption-wise or just ideologically, is to what degree is it possible to stop the global order from bending towards China, just in the sense that some degree of Chinese centrality makes a lot of sense, given the century of humiliation, given the fact that in the early 20th century, the country was held down by Japan, then it's held down by communism. Naturally, it seems like China is just going to be more ascendant, no matter what we do. So, help us understand what do you see is acceptable in terms of Chinese reordering of the global system versus what is excessive in terms of things that affect our lives and the international situation? Look, I think a reordering of the international system according to China's ambitions is unacceptable. I mean, this is a neo-totalitarian state. I think those that wish to defend that, that's a separate category. I mean, this is really for those that are ready to take action on this problem set. And I think we still have this very important window of time in front of us in which the US can take action and can prevent this rise from completing. So, without going into all the details of what China seeks, which we can do, but bottom line, knowing that we're in a contest, when I finished China's vision of victory, at the conclusion, I was writing about a book that I'd read at Oxford while studying the Chinese Civil War called *Decisive Encounters* by Adarney Wester, where most of the historiography about the Chinese Civil War talks about how the communists had just one battle after battle had to deal with the corruption of the Guomindang, and ultimately it was inevitably that they would sweep to power. And only one, this book *Decisive Encounters* stood out by saying, look, it was actually the opposing side that had all the advantages, they were the party in power, they had the better economy, better military, and they lost in a series of poor decisions. And I realized that's what is going on here. I mean, the United States is still the preeminent superpower, I mean, with the better military, the larger economy, better innovation, an alliance system that's still fully intact and incredibly valuable. And we have all of this essentially to lose, and it's been our mismanagement of the rise of China, meaning that we basically opened, handed them the keys to the kingdom, gave them access to our technology, capital, and markets, and transformed them from an agricultural economy into a 21st century technological and industrial superpower that now has 30% of the global manufacturing output, where we have now 15, they have the largest navy, and we could go through all of this, I think people know this

now, but we really built that by giving them access to a world that we had built and defended, you know, one in the Second World War and then the Cold War and the aftermath era of globalization, and we basically just let them in. And without checking things like human rights abuses and, you know, the nature of the party's intent, and we've lined up with the superpower contest. So I think we bear a great deal of responsibility for the rise of China, and for also simply not having a counter strategy ready, in case it turned out to be a mistake. So I think this is the moment, you know, the decisive decade to me, which I started using in early 2020, before it was taken up by the administration, and I'd love for them to act like it's the decisive decade and start doing the right things. But, you know, the bottom line is this is the window that we still have, if we want to stop, stop them before they've really set in the most important planks. Yeah, you invoking the administration is really interesting, because at a top line level, good way of understanding what you're arguing for in the book is that we should try to do two things like one, contain China's economic growth, especially in categories that relate to the global competition, technology, manufacturing, etc, etc, etc. And then also actually enhance our own country's economic growth capacity. This post globalization status quo that was basically embracing to the point of cliché now, the administration would argue that that's basically what they're doing. So when you bring up the fact that they would say that they're doing that, you are actually arguing, though, that there's a gap between the talk and the actual action. So what's your interpretation of what, and actually we can even go back a little further, what did the Trump administration do? What is the Biden administration doing? And where do you see the gaps between rhetoric and actual action? Sure. So I think on one hand, you've had a lot of continuity between the Trump and Biden administrations. I mean, at this point, we recognize China's an adversary, we understand that we're going to have to take them to task on things economically, militarily, that it's priority for national defense and also for economic strategy. But I don't think that fully appreciates the scope of the problem. I mean, what I've proposed in the decisive decade in the, you know, it's divided into four arenas, you know, classical arenas of Western grand strategies. So, but put in the order that I think matters most here. So economics, diplomacy, military, and then the arena of ideas. And the bottom line is the way I see it, this has to do with overall economic power. I mean, that's a deciding factor in history. It's why we're even talking about the rise of China. I mean, we wouldn't be talking about the Chinese military or national security issues if we hadn't had the economic rise that has made them 70 to 75% of our own economy. You know, the U.S. dominance of 20th century economics is basically the underlying story for our story as a superpower. And they seek to get there in the end. And they've always, since Mao envisioned surpassing us economically. And I wrote about that all in China's vision of victory. But, you know, here, I think it's just a very narrow approach to it that we're seeing in government. And partly because it's not just government that is going to have to get this done. I mean, you cannot win an economic contest without the private sector. And that's what I've learned a great deal about by doing a lot of private sector consulting over the past five years through my company, Atlas, where I've worked with a variety of Fortune 200 companies and helped them, you know, revise China risk assessments and deal with, you know, basically the entire global geopolitical picture. So bottom line, I mean, we've had our companies on our side in the Second World War. It was a very important piece of how we won. You know, we had the tremendous economic

advantages

in the Cold War by having a bifurcated economy and not being integrated with the U.S. star. And today we've wound up in a position of economic integration that I think at this point is largely doing us harm. I mean, you're seeing a lot of technology and capital being transferred into the People's Republic of China. I mean, they run trade surpluses around the world that allow them to, you know, essentially export economic power and with a diplomatic power, you know, build a military that is at this point quite sophisticated. I mean, this is all the fruits of economic engagement. So, you know, I proposed the economic containment as one pillar and then rebuilding the United States as another. I mean, our industrial base, I think we're starting to see attention to that at this point, particularly in the defense industrial base, but we have to go much, much broader. And we're going to have to bring our companies into the picture. So, you know, the forward to the new book, which General H.R. McMaster wrote is addressed to the business leaders of the free world. And I asked him to do that because I always thought if George F. Kennan were around, you know, dealing with a U.S. China competition, he'd send the long telegram to the business leaders because that's who we need. And I don't think that policy fully appreciates that. I mean, we're going to have to win a global economic competition with an adversary state. I think a lot of this is about, you know, global share of GDP, global share of wealth, the ability to consolidate the U.S. alliance system into an economic community that China can never surpass and basically would create advantages that they will never have. And then we're going to have to deal with a corporate battle space where they, and I've laid this all out with, you know, dozens of examples of U.S. and allied companies that are integrated and into China in the wrong ways, you know, participating in the Belt and Road or civil military fusion. And then, of course, the Chinese companies that are direct instruments of their economic grand strategy. I mean, that's something that I wrote about in The Decisive Decade, realizing that these companies are working at the behest of the state to carry out its strategies, you know, across the board. So we're just not even in that game. And I don't think that has really been fully appreciated in Washington yet. And I don't see the level of action that's required. You know, furthermore, I think the focus on things like chips and advanced technology is good and necessary. But at the bottom line, I mean, we're going to have to deal with a competition against an industrial base that is double our size. I mean, we don't have shipbuilding. We don't have, you know, global infrastructure companies that compare with China. We don't have necessarily investment banks that are out, you know, in a competitive way across the emerging world. And we're going to have to do a lot of actions in the commercial space to secure the US advantage and basically restructure the world economy so it doesn't depend on China. And the entire proposition of this book is that we do not, you know, it's not inevitable that China wins this contest, that China is sort of completely essential to the global economy across the board as they see it. I mean, there's still the possibility of, you know, scaling this all back significantly, allowing their ascendancy to stagnate and then getting to the kind of geopolitical contest where we have advantages. I mean, you do not want to let this decade go by with the economic trajectories that are already in place and then enter into the geopolitics of the 2030s with a China that is, you know, far, you know, continues to tighten supply chains to it, you know, continues to import FDI and have corporate engagement. And, you know, this week, as you and I are talking, I mean, we're, you know, major CEOs from Elon Musk to Jamie Dimon to,

you know, Starbucks to Tim Cook at Apple. I mean, they're all over going to Beijing and, you know, have been doing that recently to continue their business interests. So we have this fundamental problem of business interests being so misaligned with national security that we have to get, you know, have to get that in order in order to win this contest. And without that, you know, the military advantages I think will wane very quickly in the future if we, you know, fail to win the economic contest while we can. And so many questions in response to that. So number one, I like your invoking invocation of George Kennan and the long telegram in foreign affairs as the example of what it means to address the stakes and the issues at hand.

I guess this also comes up to mind something you mentioned in the book, which is that if we're looking at like the big successful, quote unquote, grand strategies of the Cold War, you're talking about Civic New Brzezinski, Brent Scowcroft, Henry Kissinger, those guys very specifically were approaching geopolitics from a non-economic perspective. A, their backgrounds weren't like in that specific economic focus, but B, you also point out that the nature of the global economy and the Cold Wars, we were just in two separate worlds. The economy was bifurcated,

so it didn't matter what 1980s era Starbucks was doing or what their opinion of let's say the war in Afghanistan was, because at the end of the day, there was just no war where they're going to go participate in the Soviet Union. So I'll ask this question a couple of different ways, but let's just start and then after you answer, I'll get to the next version.

To what degree, can you just really explain what it means for geostrategists to not focus on the economic picture and the economic question, the implications of that?

And Marshall, I write about that in the introduction of the book actually, because there's this wonderful quote from Secretary of Defense Robert Gates where he, I'm going to read it to you, I have it right here. He says, National Security Advisers, Henry Kissinger, Brent Scowcroft, as Big New Brzezinski were world-class geostrategists, but even they didn't write or think about the different forms of power and none of them paid much attention to economic and financial tools. So I talked about this in a book because the next line I say in my own words, the advantages of being a capitalist country in competition with a socialist system during the Cold War caused our premier strategic thinkers like heirs and heirs to immense fortunes to take economic power and economic supremacy for granted as they applied the overwhelming resources of the United States of America to our most pressing strategic problems.

So bottom line, I mean, they had this on their side, they didn't have to worry about this.

I mean, we'd gone through the economic ascendancy of the industrial revolution of our sort of place as the de facto and by far largest economy in the world by the turn of the 19th to the 20th century and we had all of that on our side. So by the time we entered the Second World War, we were three times the combined industrial power of Germany and Japan in the 1930s.

In the Cold War, we were always double the Soviet economy or more. So we always had that.

So if you're a Kissinger or someone like that, I mean, you're basically working with a superpower and the whole reason I've dedicated so much of my own life at this point to this problem set is I think we're looking at the possibility of losing that fundamental advantage and that really worries me. And I think that should worry all Americans. I mean, we cannot afford, in my view, to go into the 21st century losing the most important advantage we have,

which is the economic power of the United States of America. So I've been very focused on that ever since I was about 22, 23 as a traveling backpacking living in China and the fact that everybody who was there from the West or from the United States was looking at this as a growing economy, as a place to do business, as this superpower to be, and no one was asking what the consequences were. To me, I wanted to know, well, what does it really mean if this becomes as big as you think it is? And I talked about a few business leaders at the start of the book, Musk, who said, in his own words, China may be two to three times the size of the United States of America. Jamie Dimon running the largest bank in America. I mean, these are people that have a good understanding of economics. I mean, Dimon is saying just last year or year before that China will be larger than the United States. Starbucks is saying Howard Schultz. So whatever we may all think about demographics and all of that, I mean, China is still a growing economy. It added the equivalent of the Australian economy every year for the past five years. You know, most major banks forecasted it as growing from four to five percent for the rest of the 2020s, even though they have headwinds, even though they have housing issues, even though all of that that we're aware of demographics, but still urbanization and consumer potential and our companies are invested in and understand what they're doing. But the consequence of all that is so profound from a sort of historical perspective. I mean, if we think about the history of the 21st century, for America to lose its position as the dominant economic superpower, I think is something we should be defending that position with absolutely everything we've got. And that should be the main order of battle, in my opinion. So when we talk about the geostrategists of the 20th century, you know, they were sitting on top of something that it was in a way secure and not going away and unchallenged. And my concern is that the challenge here is far more fundamental. And that's why for me as someone who is more first principles focused, whether it was, you know, learning the essential languages in my 20s or studying the essential history or now just focusing on sort of what is the nature of this problem as I was taught to do in the various things I've done in life. And the nature of this problem to me is whether or not they have a clear shot at becoming the dominant economic superpower. And after that, everything flows from that. I mean, the military power flows from that, the diplomatic power flows from that. If we lose that position, I think we haven't even begun to contemplate what that means.

Marshall, you're muted. Thanks. And this is the part where we're telling like an abridged AP US history version of history. It's not quite this simple. But to simplify, when George Kennan writes the long telegram, then America forms the consensus around the containment policy. That was a argument within the American political class. And when you had businessmen, businesswomen, leaders from other industries come into that political space, they obviously had that background outside of government, but they were still operating in the political sphere. And this is actually what you do as a living when it comes to consulting. This is what it comes to when you're writing this book. But how do you convince a business community to believe what you're arguing? When there are a variety of convenient excuses you can make, there are very legitimate excuses like, look, end of the day, our job is to actually like enhance the stock price. These are ideological arguments. I'm outside of that right now. Talk to me when they invade Taiwan. I'm not sure it's going to happen or not, etc., etc. What is it actually like to try to attempt that George Kennan directional task when it comes to talking to this community? Sure. From my personal experience, I think it's a very difficult thing

to do. And over the years, I've worked with all kinds of people in the business world, everything from board level, CEO level, internal economists, security experts. A major corporation has so many feelers out into the world, not just in the management structure, but in terms of how they process information, how they learn about the world, how they form assessments. They're very complex and interesting places in which to learn and advise and work. And I think that there are always different degrees of understanding of the situation. And I think if we were to go to the Pentagon, people understand this pretty clearly, but if we were to go to most companies, I think it is not clearly understood. And that's the nature of the issue. I mean, people are managing companies for the sake of doing business for returning capital to shareholders and growing a corporation and doing all the normal things that a corporate officer would do. And yet they're taking on risk, I think, in a way that is not just dangerous for the United States and dangerous for themselves. I mean, it's really this entire process of engagement in which the buck doesn't stop anywhere is becoming just a form of systemic risk that puts all of them at risk as well. And I think that's the way that I've wound up communicating with companies over the past for the time that I've been doing this, is to show them in terms of their own interests, their own strategies, their own plans. I mean, what assumptions are viable and which ones need to be questioned more seriously? Because at the end of the day, you take a company like Apple, which is not a client, so let's just talk about them. I mean, you're talking about 20% of revenue coming from China. You're talking about a supply chain that's essentially based in China, even as they make efforts to move it to India and other places. I mean, the FT and others forecast that Apple's across the entire product lines will be 90% made in China even by 2025 or so. You're talking about brand equity. I mean, they're already in trouble. They come up in the news when one talks about removing the ability of protesters in Hong Kong to communicate on airdrop, for example. I mean, the party is making deals with them allegedly of hundreds of billions of dollars to stay in the market and that sort of thing. So you take a company like Apple, which has so much exposure to this problem. And how are you honestly going to fix that? And most companies have less than that. I mean, it's a pretty robust example. But I think at the end of the day, companies need to understand what it means to take on that much geopolitical risk. And at the same time as a country, we need to understand what it means for our companies to take on that much exposure to an adversary state. At the end of the day, all these deals with China involve intellectual property transfer, allocation of capital in order to remain competitive in a contested market. And that is definitely the main line of a great deal of American advantage into our primary adversary, I think has come from our corporations over the decades. As you're articulating this, I'm kind of putting on my corporate Fortune 500 head honcho hat and thinking to myself, okay, I understand the risk that Dr. Ward is talking out here, but I wonder how much of this risk is self-imposed by us versus on the CCP Chinese side. So for example, it seems to me that if you're coming from their perspective, they'd say like, well, like obviously, if there were a Ukraine style, not style in terms of like tactics and strategy, we just sort of like shock to the international system, invasion of Taiwan, much like the similar 2022 period with Russia invading Ukraine. I don't understand that as a China risk. That said, Dr. Ward, if you're bringing up how our investments could get screwed, you could have all these bad relations, that's US government policy.

That's Trump winning election and Trump deciding that he's going to start a trade war like this, this, this and that. So we as business leaders who engage in politics, we're going to say in the arena of ideas that we should have more friendly relations. Like we shouldn't start trade wars like this, this, this and that. So basically, what would you say to that? And then how would you separate out risks that are under our control that our government policy could turn the dial in either direction versus one sort of completely outside of our hands? Because those to me seem to be the ones that are the most unfocused on. So if you're looking at Russia in 2021, let's say you're an investor, you're a company, you'd probably say, well, quite sure there could be sanctions, but the Russians wouldn't actually invade Ukraine all the way. That'd be an insane decision. I'm going to put that risk to the side when that was actually the risk that you truly should have focused on. So I'd love to hear just what you think about that.

Sure. I mean, Larry Fink in his shareholder letter last year, CEO and founder of BlackRock said, I never thought we'd see war in Europe in my lifetime. And this man is essentially in charge of \$10 trillion of capital. So that level of risk assessment was pretty surprising. So you'd be surprised what people do and don't think is realistic out there. And I think that's changed a bit, particularly after Ukraine, maybe even a little bit after Hong Kong, people have started to see, but it's changing much more now, I think, as people see certain, for instance, the rate on Bain Capital and other pressures on companies operating in the China market, I think it's showing people in the Western business community, I think a more acute level of what could go wrong

here. So look, the bottom line is for a corporate set of decisions. I mean, that's one thing, that's for de-risking, which is now becoming a broader phrase to describe how to deal with the US-China economic relationship. De-risking might be a corporate strategy, but containment is a government strategy. I mean, to do economic containment. And the word really, the phrase comes from the Cold War era. When we talk about exports in the Cold War era or COCOM or the Battle Act of 1951, these sorts of things that were just about ensuring that we weren't providing important technologies to what we all agreed upon at the time was a total adversary.

That's where some of the economic containment fundamentals come from, and I talked about a lot of that history in the new book. But I think it goes beyond things like export controls and certainly tariffs and all that. I mean, we're dealing with a state that has shown us very clear and I think to a large degree successful track record of converting economic strategy into economic power and economic power into military power. So I think it would be rather insane for us to, you know, insofar as there's any way to take action to allow that all to continue. I mean, knowing the intent, knowing the results and knowing quite literally the strategies that are in play, I mean, that's all just available to us at this point. So you'd want to stop that. And I think it's, you know, what might stand in the way of that is this idea of the U.S.-China economic relationship, which I crunched plenty of those numbers in the book.

I mean, corporate earnings, you know, all multinationals in China as reporting to the Department of Commerce, including joint ventures, you know, we're earning a total of about \$23 billion in the China market. I mean, that is the cost of a single nuclear power plant. So the profitability across the entire picture is not large. You know, the assets and revenue is a different story. I mean, that's much larger, but at the same time, you know, none of this, I think, is worth sacrificing our geopolitical future of over. You know, a lot of it is this

idea of the billion-person market, this idea of future growth in China, you know, realized earnings and revenues is one thing. And I think those have to be separated. But the U.S. government,

I think, should be unafraid of telling our companies what's permissible when it comes to a nation's state that is literally preparing its military for conflict in the Pacific. I mean, that should be something that we're unambiguous about. And we've been through this before. I think the real examples, despite the fact that my, you know, training is a historian at Oxford, is in, you know, Cold War history and history of China-India relations. You know, it's really the Second World War is the last time we were in this position where our major businesses, you know, across the board, you know, everything from Standard Oil to Ford to General Motors to IBM. And they were all in the German market. And an example that I used in the book is Thomas Watts and, you know, one of the famous early IBMers was giving a speech in 1937 in Berlin. And the title of the speech was Peace Through Trade. He was given a medal by Adolf Hitler. He later thanked Hitler in writing for this medal that he received. And the next thing is IBM in the Holocaust, which is one of the most clearly documented, you know, business tragedies or even atrocities in history. So we've been in this before just on a far smaller scale. And when we talk about something like Russia or American businesses, Russia, and I talk about this extensively in the book, you know, the exodus of multinationals and U.S. companies and allied companies from Russia. I mean, you're talking about a far smaller problem. You know, as an executive once told me, look, Russia was easy because we just didn't have anything there. Now, China, that would be a very different thing. So for the last section, I want to kind of walk through the four things that you say comprise grand strategy. You talked a bit about the economics, but we're going to do like economics, diplomacy, military, and then the ideas side of things. So on the economics side first, what do you think the broad economic program is? Because guess what? The easiest thing in the, you know, American political scene is to say, we need more growth, we need an innovation, body, body, body, body, body, very few people outside of very niche parts of Twitter would disagree with that. What would you say is like the broad program that should be adopted? Well, look, so yeah, I've laid it out, you know, in two sort of main pillars here. So on one hand, you have economic containment, which I think is, you know, bifurcation. I think we do need to go towards bifurcation. I think we would be better off in a systems competition, where our system is out proving the adversary system. I think that's something we can win. What we don't want, in my opinion, is a world where we're an innovator, and they either gain access to what we do or steal it and then commercialize it as scale and grow that way. So, you know, bifurcation, I think, is necessarily laid out a lot about what that would look like, how to do it. Then economic containment on technology, that's a lot about export controls, and then economic containment on capital markets, which is another key piece that we really haven't touched. I mean, you know, our public pension funds, our major pensions, I mean, all the money that's being mainlined into China through MSCI and black grub vehicles, I mean, that sort of thing is really something that those flows, I think, should stop and furthermore, you know, having our financial institutions over there helping them develop capital markets. I think we really underestimate what that means for us. I mean, we have far more sophisticated and really superior capital markets here, and, you know, they will have challenges because of the nature of their system anyway when it comes

to that, but I don't think we need to be helping them improve that. I mean, finance may be the most strategic industry in a sense. And, you know, if they're able to really excel at that in the long run, I think we will regret it from a strategic point of view. So, you know, economic containment as a first pillar, and then rebuilding the United States as a second. And, you know, what we have here, and, you know, as a historian, and someone who's also been taught to think about

the future by the Office of Net Assessment, where I've, you know, been a consultant in the past, you know, we're about to hit this moment in economic history, you know, in the 21st century that could be enormously beneficial to the United States. And I think it's in a way it may be fortunate that this contest is coming at this moment where, you know, we're about to go through the fourth industrial revolution, which will, you know, the Internet of Things, the digitization of industries, I mean, industry creation. I mean, we're going to see a lot of new productivity potential, and this is going to go across the board for a variety of different important industries. And that could be a huge accelerant for us if we're able to sort of bifurcate and head into that period of fourth industrial revolution. However, if we do that in sort of a joint shared, as Elon Musk just called it, co-joined twins. This is what he said to the Chinese foreign minister, we're co-joined twins. If we go through it as co-joined twins, you know, every advantage will be theirs too. And I think we have this moment, you know, in this decade and, you know, the start of the one that comes next, you know, let's say from the in the 2020s and early 2030s, to advance up this ladder of, you know, economic and technological potential, and then also to deny that to the adversary. And if we're unwilling to look at this as an adversary, and let's face it, I mean, from our national security strategies and national defense strategy, we're already clear on that at a sort of government level. At a deeply bipartisan level. So if it's an adversary, do what it takes, do not let them follow you up the ladder of progress here when we have this very unique moment in history in which to actually get to that bifurcation. And what I've talked about, I think, as an overall objective here would be a second great divergence. And, you know, there was a great divergence in history where basically the industrialized,

you know, Europe just shot ahead of the rest of the world economically at all kinds of consequences, many of which are, you know, negative and what have you. But I think here, if we had a divergence economically between the democracies and the autocracies, that's where I think we get to a world that can be stabilized again and stabilized with our advantages. So if we're using this moment, you know, the decisive decade and beyond to seize the economic opportunities that are available to us to, you know, deny them as we can to this adversary, to restructure the global economy so that it is not, you know, one in which China has the kinds of advantages it does today to rebuild the alliance system as an economic community to secure the supply chains, advance in the technologies and industries that matter to rebuild our industrial base, you know, a lot of which, I mean, that solves a whole lot of the problem, honestly. Then I think we get to this point where we can maintain America's economic advantages for the long run well into the 21st century. I mean, this, you know, does not, you know, the 21st century does not need to be one that ends with China's vision of victory, even half of that. I mean, it's something that we can still win in the way it's ours to lose, but we're going to need the focus, the discipline, and I think the imagination, frankly, to realize what it's like to win this kind

of contest. And as you mentioned early on, I mean, the geo strategists of the 20th century, we're working with such great advantages in American power. And I think here the task is rather different. It's sustaining the advantages. It's not just applying them. It's sustaining them and building them so that we always have a massive gap between ourselves and our challengers in Beijing

and Moscow and beyond. I mean, I think it's possible for America and the allies to flat out when this thing as Senator Kyle said of my book as a whole. And, you know, what we need is a template and a theory of economic victory. And I think we should be unafraid of that. And I think we should be absolutely dedicated to that outcome. I want to hit the other three categories. So diplomacy number two. So not the most important, but definitely second most in your framework, just give a quick summary of why you've placed it there and how it kind of operationalizes itself. Sure. And I think diplomacy to me is really about the construct of world order. I mean, it's not just the act of diplomacy. It's the purpose of diplomacy. You know, how do you actually work with other nation states or look through the framework of nation states and organizations to have a world order that is secure for, you know, our interests and our values and those of our allies as well. So the pillars that I've put there are really about the the alliance system. You know, as as the first pillar, I mean, this goes back to what I said in China's vision of victory and win the economic contest, unite the democracies and maintain military superiority. I mean, those are the three things we need to do. So to do that, I mean, we're going to need to consolidate the alliance system and then win a battle for the emerging world. And a lot of this will be economic, but really the combination of economics and diplomacy. I mean, we want to roll China back, I think in the emerging world, you know, the Belt and Road is their clearest expression of this. I mean, on one hand, that's economic power, but it's also diplomatic vision. It's a vision of world order with China at the center. So we need to, I think, go after that vision of world order before it fully forms. So we pursue those two tracks. I think with the alliance system is pillar one and the emerging world is pillar two. And then you start to get to a diplomatic rollback of China, which I think we can do. So then close us out on the military and then ideas centric parts. Sure. And with military, you know, this is really where I went back to Churchill and Paul Nietzsche, who both talked about the word preponderance. And preponderance, you know, as Churchill put it, was not about a balance of power. You know, this was not about having, as he said, a couple of equal strength on either side, which ultimately leads to real conflict, but bringing an overwhelming amount of power back, you know, on the U.S. side. And I think, you know, if we're able to consolidate our alliance system, if we're able to focus on the right military systems, and I've laid all that out to the best of my ability in this section, I think we can get back to preponderance. I mean, the U.S. has a lot to work with here when it comes to military superiority. You know, I worked a little bit with, you know, the Reagan strategies, NSDD 75, for example, which laid out an approach to military superiority and economic power. So we have this tradition of peace through strength. I think it's been reduced now to deterrence through denial, which to me is the smaller sort of withered version of peace through strength. But I think if you win in the economics, if you have a clear vision of diplomatic, you know, sort of world order based diplomatic outcomes, and, you know, I mean, we can rebuild the military power that we've traditionally relied upon to create peace. And, you know, that's where I think we should be aiming. This is not a warfighting strategy. It's a

peacetime containment and deterrence strategy. So using the gains of the economic arena to revitalize peace through strength would be the objective. And then finally in the arena of ideas, I mean, this is really where the word triumph belongs for me. So it's the triumph of our ideals and our values. And I think, you know, just as an American, who is a historian of China, writing this book and doing this sort of work, I mean, that's the part that probably meant the most to me was, you know, having to articulate why we matter, why it matters for the American experiment,

which it is, it's an experiment for it to continue and for it to prevail. And I think that's something that, you know, I simply feel very strongly about and was able to go through the fact that we actually have such clear, such a great tradition of expressing why the United States counts. And, you know, on the opposite side of that, I mean, something that I think I've become very familiar with, anyway, is the ideologies of the Communist Party of China. I mean, there's some that say this is not an ideological competition, I would firmly disagree with that as an historian of modern China. It is absolutely 100% ideological for them. I mean, the very idea of the great rejuvenation of the Chinese nation, you know, it's not just interest based, it's not just real politic. It's this entire teleology of history in which China prevails and returns to its rightful place. And, you know, that honestly, you know, explains a lot of things that people find hard to explain when it comes to activities and actions by the Chinese Communist Party, but they have this vision of winning. And we need to make sure that doesn't happen.

It is deeply in conflict with our principles and values. I mean, they themselves have shown us that through things like document number nine, which takes on, you know, all the Western values system and says we have to defeat this in the ideological space, etc. So bottom line, I mean, I think that's really what triumph is about. That's what victory is about to me is, you know, ensuring that that a U.S. led order together with our incredibly, you know, diverse and sort of robust set of global allies remains the construct for world affairs. Very well said, Dr. Jonathan Ward. Thank you for joining me on the realignment. The book is the decisive decade American Grand Strategy for Triumph over China.

Thank you, Marshall.

Hope you enjoyed this episode. If you learned something like the sort of mission or want to access our subscriber exclusive Q&A, bonus episodes and more, go to realignment.supercast.com and subscribe to our \$5 a month, \$50 a year or \$500 for a lifetime membership rate. See you all next time.