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*The real menace to America is the weakening of its economic power due to heavy losses in the 2008 financial crisis. The crisis, says George Soros, "led to the system's collapse. The crash was a watershed moment because it marked the end of U.S. supremacy." The way this setback is driving the U.S. to tighten its containment on China by riding on the maritime rows could lead to miscalculations. Right now, China will not budge.*

## Realpolitik in the maritime tiff

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Maritime feuds in South China/West Philippine Sea are rising to a boiling point with the U.S. saber rattling over China's reclamation on contested areas - called legitimate by Beijing. Last week, Japan's right-wing PM Abe and President Aquino inked a security pact to foil Beijing's "destabilizing actions."

U.S. defense chief Ash Carter's tough rebuke at Beijing and the re-ascendancy of policy hawks at Washington over the "China threat" show America's dual track turning from "engagement" to containment. The shift is triggered not so much by territorial tiffs but by China's quantum economic growth threatening U.S. economic primacy.

U.S.-China relations came to a head-on clash last March when China launched the \$100-bn Asian Infrastructure Investment Bank (AIIB). AIIB is China's response to U.S. refusal in reforming the Bretton Woods system that props up its global financial imperium. Defying U.S. pressures, many of its key allies signed in to be among 57 charter members. In April, a stunned Wall Street heard former Treasury Secretary Larry Summers' assessment: "This past month may be remembered as the moment the U.S. lost its role as the underwriter of the global economic system."

AIIB was the final straw that broke the camel's back. China, awash with a \$4-trillion foreign exchange reserves, had rolled out revolutionary projects - the New Silk Road and Maritime Silk Road ("One Silk and One Road"), BRICS Development Bank, Shanghai Cooperation Organization Bank, \$40bn Silk Road Fund, and last May, \$42-bn investment and trade deals with India. With AIIB and BRICS bank around, yuan looms as the world's reserve currency.

On top of this, the world economy will be redrawn by the 8,000-mile New Silk Road - a modern transit, trade, and economic corridor running from Shanghai to Berlin or over a third of the world. Maritime Silk Road will link China with the Persian Gulf and Mediterranean Sea crossing Asia, Europe, Middle East, and Africa with a \$21 trillion projected output. The massive infrastructures' security impact will offend U.S. hardline geo-strategists: Eurasia will be in the grips of Russia and China leading, so goes the heartland theory, to U.S. isolation.

In 2013 and with China's expanding market-driven global interests, President Xi Jinping dared Obama on a new great power relationship, i.e., to treat Beijing as a co-equal. The new relationship furthers China's push for multipolarism instead of the U.S.-centered

unipolarism and opposes alliances - the linchpin of Pax Americana since Cold War. As the world's largest economy in purchasing power parity now, China expects the U.S. to adjust to an emerging multipolarism. But U.S. hawks and corporate elite see it differently: economic cooperation should now give way to containment. China's integration in the world economy is over. Its new institutions, structures, and economic zones undermine U.S. power monopoly.

Last May, Pentagon planned to send aircraft and warships to within 12 miles "to directly contest Chinese territorial claims to a chain of rapidly expanding artificial islands" in the Spratlys. At Honolulu Carter warned that the U.S. "will remain the principal security power in the Asia Pacific for decades to come."

America is the unrivaled Asia Pacific power since the turn of the 20<sup>th</sup> century after grabbing the Philippines, Cuba, Hawaii, and Puerto Rico and, together with European and Japanese imperialists vanquishing China during the "Century of Humiliation." For the next 100 years, U.S. primacy was powered by military bases and commands, defense alliances, and interventionism in Indochina, the Philippines, and elsewhere. For long periods since 1949, socialist China was a target of regime change and deterrence and remained so even as ties with the U.S. normalized. To contain China's rise and its growing influence in the region Obama launched "pivot to Asia" in 2011 - a new Cold War - deploying 60% of U.S. forces to Asia Pacific by 2020. "Air-Sea Battle," a modern blitzkrieg to be unleashed in a war with China, followed.

On track of a rightist resurgence in U.S. foreign policy, the influential Council on Foreign Relations last March called for abandoning the policy of "conengagement" (military/strategic containment with economic/political engagement that lured China into the U.S.-led global capitalist system) in favor of undermining Chinese strategic advances.

Chinese leaders are aware of this shift: Last year a Communist Party paper revealed the U.S. objectives toward China - to isolate, contain, diminish, and divide the country, and sabotage its party leadership. Other documents stressed the overarching core interest in China's sovereign territorial claims in the SCS, opposed by other claimants: maritime and mainland security. To expound, China - a non-colonizer throughout its 5,000-year civilization - faced 500 invasions via its southern coasts with 84 of these resulting in subjugation by the U.S. and other imperial powers; four million Chinese died in the Japanese invasion of WWII. China wants none of that now. But it faces the yin and yang dilemma of sustaining its "peaceful rise" while being increasingly assertive as it confronts an enhanced U.S. system of alliances such as EDCA wrapped around its mainland.

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