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**SINO-AMERICAN RELATIONS IN THE 21ST CENTURY:
TAKING A PAGE FROM THE VENEZUELAN CRISIS OF 1895**

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Taking a Page from the Venezuelan Crisis of 1895**

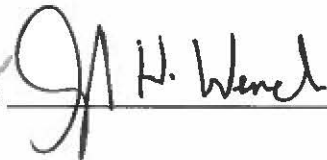
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This paper is entirely my own work except as documented in footnotes. (or appropriate statement per the Academic Integrity Policy)

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ABSTRACT

The Sino-American relationship will be the most important bilateral relationship of the 21st century. As China continues to expand its influence regionally and globally, the U.S. is striving to maintain its position atop the world order. Given the tendency of inter-state conflict between rising and status quo powers, within the framework of A.F.K. Organski's power transition theory, it becomes imperative to international order to examine ways to preserve peace during times when the power transition theory applies.

This paper posits that there are real similarities between the peaceful Anglo-American power transition of last century, and the conditions that could exist in the Sino-American relationship of this century. Specifically, the Venezuelan crisis of 1895 brought increased tensions between Britain and the U.S. and the very real potential of war. Both sides of the conflict deftly employed diplomacy and pragmatism to find a peaceful resolution.

Today's policymakers in the Sino-American relationship can draw lessons from the Venezuelan conflict in order to find peaceful solutions to potential points of increased tension during their relationship in the 21st century.

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The ideas presented in this thesis were originally envisioned as part of a Ph.D. dissertation; a larger work that incorporated multiple case studies from the Anglo-American transition with a more in-depth study of what could then be drawn forward to the Sino-American relationship of the 21st century. While my desire to pursue a Ph.D. has not been abandoned, Dr. Kenneth Payne, my advisor from my previous MA at King's College London, planted the original seed. Although he did not provide inputs to this thesis, his encouragement of my ideas and our discussions on the implications of such Teutonic shifts in international relations, comes through in the form of his fingerprints on this project.

I would also like to thank the entire librarian team at the Joint Forces Staff College Ike Skelton Library. Specifically, Ms. Kari Anderson, Ms. Jeannemarie Spurlin, and Ms. Dawn Joines were critical and tenacious in assisting me in tracking down far-flung resources. Without second thought, they were eager to request inter-library loans, cajole, and encourage the release of rare transcripts, and dogged in their determination to find first-person source documents. I was thoroughly impressed with their willingness to help me, and could not have completed this project without them.

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DEDICATION

This thesis is dedicated to my incredible family, who inspires me every day to be a better officer, husband, and father. Without their love and support, this project would not have been possible.

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CHAPTER 1: INTRODUCTION

“Who does not see, then, that...the Pacific Ocean, its shores, its islands, and the vast regions beyond, will become the chief theatre of events in the world’s great hereafter?” – Senator Seward, 1852¹

Though observers today call the importance of the Sino-American bilateral relationship in the 21st century one of “the most obvious clichés in international politics,”² no one denies the relationship’s merit. From academics such as Graham Allison and Aaron Friedberg to diplomatic practitioners such as former Secretary of State Hillary Clinton and Chinese Foreign Minister Wang Yi, stakeholders in international relations highlight the relationship between America as the status-quo power and China as the rising power as the pre-eminent interstate relationship of this century.³ Predictions on the future character of the relationship vary widely, between visions of a new Cold War in Asia fraught with tension, to cooperation between the two powers on global stability, institutions, and countering proliferation. Commonly, relationships between a hegemon and a rising challenger resemble the former.

Major power relationships have also been fraught with danger, as “the past makes amply clear that transitions in the balance of power are dangerous historical moments; most of them have been accompanied by considerable bloodshed.”⁴ From the Peloponnesian War to the Napoleonic Wars to World Wars I and II, nations in similar

¹ Thomas A. Bailey, *A Diplomatic History of the American People*, 10th ed. (Englewood Cliffs, NJ: Prentice-Hall, Inc., 1980), 299.

² Minxin Pei, "How China and America See Each Other," *Foreign Affairs* 93, no. 2 (March 2014): 143-147, <http://www.foreignaffairs.com/articles/140755/minxin-pei/how-china-and-america-see-each-other> (accessed November 2, 2014).

³ For example, see Graham Allison, "The Cuban Missile Crisis at 50," *Foreign Affairs* 91, no. 4 (July/August 2012): 15; and Hillary Clinton, U.S. Secretary of State, remarks at the U.S. Institute of Peace China Conference, 7 March 2012, <http://www.state.gov/secretary/20092013clinton/rm/2012/03/185402.htm> (accessed September 23, 2014).

⁴ Charles A. Kupchan, *No One’s World; The West, the Rising Rest, and the Coming Global Turn* (New York: Oxford University Press, 2012), 184.

discordant circumstances relied on war to solve differences. The rising power chooses war to solidify gains and declare superiority. A.F.K. Organski labeled this phenomenon the Power Transition Theory. Specifically, he notes “wars are most likely when there is an approaching balance of power between the dominant nation and a major challenger.”⁵

Depending on one’s worldview and theory of choice, Power Transition Theory can predict conflict to be at worst inevitable, and at best highly likely. Realists, judging international relations as a zero sum game based on absolute and relative power measurements, prognosticate conflict between China and the United States is unavoidable, regardless of mitigation actions taken. Meanwhile, believers of game theory point to a trust deficit, which leads actors who would normally cooperate given a cost-benefit analysis, to conflict. Still others point to the security dilemma theory. Proponents of the security dilemma theory suggest China may believe that further development of their navy is prudent in order to defend the near abroad. Yet the U.S. views China’s growing naval power as a move to displace U.S. influence in the region, and reacts to counterbalance China’s growing influence. Such a burgeoning arms race could lead to a new Cold War in Asia, or even violent conflict. A final pessimistic view results in a clash of belief in self-importance. Specifically, the U.S.’s view of their exceptionalism as the City on the Hill, versus China’s historical belief in its Middle Kingdom could lead to conflict where these two senses of identity clash.⁶ Each of these theories acknowledges

⁵ A.F.K. Organski, *World Politics* (New York: Alfred A. Knopf, Inc., 1968), 376.

⁶ James Steinberg and Michael E. O’Hanlon, *Strategic Reassurance and Resolve: U.S.-China Relations in the Twenty-First Century* (Princeton: Princeton University Press, 2014), 2-3. Robert Axelrod provides examples of Game Theory in *The Evolution of Cooperation*, while Robert Jervis discusses the security dilemma in *Perception and Misperception in International Politics*.

the fragility of peace; it will take focused effort and serious will on the part of both nations to avoid conflict.

Predictions of the future Sino-American relationship are not limited to realists, and even realists do not have unity in their predictions. “It is possible to identify liberals who expect confrontation and conflict, realists who believe that the relationship will basically be stable and peaceful, and constructivists who think that events could go either way.”⁷ This lack of agreement provides an opening for further examination of great power relationships. More importantly, it provides an opportunity to study whether significant shifts in relative power makes conflict a fait accompli.

However, even Organski admits war is not inevitable, even with a significant shift in relative power. Influential policy-makers on both sides of the Pacific further reinforce such an admission. Former Secretary of State Hillary Clinton, for example, remarked, “There is no intrinsic contradiction between supporting a rising China and advancing America’s interests. A thriving China is good for America, and a thriving America is good for China.”⁸ From the Chinese point of view, Foreign Minister Wang Yi noted at a Brookings Institution speech in 2013, “We now live in a different world. China and the United States and in fact all countries in the world are part of a community of shared interests. Countries are increasingly interconnected. Neither of us will benefit from confrontation. War will get us nowhere.”⁹ Earlier in his speech, Minister Yi noted studies have shown that in approximately 70% of cases between rising and status quo powers,

⁷ Aaron L. Friedberg, “The Future of US-China Relations: Is Conflict Inevitable?” *International Security* 30, no. 2 (Autumn 2005): 10, <http://www.mitpressjournals.org/doi/pdfplus/10.1162/016228805775124589> (accessed September 24, 2014).

⁸ Clinton, remarks at the U.S. Institute of Peace China Conference, 7 March 2012.

⁹ Wang Yi, *Toward a New Model of Major Country Relations between China and the United States*, September 20, 2013, <http://www.brookings.edu/events/2013/09/20-us-china-foreign-minister-wang-yi> (accessed December 6, 2014).

the result was conflict.¹⁰ For stakeholders in the 21st century Sino-American relationship interested in avoiding conflict, the objective becomes to examine a similar international relations scenario that avoided violent confrontation, and whether there is a correlation between the historical scenario and today. The power transition between Britain and the United States is a perfect example of such an historical example, and provides the basis for this thesis.¹¹ Namely, the rapid rise of China in the international system need not present conflict as a *fait accompli* for the United States; the policy-making elites of both nations should heed the lessons of the last peaceful great-power transition as a guide for Sino-American relations in the 21st century.

Britain and the United States had a unique relationship somewhat dissimilar to that between the United States and China from a historical, cultural, and religious perspective. However, the point is to examine power from a realist perspective and compare a specific, tension-raising incident during the British to U.S. power transition.¹² From such an examination, stakeholders can find and apply lessons today to focus the future of Sino-American relations. Charles Kupchan, describing the late 19th century relationship between the U.S. and Britain as completely pertinent today between the U.S. and China, underlines the point: “The United States pushed Britain out of its neighborhood; America wanted to enjoy uncontested primacy in the Western Hemisphere. Surely China and other emerging powers, whether democratic or not, will

¹⁰ *Ibid.*

¹¹ Academics and historians do not agree upon a specific moment in time when global power transitioned from Britain to the United States. See Chapter 2 of this thesis for a discussion on the timeframe for the Anglo-American power transition.

¹² This paper applies the realist perspective for simplification, narrowing the focus of the study to bilateral relations between China and the U.S. Although it would be worthwhile to apply the liberalist and constructivist lenses to this study, the brevity of the requirement dictates a sharper focus. Such an expanded view would be beneficial in a larger study of Sino-American relations in the 21st century.

aspire to a similar brand of regional hegemony as their resources and ambitions rise, leading to a potential confrontation with the United States and its European partners.”¹³

Therefore, stakeholders must appreciate the commonalities between the scenarios. Today, as Britain 120 years ago, the United States is the global hegemon with worldwide interests. During the last half of the 19th century, there was a growing clamor amongst British intellectuals about “England’s decline and approaching fall.”¹⁴ Today, the press is full of articles and publications claiming the same fate for the United States.¹⁵ As the global hegemons from both eras experienced a decline in relative power, they experienced perceived threats from the rapid rise of competitors. China is a rising power today just as the U.S. was at the end of the 19th century. Militarily, critics point to the rise of adventurism in Britain in the late Victorian age and a similar trend in the U.S. since the Vietnam War.¹⁶ Geographically, in both cases, a vast ocean separates the status quo power from the challenger, providing a physical layer of security that the challenger employs to extend its influence. Finally, both then and now, the status quo power had interests in the challenger’s neighborhood. For the British it was its colonial holdings in the Americas, for the U.S. it is their close military and economic ties with Japan, South Korea, Taiwan, and perhaps more importantly, essential access to the global commons surrounding the South China Sea.

¹³ Kupchan, *No One’s World*, 10.

¹⁴ William L. Langer, *The Diplomacy of Imperialism 1890-1902, Vol 1* (New York: Alfred A. Knopf, 1935), 72.

¹⁵ *The Washington Times* article following the 2009 Copenhagen Summit is a case in point, claiming, “The American Century is over.” “Obama the Party Crasher,” *The Washington Times*, December 23, 2009. <http://www.washingtontimes.com/news/2009/dec/23/obama-the-party-crasher/> (accessed December 3, 2014).

¹⁶ The research for this paper has not revealed a connection between the parallel rise in militarism in Britain and the U.S. as a trait of hegemonic power, as it is outside the scope of this argument. For separate and more detailed accounts on the rise of militarism in both nations, see Langer’s discussion of the popularity of imperial adventures (80-84) as well as Andrew Bacevich’s *The New American Militarism*.

Policy-makers cannot assume that great-power conflict is a characteristic of a bygone era. Although the threat of nuclear war has tempered great power conflict over the past 60 years, proliferation of nuclear-capable actors, and the potential to misjudge intent mean that the cost of error is unimaginable. Globalization is also not a guarantor of a conflict-free future between great powers. Politically, despite the assumed “law” of democratic peace theory, the spread of democracy may not prevent two like-governed powers from going to conflict for limited resources, power, or prestige.¹⁷ Economically, the past has proven that interdependence does not promise peace, as was the case entering WWI. “Geopolitical competition made short shrift of economic ties...it is also the case that interdependence can actually fuel conflict by serving as a source of vulnerability.”¹⁸ Therefore, policy-makers cannot assume the character of 21st century Sino-American relations will be peaceful, and makes essential the examination and understanding of how a previous status quo and a previous rising power successfully managed their relationship without going to war.

Such an examination logically begins with defining power in the 21st century, followed by a study of how the rate of change in relative power fits into Organski’s Power Transition Theory framework. Using Power Transition Theory as a foundation, this paper will then present a case study of the Venezuelan Crisis of 1895, during which the U.S. and Britain approached but ultimately avoided war as a way to settle a border dispute in South America. Finally, this paper will apply the lessons learned from the

¹⁷ For one argument against the Democratic Peace Theory, see David E. Spiro, “The Insignificance of the Liberal Peace,” *International Security* 19, no. 2 (Fall 1994): 51, http://www.jstor.org/stable/2539196?seq=1#page_scan_tab_contents (accessed December 3, 2014).

¹⁸ Kupchan, *No One’s World*, 185. Kupchan points to Japan’s reliance on American imports in the 1930s as a source of vulnerability that eventually led to war.

Venezuelan Crisis of 1895 to Sino-American relations in the 21st century as a demonstration and a reminder to policy-makers on both sides that conflict between the two dominant powers of the 21st century is not inevitable. Rather, pragmatism and compromise can illuminate a path to peace, while fiery rhetoric and the passion of the people might instead lead two great nations to war.

CHAPTER 2: POWER

Although a core assumption of this thesis is that policy-makers can influence the path of their nation towards conflict and peace, they cannot ignore the strategic context of relative power. Power, as it pertains to international relations, is a nebulous term that is difficult to quantify, though that does not seem to stop many theorists from attempting to define the term. Karl Deutsch defines power as, “the ability to prevail in conflict and overcome obstacles.”¹ Hans Morgenthau defines it as, “man’s control over the minds and actions of other men.”² A.F.K. Organski, the author of Power Transition Theory, defines national power as, “the ability of one nation to control the behavior of another for its own ends.”³ Whereas Deutsch’s definition takes the angle of hard power, both Morgenthau and Organski open the aperture to include the softer side of power, which Joseph Nye has defined as the ability to get other countries to want the same thing you want through co-opting them vice coercing them.⁴ Today, power’s characteristics are more than Deutsch’s acknowledgement of resources, and the definition of power must capture the ability to influence.

Unfortunately, the plethora of power definitions often confuse more than clarify when theory meets international relations in the real world. Further complicating the concept is the fact that power varies depending on the relationship between the actors, as Stefano Guzzini noted when he wrote, “There is no single concept of power applicable to every type of explanation.”⁵ Therefore, there is a need to somehow capture and measure

¹ Karl Deutsch, *The Analysis of International Relations* (Englewood Cliffs, NJ: Prentice Hall, 1988), 22.

² Hans Morgenthau, *Politics Among Nations: The Struggle for Power and Peace* (New York: Knopf, 1985), 28.

³ A.F.K. Organski and Jacek Kugler, *The War Ledger* (Chicago: The University of Chicago Press, 1980), 5.

⁴ Joseph S. Nye, Jr., *The Future of Power* (New York: PublicAffairs, 2011), 13.

⁵ Stefano Guzzini, “Structural Power: The Limits of Neorealist Power Analysis,” *International Organization* 47, no. 3 (Summer 1993): 446,

power to determine how it influences specific relationships and better understand not only the nature of the current relationship, but also to extrapolate what the relationship might look like in the future. The definition of power, which this chapter will cover in more detail later, and the ability to measure relative power and its rate of change is the cornerstone of Power Transition Theory. Since the essence of this theory is that conflict becomes more likely as a challenger in the international system gets closer in power to the hegemon, it is important to see not only where the U.S. and China are today, but also where the U.S. and Britain were during the time of the Venezuelan Crisis of 1895. Measuring the relative power of the challenger and the status quo powers during these two periods will reinforce the importance of selecting the Venezuelan Crisis as an appropriate case study.

The Power Transition Theory has some characteristics similar to the balance of power theory and the collective security theory. A more detailed description of the model follows:

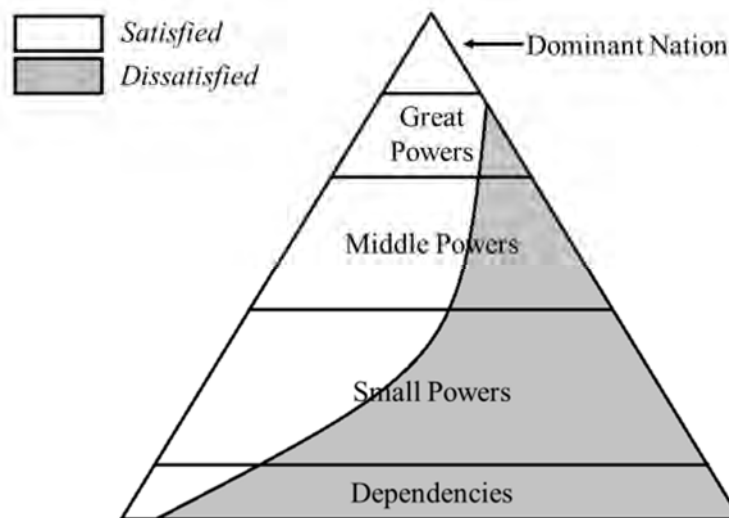
“At the very apex of the pyramid is the most powerful nation in the world, currently the United States, previously England, perhaps tomorrow Russia or China...Just below the apex of the pyramid are the great powers. The difference between them and the dominant nations is to be found not only in their different abilities to influence the behavior of others, but also in the differential benefits they receive from the international order to which they belong. Great powers are, as their name indicates, very powerful nations...As we have seen...the powerful and dissatisfied nations are usually those that have grown to full power after the existing international order was fully established and the benefits already allocated. These parvenus had no share in the creation of the international order, and the dominant nation and its supporters are not usually willing to grant the newcomers more than a small part of the advantages they receive...The challengers, for their part, are seeking to establish a new place for themselves in international society, a place to which they feel their increasing power entitles them. Often these nations have grown rapidly in

<https://web.a.ebscohost.com/ehost/pdfviewer/pdfviewer?vid=2&sid=13a4fed8-a0bd-4ef6-b1cf-78da4ee13ad3%40sessionmgr4002&hid=4206> (accessed December 10, 2014).

power and expect to continue to grow. They have reason to believe that they can rival or surpass in power the dominant nation, and they are unwilling to accept a subordinate position in international affairs when dominance would give them much greater benefits and privileges.”⁶

Another way to visualize the power pyramid described above is by a diagram from Organski’s *World Politics*:

*Figure 1: Power Pyramid*⁷



Organski goes on to note that, “in a major international contest, the dominant nation is assured the support of the satisfied and of whatever dissatisfied nations it can compel to aid it. The challenger draws his support from the ranks of the dissatisfied, although he rarely can count upon them all.”⁸ The conclusion of this theory is that war is most likely when the power of the dissatisfied challenger approaches equality with those that desire the preservation of the status quo. Conversely, the international order displays a more

⁶ Organski, *World Politics*, 364-367.

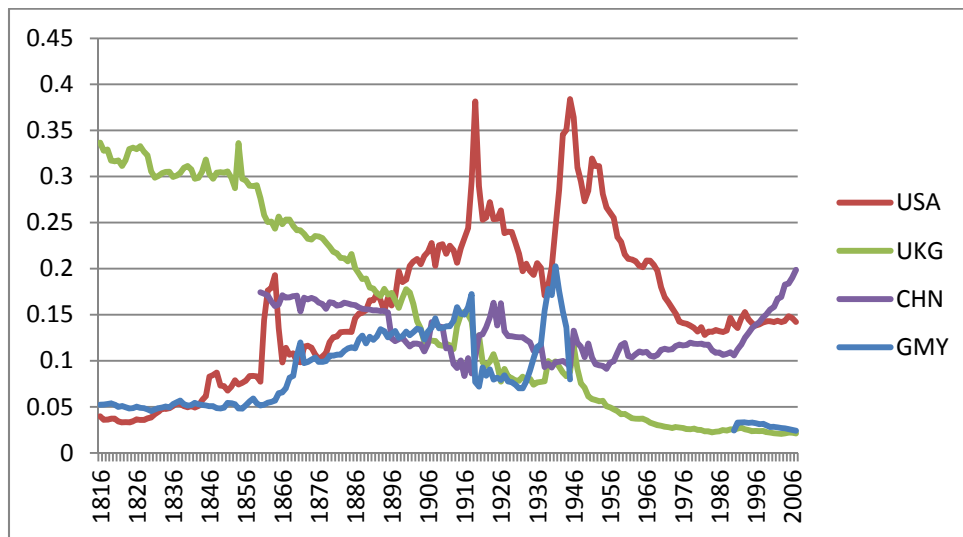
⁷ *Ibid.*, 369.

⁸ *Ibid.*, 370.

peaceful equilibrium when those that are satisfied with the status quo have a large advantage in power over the dissatisfied.⁹

It is also important to bound power transition by time. In the context of power transition theory, time is an important factor in determining the propensity of nations to go to conflict, as is the relative change in power. “The relative speed with which both countries travel on their power trajectories is also important. The faster one nation overtakes the other, the greater the chances for war.”¹⁰ This paper bounds the Anglo-American power transition over the course of 76 years, from 1865 to 1941. With the status of the Union decided in 1865 at the conclusion of the Civil War, politically the United States continued its continental expansion and consolidation, while economically the U.S. accelerated towards global dominance. Note from Figure 2 that the power acceleration of both the U.S. and Germany relative to Britain was very similar:

Figure 2: Composite Index of National Capability: U.S., Britain, China, and Germany¹¹



⁹ Ibid., 370.

¹⁰ Organski and Kugler, *The War Ledger*, 62.

¹¹ J. David Singer, Stuart Bremer, and John Stuckey, "Capability Distribution, Uncertainty, and Major Power War, 1820-1965," *Peace, War, and Numbers*, ed. Bruce Russett (Beverly Hills: Sage, 1972): 19-48, <http://www.correlatesofwar.org/data-sets/national-material-capabilities> (accessed October 29, 2014).

This paper uses the Venezuelan Crisis as a case study not only because the U.S. and Britain approached war, but also because according to Figure 2, the power transition between Britain and the U.S. occurred right around the same time. The other bookend to the time-bounded power transition between Britain and the U.S. is 1941 with the signing of the Atlantic Charter. Essentially, the Atlantic Charter acknowledged the global leadership role that America's economy alone could have delivered at the beginning of the 20th century.

The purpose of linking power transition to time is to show that the process is gradual and not just a point in time. This temporal aspect of power transition then links to any change in relative power between the U.S. and China. Time allows perception and understanding with the other major power to develop. Therefore, time allows both powers to amend their vision and understanding of both the current international order and the evolving one into something with which both can be satisfied, as occurred in the Anglo-American transition.

Power Transition Theory does not claim that if the conditions are set between a challenger and a status quo power that war will be inevitable, although the momentum will be difficult to overcome.¹² The peaceful power transition between the U.S. and Britain is a prime example. Organski notes in his original work that the likelihood of war increases if:

“the challenger is of such a size that at its peak it will roughly equal the dominant nation in power; if the rise of the challenger is rapid; if the dominant nation is inflexible in its policies; if there is no tradition of friendship between the dominant nation and the challenger; and if the challenger sets out to replace the existing international order with a competitive order of its own.”¹³

¹² Organski and Kugler, *The War Ledger*, 24.

¹³ Organski, *World Politics*, 376.

Based on the strength of today's Anglo-American relationship, one might believe that the likelihood of an Anglo-American war during their peaceful power transition was low. However, at the end of the 19th century many of these conditions were indeed valid to one degree or another. Before considering the particulars of the relationship between Britain and the U.S. at the end of the 19th century, this chapter will cover the concept of power in some detail, relate it to Power Transition Theory, and provide historical examples in which the theory worked and others where it did not.

The definition of power in international relations, which is an important part of this thesis, is easier to define than to measure, especially when comparing the characteristics of power through different eras. Organski defines power as, "the ability to influence the behavior of others in accordance with one's own ends."¹⁴ National power, therefore, is "the ability of one nation to control the behavior of another for its own ends."¹⁵ The key point is that power, synonymous for many with influence, has to do with a relationship between two or more actors. For policy makers, such a definition does not provide enough functionality to determine policy and strategy in international relations. Hence, in an effort to provide policy-makers with a power measurement tool, Ray Cline posited measuring power thusly:

$$Pp = (C + E + M) \times (S + W)$$

Where:

Pp = perceived power

C = critical mass: population + territory

E = economic capability

M = military capability

S = strategic purpose

W = will to pursue national strategy¹⁶

¹⁴ Ibid., 104.

¹⁵ Organski and Kugler, *The War Ledger*, 5.

¹⁶ Ray S. Cline, *World Power Trends and U.S. Foreign Policy for the 1980s* (Boulder: Westview Press, Inc., 1980), 22. See also Steven J. Rosen and Walter S. Jones, *The Logic of International Relations*

Mr. Cline predicted his equation would precisely measure power differences and rates of change, thereby providing decision-makers with a better understanding of the strategic environment. Unfortunately, Mr. Cline included variables in his equation that proved difficult to estimate and measure and his equation ultimately failed to meet expectations.

In a more modern discussion, Joseph Nye discusses how power is interpreted both as a behavior, as defined previously, or based on resources. Analysts and practitioners use resource-based power definitions to help predict future outcomes by measurements of national capability such as the size of a population, territory, economy, or military.¹⁷ A resource-based definition provides policy-makers more fidelity for decision-making. Although this may help determine policy options, it does not necessarily guarantee success in reaching policy goals, especially in the 21st century.

The challenge for international relations stakeholders is to measure power accurately so they can correctly assess the environment and determine when conditions are developing for an increased chance of conflict. Complicating matters is the fact that measurements of power for the Anglo-American relationship in the 19th century could be completely different from measurements of power for the Sino-American relationship of the 21st century. While this paper will illuminate this idea, the more important point to draw out is that the rate of power change will be similar enough to draw parallels, and therefore should provide the strategic context to warrant a discussion on the importance of managing the Sino-American relationship in the 21st century.

(Cambridge: Withrop Publishers, Inc., 1980), who came up with a very similar definition of power. Of note, in his final assessment of perceived power in 1978, Mr. Cline inaccurately concluded that the Soviet Union's perceived power was 50% greater than the United States'. See page 173 for a breakdown of global perceived power measurements.

¹⁷ Nye, *The Future of Power*, 8.

In reality, this discussion is not about measuring power. It is about measuring the resources that a state would use to influence another state's decision processes or policy agendas.¹⁸ Figure 2 above is a first attempt at measuring the differences in resources and the rate of change, which draws data from the Correlates of War (COW) project. Specifically, the data behind this chart includes measurements of total population, urban population, iron and steel production, energy consumption, military personnel, and military expenditures for the U.S., Britain, China, and Germany between 1816 and 2007. This raw data is then converted into a Composite Index of National Capability (CINC) by adding all six factors together, converting each state's absolute component to a share of the international system, and then averaging across the 6 components.¹⁹ This chart then shows change in power relative to other major powers, and because of the inherent errors in the data, analysts should use such results less for specifics and more for trend information. However, there are still conclusions one draws from the CINC data.

First, Britain was in relative decline from the beginning of this data set. Although historians broadly agree that Britain reached the height of its absolute power at the end of the 19th century, according to the COW data, relative power was already in decline nearly 80 years before. Second, leading up to WWI, both Germany and the U.S. were making rapid advance over Britain's power. As will be discussed in the next chapter, Britain viewed Germany as the larger threat, despite the fact that COW measurements show the U.S. more rapidly overtaking Britain. Third, according to COW data, the power transition between the U.S. and China has already occurred. While numerically this may be correct,

¹⁸ Organski and Kugler, *The War Ledger*, 107.

¹⁹ David, <http://correlatesofwar.org/>. Error is built into this depiction based on accuracy of the raw data across states and across time.

the U.S. is a historic case-in-point of how CINC measurements do not translate directly into power and influence measurements. Specifically, according to the chart, the U.S. was the world's greatest power by the time of the Venezuelan crisis of 1895, but did not take a global leadership role until almost 45 years later. Finally, COW data reinforces today's generally accepted premise that the U.S. and China are the two most powerful nations in the world, further emphasizing the importance of their relationship in the 21st century.²⁰

This measurement of national capability, although broad and incomplete, at least presents an accurate picture of power relationships in the 19th and early 20th centuries when hard power and military might were more comprehensive measurements of relative power in international relations. Total population, iron and steel production, and military personnel are less important in today's interconnected, globalized world than human capital and information technology.²¹ Another way of measuring national power today is through Purchasing Power Parity (PPP), or a measurement of a state's gross domestic product in U.S. dollar equivalents. Similar to the CINC data above, China has passed the U.S. in GDP PPP as of this year, according to the International Monetary Fund.²² However, measurements of PPP are also inaccurate due to changing exchange rates, tariffs and other barriers to free trade and the quality of comparable products from one market to another.

For these reasons, Organski ran the COW model against a much simpler approach to determine an over-time comparison of power transitions. Instead of using potentially

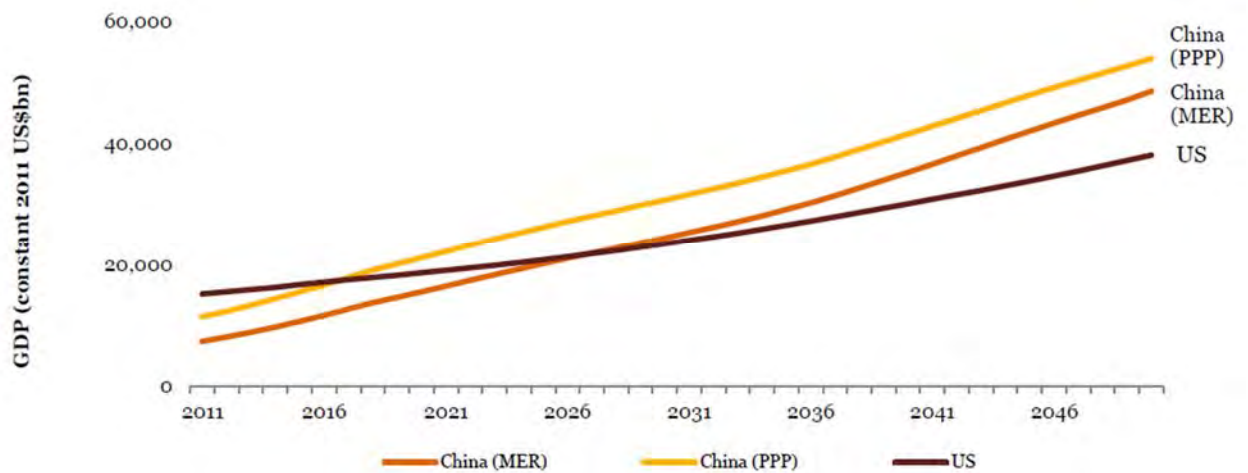
²⁰ Ibid. What this data does not show, due to keeping the model fairly simple, is that with the addition of Soviet data, the U.S.S.R. had overtaken the U.S. by 1971, similar to the findings of Ray Cline.

²¹ Steve Chan, *China, the U.S., and the Power-Transition Theory: A Critique* (New York: Routledge, 2008), 13.

²² Mike Bird, "China Just Overtook the US as the World's Largest Economy," *Business Insider*, October 8, 2014, <http://www.businessinsider.com/china-overtakes-us-as-worlds-largest-economy-2014-10> (accessed December 10, 2014).

flawed COW data, he found a high correlation between CINC and Gross Domestic Product (GDP) data, which is more reliable than CINC data and is easier to use, making it a more attractive measure.²³ Currently, the U.S. GDP is higher than China's and is forecast to remain so for the rest of this decade. Soon thereafter, China's GDP will overtake the U.S.'s, but estimates vary widely between about 2025 and 2040. In a study from 2013, PricewaterhouseCoopers presented the following estimate:

Figure 3: Projected GDP growth paths of China and the U.S.²⁴



Granted, the scales are different between the CINC data and the GDP measurements. However, the larger point is that, depending on how one measures and interprets economic data, either an economic power transition has already occurred, or broader indicators could lead to a power transition between the U.S. and China within the next generation or two. Despite the gloomy outlook on relative power from the U.S. perspective, this is not the first time analysts made such predictions about America's future. In the 1970s, analysts were convinced that the Soviet Union was on the precipice

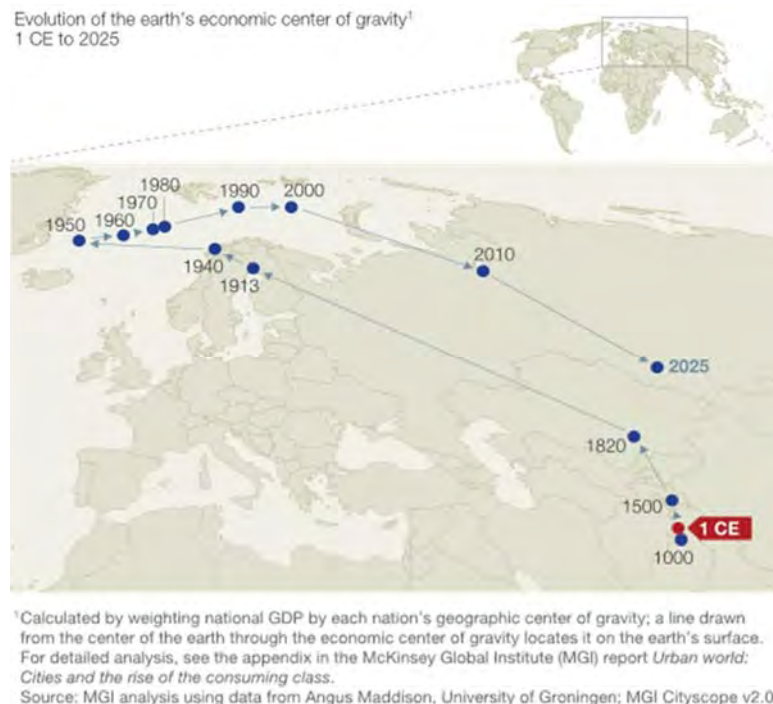
²³ Organski and Kugler, *The War Ledger*, 37-38. The authors actually used Gross National Product as their measurement of power, but since common practice now uses GDP, this paper will use the latter.

²⁴ PwC Economics, *World in 2050; BRICs and beyond: prospects, challenges, and opportunities*, January 2013, http://www.pwc.com/en_GX/gx/world-2050/assets/pwc-world-in-2050-report-january-2013.pdf (accessed December 10, 2014).

of becoming the world's only superpower. In the 1990s, there were predictions that Japan would soon possess the world's leading economy. For many reasons, fear that an imminent power transition may lead to conflict is also unwarranted. Chapter 4 will cover these reasons in detail, but at a minimum note that the perception of an impending power transition does not necessarily lead to an actual power transition.

What makes the beginning of the 21st century such a pertinent time to be raising such questions? Many authors, pundits, and scholars have repudiated the notion that the world is approaching the end of history. Actually, the world today is looking much more familiar to earlier epochs than was predicted by Francis Fukuyama; the following chart reflects these trends well:

Figure 4: Evolution of the Earth's Economic Center of Gravity²⁵



²⁵ McKinsey Global Institute, "Urban World: Cities and the Rise of the Consuming Class," June 2012 http://www.mckinsey.com/insights/urbanization/urban_world_cities_and_the_rise_of_the_consuming_classes (accessed December 3, 2014).

As the center of economic gravity moves away from the North Atlantic and back towards Eurasia, the potential for conflict between the status quo power and the rising challenger grows, although not necessarily in the immediate term. Many western analysts have implied that this upcoming shift in global power will not be void of conflict.²⁶

As China's power grows and its desire to increase its global influence grows with it, there is an increased chance of conflict with the U.S. "As China's naval strength grows, the United States will face a strategic dilemma in the western Pacific similar to the one that Great Britain faced in the western Atlantic roughly a century earlier."²⁷ Although not likely this decade, the chances for such a quandary becomes much more realistic next decade as China's naval capability matures. That is why it is imperative to study such trends and relationships now. An analysis now allows policy-makers time to understand the historical implications and context, and to establish pragmatic policies of compromise that can help shape a peaceful Sino-American relationship in the future.

²⁶ For examples, see references in the bibliography such as Charles Kupchan's *No One's World*, Aaron Friedberg's "The Future of US-China Relations", Robert Kagan's "What China Knows That We Don't", and John Mearsheimer's "The Gathering Storm".

²⁷ Kupchan, *No One's World*, 201.

CHAPTER 3: ANGLO-AMERICAN 19TH CENTURY STRATEGIC CONTEXT

As alluded to earlier, the relationship between Britain and the U.S. at the end of the 19th century was not the same as it was during the 20th century. “Although over eighty years of uninterrupted peace had passed since the treaty of Ghent was signed, relations between the United States and Great Britain had never become friendly.”¹ Actually, one could say that the “special relationship” started with the Venezuelan Crisis of 1895 and really began to bloom a few years later during the Spanish-American and Boer Wars.² This thesis used the Venezuelan Crisis of 1895 as an historical analysis case study for numerous reasons, to include the tense relationship between rising and status quo powers, the potential for policy-makers to use war to resolve the issue, and the diplomatic pragmatism that policy-makers ultimately employed to overcome the intense passions that the crisis evoked. This chapter frames the strategic environment leading up to the Venezuelan Crisis, describes the crisis, the role of the policy-makers, the media and the populations, and details how the crisis was resolved and to what end. This will lay the foundation for the comparative historical analysis between the Venezuelan Crisis and the current points of friction between the U.S. and China. To understand the crisis fully, one must understand the strategic context in which it sat.

The relationship between Britain and the U.S. in the 19th century had been gradually improving since the American Revolution, but was interrupted every so often by periods of increased tension and even war. From the American perspective of the world, the British were far too involved in the Americas, and the fear of British meddling

¹ Bertha Ann Reuter, *Anglo-American Relations During the Spanish-American War* (New York: The MacMillan Company, 1924), 31. The Treaty of Ghent formally ended the War of 1812.

² Herzig, Patricia David, *British Public Opinion on the Venezuelan Crisis of 1895-1896 with the United States*. MA Thesis, (Stanford: Stanford University, 1949), 2.

in American affairs lasted throughout the 19th century. At the same time, American economic and diplomatic confidence was growing following their very bloody Civil War. “The massive growth of the American economy after the Civil War established the foundation for an increasingly aggressive foreign policy, manifested in the decades before 1898 in a more assertive application of the Monroe Doctrine and a growing commercial and strategic interest in the Pacific.”³ This newfound confidence piqued the interest of many Americans to the potential of imperialism, which was gaining in popularity. The theories of Mahan, the development of the new steel navy, the end of post-Civil War reconstruction, and the development of an isthmian canal encouraged American popularity in building an empire of their own. “America was clearly on the march.”⁴

While America’s imperialistic motives were stirring, the rest of Europe’s empire building was in full swing, which fueled Americans’ fears that the European Imperialist powers’ focus would return to their hemisphere. Foremost in America’s view was Great Britain, whose presence on the American continents was pervasive. Anglophobia, present throughout most of the 19th century, reached a peak in the 1840s when Alexis de Tocqueville concluded that, “he could not conceive of a hatred more poisonous than that which the American people felt for the Mother Country.”⁵ This animosity is contrary to what one would logically think the relationship would be between two such similar nations. “Although common democratic ideals, common theories of social government and common legal and constitutional systems ought to have drawn the two nations

³ Michael J. Nojeim and David P. Kilroy, *Days of Decision: Turning Points in U.S. Foreign Policy* (Washington, D.C.: Potomac Books, Inc., 2011), 2.

⁴ Bailey, *A Diplomatic History of the American People*, 422.

⁵ *Ibid.*, 204.

together through bonds of mutual understanding, the people remembered well all the bad, and accepted the good as a matter of course.”⁶ As a contemporary example of American feelings of British intent, Edward Johnes noted, “United as we are to her by the bonds of commerce and the similarity of constitution and law, we cannot but admit that in her foreign relations she has been grasping and unjust.”⁷ It is in this context of a late 19th century contentious Anglo-American relationship that the Venezuelan border controversy entered the picture. While Britain perceived border negotiations with Venezuela as standard diplomatic procedure, Americans perceived British actions to be heavy-handed coercion and empire expansion in the Western Hemisphere.

The American conclusion was not without foundation. Specifically, with respect to Venezuela, British claims to territory expanded from 1885 to 1886. In 1885, the British *Colonial Office List* observed that the border between Venezuela and Guiana were undetermined, but the *List* estimated the British colony to be 76,000 square miles. The 1886 version of the *List* computed the colony to be 100,000 square miles.⁸ Globally, Britain epitomized imperialism and set the gold standard. During the late-Victorian period, Britain, “quite naturally took the lead in the race for more territory...because the whole imperial movement was more self-conscious and more widespread in England than in any continental country.”⁹ As a case in point, the British Empire grew by one third in the last fifteen years of the 19th century, until, “it covered one fifth of the globe and was

⁶ Herzig, *British Public Opinion on the Venezuelan Crisis of 1895-1896 with the United States*, 19-20.

⁷ Edward R. Johnes, *The Anglo-Venezuelan Controversy and the Monroe Doctrine: Statement of Facts and Memorandum* (New York: William Lowey, 1888), 9.

⁸ Charles Callan Tansill, *The Foreign Policy of Thomas F. Bayard, 1885-1897* (New York: Fordham University Press, 1940), 634. This change in estimated square mileage is based partly on the British growing weary of Venezuela failing to compromise on a border agreement. The larger point is that the perception of the American people was of a growing British presence in South America.

⁹ Langer, *The Diplomacy of Imperialism 1890-1902*, 69.

four times the size of the Roman Empire or forty times the size of the contemporary German Empire.”¹⁰

There is no denying the acceleration of imperialism on the part of Britain at the end of the 19th century. However, pinpointing the cause to a single variable is impossible. Economic pressure, the nationalistic belief in British superiority, the rise of the popular electorate, and a belief in a divine mission to improve the world each contributed as driving factors to the expansion of the British Empire.¹¹ Besides these internal pressures, external pressures were also reorienting Britain’s focus on its Empire. The alliances that were forming on the continent between the other great powers at the end of the 19th century threatened to change Britain’s policy of splendid isolationism into perilous isolationism.¹² The race to expand the empires, which policy-makers often linked to national stagnation or survival, drove Germany, Russia, France, and Britain towards competition and conflict in Africa and the Far East. From America’s perspective, this rapid rise of imperial pressures was most dangerous closest to home in the Western Hemisphere; this fueled increased tensions with Britain, most notably in the Venezuelan crisis.

The British reciprocated, to varying degrees, the same anathema of the Americans. “The lordly British, for their part, had little love for the rebellious offspring whose most conspicuous traits were regarded as arrogance, swagger, patriotic conceit,

¹⁰ Ibid., 79-80.

¹¹ Ibid., 95-96. Note that to draw parallels, similar themes are readily available in America today, although “Empire” has a different popular connotation and definition from the age of Imperialism to the 21st century. In its broadest sense, Langer defines imperialism as “the rule or control, political or economic, direct or indirect, of one state, nation or people over other similar groups, or perhaps one might better say the disposition, urge or striving to establish such rule or control,” 67.

¹² Reuter, *Anglo-American Relations During the Spanish-American War*, 19.

and a hemispheric appetite for neighboring territory.”¹³ Furthermore, the British feared that success of the American democratic experiment would spread like an infection through the rest of the empire. To make matters worse, America appeared to be a thieving nation. Americans routinely stole British intellectual property, and tens of thousands of Britons emigrated, leaving captains of industry without their cheap labor.¹⁴

However, colonial territory in South America was fairly far down the prioritized list of imperial issues with which Britain was dealing. Armenian persecutions of the Turks in the Near East raised questions about British interests there, renewed competition with Russia in central Asia, and European spheres of influence in China all created great-power friction, while British possessions in Africa were besieged simultaneously by European powers with imperial motivations.¹⁵ In the great race for increased power, influence, and the preservation of her imperial possessions, Venezuela did not rate high on Britain’s lists of concerns. Britain’s leadership felt it could take risk in its empire in the Americas because many in Britain felt America was looking increasingly like a natural ally in the face of such fierce competition from the continental powers. This is why, when America abruptly changed its position vis-à-vis the Venezuelan boundary dispute, some British policy-makers were surprised. To understand the surprise better, it is important first to understand the history behind the border dispute between Britain and Venezuela.

¹³ Bailey, *A Diplomatic History of the American People*, 204.

¹⁴ *Ibid.*, 205. These trends drove both the upper class and influential writers in England to paint America in as foul a light as possible.

¹⁵ Reuter, *Anglo-American Relations During the Spanish-American War*, 33-34.

The history of the border dispute between Great Britain and Venezuela dates back to documents from as early as 1493.¹⁶ Originally, Papal bulls were the foundation for resolving territorial disputes in the New World, which evolved and were refined over time through formal agreements such as the Treaty of Munster in 1648, which transferred Guiana to the Dutch from the Spanish. The British first entered the equation in 1814 when they took possession of the Dutch colony through a treaty. At the same time, Venezuela was emerging from Spanish colonial rule, finally establishing a republic by 1821.¹⁷ Filled with internal discord and multiple revolutions, Venezuela did not gain recognition as a separate state by the United States until 1835. It was not until the 1840s, when Venezuela became sufficiently stable to develop a diplomatic corps, that it began negotiations with Britain on the disposition of a proper border.¹⁸

Over the next sixty years, Venezuela and Britain engaged in increasingly hostile diplomacy over the demarcation of the ill-defined border between Venezuela and British Guiana. Venezuela and Britain passed diplomatic notes back and forth, the British surveyed their own interpreted border, and finally Venezuela began imploring the U.S. for assistance as early as 1883.¹⁹ The reasonableness of the negotiations changed depending on where one viewed the debate. The British viewed their attempts to find a diplomatic solution with Venezuela as enormously pragmatic and fair, whereas the Americans viewed Britain's refusal to enter arbitration as intransigent. To be fair, the British position was intransigent, but only inasmuch as Venezuelan claims seemed to

¹⁶ Tansill, *The Foreign Policy of Thomas F. Bayard*, 621.

¹⁷ *Ibid.*, 623.

¹⁸ Important to this timeline is the fact that the United States did not issue the Monroe Doctrine until 1823, after the British had already secured Guiana and before the U.S. had recognized Venezuela.

¹⁹ Tansill, *The Foreign Policy of Thomas F. Bayard*, 628.

grow in size proportionally to increasing American attention and involvement in the matter. As with many other cases of interest outside of her borders in the latter half of the 19th century, commercial interests drove American involvement. The desire for trade advantages, “the discovery of gold and the realization that the Orinoco River controlled the trade of about one-fourth of the continent encouraged a few Venezuelans to urge upon the American merchants and the American department of state the necessity of intervention.”²⁰ This intervention in the issue very quickly became American policy, beginning with President Cleveland’s address to Congress on December 3, 1894. Without invoking the Monroe Doctrine explicitly, President Cleveland used it as the foundation for his position. He announced to Congress that he would, “renew the efforts heretofore made to bring about a restoration of diplomatic relations between the disputants and to induce a reference to arbitration, a resort which Great Britain so conspicuously favors in principle and respects in practice and which is earnestly sought by her weaker adversary.”²¹

²⁰ Reuter, *Anglo-American Relations During the Spanish-American War*, 37. See also *Congressional Record*, 53d Congress, 3d session, Vol. XXVII, part 2, p. 1833. The Orinoco River delta was one of the sources of friction in the border dispute between Britain and Venezuela. Both sides had border claims surrounding the delta, the control of which promised access to and control of many of the South American resources.

²¹ *President Cleveland’s Review of Governmental Affairs; Message to Congress* (The Washington Post, December 4, 1894).

CHAPTER 4: THE ROAD TO THE VENEZUELAN CRISIS OF 1895

President Cleveland's Congressional address of 1894 was the first real – albeit weak – attempt at using American diplomacy to renew relations between Venezuela and Britain, which had been broken since 1887. It set 1895 as the year the Administration would reevaluate Venezuela's border dispute with Britain and perhaps take a different approach. The new American approach emerged in the summer of 1895. However, before discussing American diplomacy during the crisis, it is important to understand who the main policy makers were on both sides of the Atlantic, as that will aid in understanding the outcome, as well as show the importance policy-makers play in creating – and averting – crises.¹

The American President was democrat Grover Cleveland, who was in his second term as President when the Venezuelan crisis erupted. By the end of 1895, President Cleveland's popularity was at its nadir, as the depression of 1893, coupled with his Administration's inability to recover the economy, left him with only a small core of supporters from his Democratic Party.² President Cleveland, never known for his prolific imagination, also lacked strategic vision, which hampered his ability to deal with issues as they arrived at his desk. Despite being in his second term, he was still a relative political neophyte, and his lack of education further crippled his capacity to handle foreign policy crises adroitly.³ Such a stunted worldview forced him to rely extensively

¹ Venezuelan policy-makers are not analyzed because the focus of this study is on the relationship between the rising and status quo powers. While not unimportant, once the U.S. interjected themselves, the tension became most pronounced between the U.S. and Britain, and it was their policy-makers that eventually resolved the crisis.

² Allan Nevins, *Grover Cleveland: A Study in Courage* (New York: Dodd, Mead & Company, 1944), 674-675.

³ *Ibid.*, 342.

on his cabinet members, the more convincing ones thereby having a disproportionate influence on shaping foreign-policy decisions.

At the beginning of 1895, the Secretary of State was Walter Gresham who concluded by the spring that British interference in Venezuela was nefarious in nature.⁴ Still, Secretary Gresham proceeded cautiously in charting the U.S. position with respect to Venezuela, but unfortunately, he passed away in May. President Cleveland replaced him with Richard Olney, a longtime confidant of the President's, who had a reputation for being hardheaded and ruthless.⁵ The new U.S. ambassador to Britain was Thomas F. Bayard, who had been President Cleveland's Secretary of State during his first term. Bayard arrived in London in 1893, and was a vociferous proponent of friendly Anglo-American relations. A difference of opinion quickly developed between the stubborn Secretary of State with his outsized influence on the President, and the American ambassador to Britain, who realized the importance of maintaining Anglo-American friendship.

British leadership was composed of a government as equally pragmatic about the British Empire as it was enthusiastic. Lord Salisbury was once again Prime Minister, having won the election in June of 1895. No stranger to politics, this was Lord Salisbury's third time as Prime Minister and Secretary of State for Foreign Affairs. As a seasoned veteran of diplomatic and state affairs, he balanced pursuing a policy of imperial expansion with protection of Britain's core interests, namely her access to markets.⁶ His newly appointed Colonial Secretary, Joseph Chamberlain, "was destined to

⁴ Tansill, *The Foreign Policy of Thomas F. Bayard*, 699.

⁵ *Ibid.*, 701.

⁶ Langer, *The Diplomacy of Imperialism 1890-1902*, 79.

be the most spectacular and probably the most influential imperialist among British statesmen.”⁷ Although he originally took a hard line in diplomatic negotiations attempting to resolve the crisis, he eventually adopted the more pragmatic approach of Lord Salisbury, and was an essential member of the final deliberations that resolved the crisis permanently.

Maybe the fact that Joseph Chamberlain was married to an American woman helped to soften his original rhetoric, but the larger point to consider is that part of the explanation on how the crisis was resolved derives from the decision-makers involved.⁸ At the onset of the crisis, as one author put it, “the dispute was now in the hands of four of the ablest, most determined, and most virile leaders who have ever controlled the great English speaking nations.”⁹ Amongst the key policy-makers, the course could go either way, as “Cleveland and Salisbury were cautious men, and Olney and Chamberlain were devoted to the idea of Anglo-American friendship; but all four subordinated everything else to their conviction regarding national honor, security, and greatness.”¹⁰

Secretary Olney did not waste time making his influence on American foreign policy and President Cleveland known. Up until July 1895, the general course of American foreign policy with respect to the boundary dispute had been to pressure Britain into resuming diplomatic contact with Venezuela. On July 20, Secretary Olney changed the discourse by writing one of the most famous American diplomatic cables in

⁷ Ibid., 77.

⁸ See Graham Allison and Philip Zelikow, *Essence of Decision: Explaining the Cuban Missile Crisis*, 2nd Ed., (New York: Addison-Wesley, 1999) for a detailed explanation of the decision-making models. As a brief summary, model three is dependent on the relationships and influence amongst the policy-makers at the highest end of an organization. In this example, it was not only the opinions of the President and Prime Minister that mattered, but also those members of their inner circle that wielded the most influence in decision-making.

⁹ Nevins, *Grover Cleveland*, 636.

¹⁰ Ibid.

history, labeled later by President Cleveland as “The Twenty-Inch Gun.” With the President’s approval, Secretary Olney directed Ambassador Bayard to deliver a note to Lord Salisbury staking out America’s new position.

Without coordinating with Venezuela first, Olney issued his own corollary to the Monroe Doctrine, using bellicose language that resulted in an axiomatic ultimatum. This bombastic note, filled with exaggerations and inaccuracies, purported that British interest in South America was a threat to American security, and that America, “has made it clear to Great Britain and the world that the controversy is one in which both its honor and its interests are involved, and the continuance of which it cannot regard with indifference.”¹¹ This re-drawing of the Monroe Doctrine amounted simply to an ultimatum: “Olney stressed the new interpretation as the only acceptable one. Britain was left a choice of war or arbitration.”¹² Few scholars argue that such an undiplomatic message was inappropriate and bombastic. However, there is little agreement on Olney’s motivation; whether he was announcing America’s arrival on the world stage as a power to be reckoned with, or whether his Anglophobe nature was the source of his angst.¹³ For Cleveland, diverting attention away from domestic issues and focusing his constituency on a common enemy may have been an effort to arrest the slide of his popularity. For both American political leaders, the issuing of the “Twenty-Inch Gun” started America

¹¹ *Foreign Relations, 1895*, I, 552.

<http://images.library.wisc.edu/FRUS/EFacs2/1895p1/reference/frus.frus1895p1.i0019.pdf> (accessed December 13, 2014).

¹² Herzig, *British Public Opinion on the Venezuelan Crisis of 1895-1896 with the United States*, 16.

¹³ For a coherent argument on Olney’s message as an announcement of American power, see George B. Young, “Intervention Under the Monroe Doctrine: The Olney Corollary,” *Political Science Quarterly* 57, no. 2 (June 1942), 247-280. From the anti-English point of view, see Tansill, *The Foreign Policy of Thomas F. Bayard*. For example, “It is apparent that both Secretary Olney and President Cleveland had little real knowledge of the background of the Guiana boundary dispute, and their belligerent attitude towards England was based upon sentiment rather than reason.”

on a course that would change its position in the global order, regardless of what Britain's response was.

For his part, Ambassador Bayard did impress upon Lord Salisbury the timeline for response that the United States requested. President Cleveland was due to give his annual address to Congress in December, and the President wished to place an update on the Venezuelan crisis before the legislative body. Britain did not meet the requested timeline, further exacerbating the crisis by giving the U.S. the perception that Britain was not taking the situation seriously enough. In reality, the delay was partly due to Britain, and Lord Salisbury in particular, becoming preoccupied with other more pressing matters throughout the kingdom and the empire. The other part of the equation was that Lord Salisbury simply mistook the date President Cleveland was to make his address to Congress.¹⁴ Such an oversight sent the wrong message to Congress and the American people, and only aggravated the situation.

Domestically, the spirit of belligerence had been growing since early that summer. Republicans like Theodore Roosevelt and Henry Cabot Lodge had been strongly arguing for America to join in the race for empire even before the "Twenty-Inch Gun." "Both Lodge and Roosevelt were vocal public proponents of naval expansion and espoused the realist view that the United States must enter the race for empire or suffer the consequences that would result from an extension of European power in the Pacific or Western Hemisphere."¹⁵ Henry Cabot Lodge, one of the more vociferous Congressmen, went on to use the Venezuelan crisis as a bully pulpit for his anti-English views:

¹⁴ Lord Salisbury had assumed the address would happen during the second week in December, when in fact it the address was scheduled for December 2, 1895.

¹⁵ Nojeim and Kilroy, *Days of Decision*, 5.

“If the United States are prepared to see South America pass gradually into the hands of Great Britain and other European powers and to be hemmed in by British naval posts and European dependencies, there is, of course, nothing more to be said. But the American people are not ready to abandon the Monroe doctrine, or give up their rightful supremacy in the Western Hemisphere. On the contrary, they are as ready now to fight to maintain both, as they were when they forced the French out of Mexico.”¹⁶

Lodge was willing to take the crisis to its extreme conclusion, arguing that, “The supremacy of the Monroe doctrine should be established at once-peaceably if we can, forcibly if we must.”¹⁷ Senator Lodge’s view was not the exception, as Senator Chandler went so far to surmise, “War between England and the United States is inevitable.”¹⁸

Such strong views were not unique to Republican congressmen looking to stretch America’s imperial legs. Although the administration did not publically release Olney’s note, rumors of the content of the message were in the public forum by the fall.

Newspapers from Chicago to New York to Atlanta to New Orleans fell in line behind President Cleveland’s position. They all argued vehemently for protecting Venezuelan interests in the face of imperial Britain.¹⁹ A swell of public support followed the jingoistic newspapers, especially among Irish-Americans, and the U.S. became united behind President Cleveland’s position on the Venezuelan crisis.

With such momentum building, and no response from the British government, President Cleveland reduced the fiery rhetoric in his annual address to Congress with respect to the Venezuelan crisis. Essentially, he repeated his position from a year before. Lord Salisbury’s response finally arrived on December 7, and in essence, his terse reply

¹⁶ Henry Cabot Lodge, “England, Venezuela, and the Monroe Doctrine,” *The North American Review* 160, no. 463 (June, 1895), 658.

¹⁷ *Ibid.*

¹⁸ Tansill, *The Foreign Policy of Thomas F. Bayard*, 713. Quoted from the *New York World*, October 26, 1895.

¹⁹ *Ibid.*, 711-712.

did not change the British position.²⁰ They would not yield to American demands of arbitration for, as Joseph Chamberlain feared, “If Great Britain once accepted the principle of arbitration the wideflung [sic] Empire would be whittled down all over the world by neighboring states which concocted boundary claims.”²¹ The American response was a special address to Congress by President Cleveland, which requested congressional appropriations to create a commission that would determine the true Venezuelan boundary. Additionally, President Cleveland concluded that it would “be the duty of the United States to resist by every means in its power, as a willful aggression upon its rights and interests, the appropriation by Great Britain of any lands or the exercise of governmental jurisdiction over any territory which after investigation we have determined of right belongs to Venezuela.”²²

This threat of war was exactly what Secretary Olney had intended; when he helped President Cleveland write the speech, he felt that it was the only way to get Britain’s full attention. Congress was in complete support of the belligerent message, but there were also unintended consequences. For example, “following the message, London commenced to sell its stocks on the American market, and call in [American] loans. Even many admirers of Cleveland were now against him, as the scare caused an immediate fall in securities, a continuance of which might have led to a panic on Wall Street.”²³ This created a setback in the fragile economic recovery due to the risk of war. Perhaps worse yet, for three days following the speech, two waves swept the country. “A primary wave

²⁰ See *Foreign Relations, 1895*, I, 563-576, for the full text of Lord Salisbury’s reply.

²¹ Nevins, *Grover Cleveland*, 637.

²² Grover Cleveland, “Message Regarding Venezuelan-British Dispute,” December 17, 1895 <http://millercenter.org/president/cleveland/speeches/message-regarding-venezuelan-british-dispute> (accessed December 14, 2014).

²³ Herzig, *British Public Opinion on the Venezuelan Crisis of 1895-1896 with the United States*, 26.

of warlike enthusiasm, followed by a second and vaguer wave of imperialist sentiment.”²⁴
Whether President Cleveland’s intention was to bolster his domestic popularity, or to pursue a foreign policy that demonstrated America’s power on the international stage, the conditions were now ripe for a potential conflict between the U.S. and Britain.

²⁴ Nevins, *Grover Cleveland*, 641.

CHAPTER 5: CRISIS RESOLUTION

For a moment in time, it did not appear that the crisis would be resolved peacefully. From the American perspective, “war seemed possible, even probable. Many patriots thought it desirable. Senator Stewart, from the silver state of Nevada, insisted that ‘war would be a good thing,’ even if the United States lost, ‘for it would rid the country of the English bank rule.’”¹ The virulent American reaction over the Venezuelan crisis surprised British politicians and the British public at large. For them, the issue was largely unimportant compared with other issues throughout the empire, and the stirring of such anger and bellicosity was unexpected. Truly, “The future of Venezuela and the settlement of the dispute was of little importance to Britain except as they might lead to complications with America.”² At the same time, arbitration was anathema in the eyes of the British:

“Britain hesitated due to the many unfavorable results of former arbitrations with the United States. The claims arising out of the War of 1812 were arbitrated by the Czar of Russia in 1826, in favor of the United States. In 1831, the settlement of the Maine frontier also favored the United States, as did the Alabama claims of 1871, and the San Juan dispute submitted to the Emperor of Germany in the same year.”³

It seemed, therefore, that the two nations were at an impasse. The U.S. had declared publically that their position was one of arbitration, using the Monroe Doctrine as a shield for further European encroachment in the western hemisphere. The British, for fear of setting a precedent that may lead to the end of empire, rejected the concept of arbitration and America’s new and more aggressive interpretation of the Monroe Doctrine.

¹ Bailey, *A Diplomatic History of the American People*, 443.

² Herzig, *British Public Opinion on the Venezuelan Crisis of 1895-1896 with the United States*, 55.

³ *Ibid.*, 66.

From the U.S. perspective, although it seemed as though everyone in America supported the President's position, this was not the case. Both academics and business leaders saw such messages as incongruous. For American academics, the new interpretation of the Monroe Doctrine was completely out of touch with President Monroe's original intent, and the links to international law were tenuous at best. For American business leaders, they recognized not only the fragility of the recent economic recovery, but also the strong economic ties between the two countries. From the points of view of both academics and business leaders, starting a war with Britain in December 1895 would be disastrous, especially over a South American country that was not in America's vital interests. For a minority of Americans, a peaceful resolution was in the best interest of the United States.

That peaceful resolution began shortly after the President's Venezuelan Address to Congress. After the speech, "there had been a rush of peace messages in both directions across the Atlantic; the Prince of Wales, Lord Roseberry, and many others had hastened to pat the eagle's head, and the tone of the press was conciliatory."⁴ These messages had a positive impact on Americans' view of Britain, and were the first step in easing tensions. The second step was President Cleveland's appointment of the boundary commission members in January 1896. The appointment helped to calm the diplomatic waters further, as both sides noted the commissioners were of high character.⁵ This view was especially true of the British people, as "the Commission was welcomed by a large section of the British nation as possible offering an honorable solution to a difficult and

⁴ Nevins, *Grover Cleveland*, 646.

⁵ *Ibid.*, 645. Of interesting note, President Cleveland appointed the members of the commission without input from Secretary Olney.

dangerous position.”⁶ After both the positive messages and the appointment of the commission, echoes of jingoism continued to recede, and there appeared to be a natural ebb to the heightened tensions of mid-December.

This ebb was further encouraged by additional issues throughout the empire. Britain was concerned with the Franco-Russian alliance flexing its influence in the Far East, the continuing decline of the Ottoman Empire in the Near East, and most disturbingly, Germany’s provocative support of British opposition in South Africa.⁷ All three of these instances reinforced in the minds of the British public that common interests between Britain and America far outweighed their differences. Ambassador Bayard, recognizing the wide swath of distractions that faced Lord Salisbury, did his best to use these events as leverage to find a peaceful solution. Whether it was because the crisis with Germany over South Africa was suddenly front and center in the eyes of the British public, or because the make-up of the arbitration commission was eminently reasonable, Lord Salisbury arrived at the conclusion that arbitration was acceptable.

In February, he announced the British government’s new position, which effectively ended the crisis.

“On February 11, 1896, all tension and anxiety, on the dispute, were forever banished. On that date Lord Salisbury concurred with the British government upon a policy of conciliation. The Monroe doctrine and the right of American intervention in Venezuela were accepted, and an attitude of friendliness towards the American boundary commission as well as a willingness to arbitrate were expressed.”⁸

Although tensions had eased by February, full resolution of the crisis took the majority of the rest of the year to finalize, and the commission did not finish its work on the ultimate

⁶ Herzig, *British Public Opinion on the Venezuelan Crisis of 1895-1896 with the United States*, 64.

⁷ Tansill, *The Foreign Policy of Thomas F. Bayard*, 736-737.

⁸ Herzig, *British Public Opinion on the Venezuelan Crisis of 1895-1896 with the United States*, 71.

approved boundary line until 1899. That said, immediately after Lord Salisbury's public acceptance of arbitration, relations between the two nations markedly improved. The results were profound. The Monroe Doctrine became more widely accepted, "American public opinion, suddenly awakening to the importance of the nation in world affairs, accepted a new bias toward vigorous action in foreign relations and the acceptance of overseas responsibilities,"⁹ and "the negotiation paved the way for future Anglo-American cooperation."¹⁰

Public opinion played an important role both in crisis development and crisis resolution. Jingoism in both newspapers and the general populations pressured policy-makers towards foreign policy solution sets that they may have disagreed with, regardless of the amount of suffrage at the time.

"The emotive power of nationalism contributed to the intensity of the competition between imperialist states and made public opinion an important factor in the race for territorial acquisition, even in states where representative government was limited. In those countries where mass suffrage was introduced in the late nineteenth century, public opinion played a pronounced role in this imperialist surge."¹¹

This was especially true in Britain where, "popular pressure was more important in the growth of imperialism than was the action of the ruling classes."¹² Although public opinion influenced the policy-makers, it was still ultimately the responsibility of those policy-makers, on both sides of the crisis, to determine how the crisis would end.

Therefore, the importance of the roles those policy-makers played during the crisis cannot be overstated. President Cleveland, influenced by his lack of popularity,

⁹ Nevins, *Grover Cleveland*, 648.

¹⁰ Herzig, *British Public Opinion on the Venezuelan Crisis of 1895-1896 with the United States*, 77.

¹¹ Nojeim and Kilroy, *Days of Decision*, 3.

¹² Langer, *The Diplomacy of Imperialism 1890-1902*, 80.

sought a resolution that would rally the nation and unequivocally announce America's position in the western hemisphere. Secretary Olney, with a mix of nationalism and Anglophobia, nearly brought the two nations to war with his undiplomatic "Twenty-Inch Gun." "The calculated rashness and language of menace, if used by any other European statesman, would have led to a prompt recall of the British ambassador, for the phrases which occurred would never have been employed unless the Power using them had made up its mind that war was inevitable."¹³ Ambassador Bayard and Joseph Chamberlain, each with an affinity for the other's country, were able to influence a final outcome that was favorable to both sides. And finally Lord Salisbury, balancing the needs of the empire with pragmatism and national honor, ultimately made the conscientious decision to acquiesce to American demands for arbitration. This recognition, that the cost of war with America would be far more than a slight humiliation over a small patch of territory on the South American continent, is the core lesson to be drawn from the Venezuelan crisis.

Policy-makers today should not overlook the importance of the Venezuelan crisis. "Though the war scare lasted only a few weeks, it had riveted the attention of the world upon the United States, and had strained American and British relations to the breaking point...Almost any impulsive move would have started a fight nobody really wanted, yet one which everyone would have supported."¹⁴ Fortunately for all involved, the result was not war, but a stronger relationship going forward. The newly found mutual respect and admiration between Britain and America that solidified during the Venezuelan crisis continued to grow during both nations' next conflicts. Britain was alone in supporting

¹³ Herzig, *British Public Opinion on the Venezuelan Crisis of 1895-1896 with the United States*, 44.

¹⁴ *Ibid.*, 78.

America during the Spanish-American war, and America reciprocated by supporting Britain during the Boer war. Although there would be disagreements between the two nations in the 20th century, the passing of the Venezuelan crisis represented the height of tension and the closest the two nations came to fighting each other since the War of 1812.

The importance of the Venezuelan crisis was not that diplomacy led to a concrete definition of a South American border, or even that Britain acknowledged the legitimacy of the Monroe Doctrine and President Cleveland's expanded interpretation of its authority. The importance of the Venezuelan crisis was that a rising power had directly challenged a status quo power over an incident that could very easily have led to war, but policy-makers instead chose pragmatism and diplomacy to navigate a course that maintained peace between the two nations.

CHAPTER 6: RELEVANCE TO THE 21ST CENTURY

Peace between the United States and Britain was not a given during the 19th century, which was riddled with points of friction and even war. Authors such as Charles Kupchan dismiss the peaceful power transition as guaranteed because, “the baton was passed between two countries steeped in the traditions and practices of Anglo-Saxon culture and politics.”¹ However, for a time in 1895-1896, there was very real fear on both sides of the Atlantic that rigid diplomacy and a staunch desire to save face would drive both countries back to war. In the end, despite fiery rhetoric and public passion, a pragmatic diplomatic approach emerged that avoided war and anchored the two nations’ relationship for the next century and beyond. Today’s policy-making elites on both sides of the Pacific must note and recognize such a precedent as a guide for potential points of conflict in Sino-American relations in the 21st century.

The importance of the Sino-American relationship cannot be overstated. Opinions on how the relationship will evolve this century are widely varied and passionately contested. One historical comparison links China’s relationship today with the U.S. to Germany’s relationship with Britain a century ago:

“The Chinese leadership views the world today in much the same way Kaiser Wilhelm II did a century ago: The present world order serves the needs of the United States and its allies, which constructed it. And it is poorly suited to the needs of a Chinese dictatorship trying to maintain power at home and increase its clout abroad. Chinese leaders chafe at the constraints on them and worry that they must change the rules of the international system before the international system changes them.”²

¹ Kupchan, *No One’s World*, 184.

² Robert Kagan, “What China Knows That We Don’t: The Case for a New Strategy of Containment,” *Weekly Standard* (January 20, 1997): 22.

John Mearsheimer was even more pessimistic when he wrote, “To put it bluntly, China cannot rise peacefully.”³ These opinions, which are very realist in nature, do not necessarily consider history. Changes in relative power between rising powers and status quo powers do not always lead to war, despite increased periods of tension, such as the previous chapter demonstrated occurred between Britain and the U.S.

Sino-American relations have been a work in progress since America won her independence from Britain. From 1784, with the sailing of the *Empress of China*, the U.S. has used trade and commerce as a foundation for its relations with China, which continued to build and grow momentum through the Opium Wars and the rest of the 19th century. By the time of the Venezuelan Crisis, America was a Pacific power, and involved itself more and more in the affairs of the Far East. This view manifested itself in 1900 with Secretary of State Hay’s Open Door Policy, which, “declared that the United States stood for the *territorial integrity* of all China, and for commercial equality in “*all parts*” of the Chinese Empire.”⁴ This American policy prevented the European Empires from carving China up following the Boxer Rebellion, and has been a foundational block of bilateral Sino-American relations ever since. The purpose of this chapter is to explore the more recent developments of Sino-American relations within the current strategic environment before drawing parallels to the British and U.S. relations from a century ago. Although the differences in the two relationships may be largely self-evident, they will be

³ John Mearsheimer, “The Gathering Storm: China’s Challenge to US Power in Asia,” *The Chinese Journal of International Politics* 3, (2010): 382, <http://mearsheimer.uchicago.edu/pdfs/A0056.pdf> (accessed December 3, 2014).

⁴ Bailey, *A Diplomatic History of the American People*, 482.

touched upon in order to limit expectations for the lessons that one can draw from the Venezuelan Crisis.

There is much disagreement about what the future international community will look like; whether it will be bipolar and therefore similar to the Cold War, multipolar as it was before World War I, or non-polar as power diffuses so much that no one or two entities will maintain a preponderance of power. While the uncertainty of global polarity may be valid in the long term, the near to medium term appears very likely to be bipolar in nature. Following the logic of the nature of power in international relations, the basis of that polarity will be on the GDP of the two most powerful nations, America and China. Although the primary players in the next generation underline the importance of the Sino-American relationship, the rise of India is also important which policy-makers need to take into consideration. Historically speaking, while Britain and the U.S. were transitioning power, Germany was also a major factor in international relations. Similarly, India could play the role of Germany in the 21st century for China. The geographic proximity between China and India, and the frictions they experience along their common border, reinforces such a comparison.

Focusing on the Sino-American relationship, the question in Organski's theory is whether the status quo power will perceive the rising power to be a threat to its security. If so, the status quo power will risk conflict in order to ensure victory while it still holds the preponderance of power. Alternatively, the rising power's dissatisfaction with the international system created by the status quo power could be so great that it uses conflict to change the international order more to its liking. In the Anglo-American power transition, neither one occurred after the War of 1812. Although the Venezuelan Crisis

brought the two nations as close to war as they had been in generations, diplomatic efforts navigated a way through angry rhetoric to find a peaceful solution. Anglo-American relations developed over the course of decades so that Britain did not perceive America to be a threat to British security.⁵ At the same time, America was working within the international system that Britain built until the time came for America to reinvent the international order with its own vision; by that point, the power transition was already in the past.

Today, arguments abound about which country is the status-quo power and which is the revisionist. While China has voted consistently on the inviolability of the Westphalian system within the construct of the United Nations Security Council, some see America's military actions around the globe as usurping traditional notions of sovereignty, and as a violation of international norms. At the same time, the U.S. has worked diligently to remake China and the rest of the world in its own image. Promotion of human rights, democratic institutions, and rule of law are just a few of the measures the U.S. urges other nations to adopt as part of its foreign policy agenda. The question becomes how much is China willing to adapt to or adopt America's norms? Does it resist, using sovereignty as a shield against American interference? Does it slowly adjust within the international system to accept international norms? How does it do that while maintaining its economic engine and growing prosperity for its population of 1.3 billion Chinese? These questions are very important for the bilateral relationship between China

⁵ Part of this, as described in the previous chapter, was the rise of Germany as the largest threat that Britain saw relative to its position as global hegemon. As of 2014, there is no "Germany" that would supplant China as the closest competitor in the international order for the United States, but as alluded to earlier, eventually India could play that role for China.

and the U.S., but perhaps even more important is the trust and understanding that the two nations must focus on continuing to engender.

Trust is an important factor in Sino-American relationships over the next century, just as the building of trust was so important to the development of Anglo-American relationship in the 19th century. Trust building is a project to which both sides must painstakingly attend over time; as is so often quoted: “you can’t surge trust.”

Anglophobia is not so much an issue anymore in America, but as de Tocqueville noted in the middle of the 19th century, Anglophobia was alive and well.⁶ There was a fear that the British would rally Native American resistance on the U.S. Western Frontier, invade from Canada, or expand their influence and presence in the American hemisphere in general.⁷ The British mistrust of American intentions was understandable, as American authorities stopped Irish-American militias from attacking Canada following the Civil War, and British authorities arrested Irish-Americans in Britain in the latter half of the 19th century for fomenting unrest. Although it was extremely important for the heads of government in World War II – Roosevelt and Churchill – to have such unbreakable trust, it was an extraordinarily long work in progress. Many factors influence foreign policy decisions beyond mutual trust between the heads of state; influential members of the government, the media, and the general population all have a role to play in building trust between two countries.

For Sino-American trust building, the history is relatively short, having only established diplomatic relations between the two nations just more than 40 years ago. Although one can trace the relationship back almost to the inception of America, the

⁶ Bailey, *A Diplomatic History of the American People*, 204.

⁷ Reuter, *Anglo-American Relations During the Spanish-American War*, 5.

middle of the 20th century went a long way towards destroying the good will built previously, when the People's Republic of China (PRC) was convinced that America intended to invade mainland China. First with the Korean War, then with their war in Indochina, it is understandable, from the Chinese point of view, to believe that China was under threat of American invasion. While that perception of imminent invasion has receded, American actions since then have hindered the fostering of mutual trust. For example, the 1999 bombing of the Chinese embassy in Kosovo is difficult for China to accept as accidental, despite the promises of President Clinton.

Successful management of a peaceful Sino-American relationship will be difficult, but not impossible. Complicating factors include a rising Chinese nationalism, alleged Chinese currency manipulation, the Chinese trade surplus with the U.S., China's approach to human rights, and China's rapidly growing power projection capabilities.⁸ Additionally, the United States has important interests and relationships in northeast Asia that will provide natural friction points with China. Specifically, security alliances with Taiwan, South Korea, and Japan are areas rife with potential flash points.

The importance of the South China Sea for global trade and commerce is paramount. More than half of the world's commercial tonnage, a third of its oil, and half of its Liquefied Natural Gas trade flows through one of the most important waterways in the world.⁹ The United States sees assured access for the free flow of goods through the South China Sea as imperative to its continued economic prosperity, while at the same time China has been increasingly aggressive in pushing its influence further out from the

⁸ Kupchan, *No One's World*, 202.

⁹ U.S. Energy Information Administration, *South China Sea*, February 7, 2013 http://www.eia.gov/countries/analysisbriefs/South_China_Sea/south_china_sea.pdf (accessed December 3, 2014).

mainland in an attempt to displace the United States as the predominant power in the region. Although expanding Chinese influence over the South China Sea is not a threat in and of itself, the U.S. sees the loss of assured access to such a critical line of commerce as potentially destabilizing.

Similarly, Britain had important interests and relationships in the Western Hemisphere since before America declared its independence. At the end of the 19th century, as the predominant global naval power, Britain was looking for unfettered access to ports and commerce from Asia, to Africa, to South America. Colonial possessions in the West Indies, Canada, and South America continued to feed prosperity at home, and anchored the Empire in the Western Hemisphere. America was growing in confidence and power, and was (prematurely) flexing its influence in the Western Hemisphere as early as 1823 with the Monroe Doctrine. By the time President Cleveland reinterpreted the Doctrine as a more broad and assertive statement of American interest in the Western Hemisphere, the potential for conflict was evident. As far as interests abroad for the status quo power and a desire for influence in the near abroad for the rising challenger, there are many similarities between the British and American relationship at the end of the 19th century and the Sino-American relationship of today.

Despite these similarities, there are many significant differences, to include cultural differences, geopolitical strategies, and the future centers of power and balance thereof. Part of the reason Britain and America were able to peacefully transition over multiple generations was because their values and beliefs were aligned, owing to their common ancestry. Liberal democracy, capitalism, and secular nationalism translated easily between Britain and America. Their outlook on individual freedoms, prosperity,

and democratic institutions, while not very similar in the middle of the 19th century, grew closer together and were very much in harmony by the middle of the 20th century. The tensions between China and the U.S. are due, in part, because the two countries do not view the world the same way. Rising powers, to include China, “have different cultural and socioeconomic foundations, which give rise to their own domestic orders and ideological orientations...They have different views about the foundations of political legitimacy, the nature of sovereignty, the rules of international trade, and the relationship between the state and society.”¹⁰

A careful study showed a similar difference in opinion used to exist between the United States and Great Britain, which was the foundation of the schism that eventually led to the separation of colony from overlord. Although they had a common basis of culture, social order, and economic outlook, their differences of opinion on individual freedoms, the role of the state and the church, and the rules of international trade differed widely at the end of the 18th century. However, both nations evolved over the next 100 years, and found common middle ground on many of these viewpoints, especially as the British government became more liberal, embraced universal suffrage, and recognized that it was not in Britain’s vital interest to maintain tension with America. Given time, pragmatism, and willingness to compromise, there is no reason why the U.S. and China cannot also find a middle ground on ideology, commerce, and liberalism.

The approach to international relations between the two status quo powers is also significantly different. Britain pursued and maintained a position of splendid isolationism from the end of the Crimean War through the rest of the century, carefully avoiding

¹⁰ Kupchan, *No One’s World*, 7.

continental arguments and wars she did not want to fight. This balancing act became more difficult towards the close of the century, as alliances on the continent solidified while at the same time the drive to imperialism for all the great powers intensified. There was a very real danger that friction between competing interests could leave Britain facing a war all by herself. This helped shape both popular and government opinion that it was more important to concede to the new interpretation of the Monroe Doctrine rather than go to war with America over a relatively inconsequential border dispute. There is little chance of the same happening between the U.S. and China. The U.S. maintains Japan as its most important ally in the Pacific, an historical enemy of China's. America maintains a permanent presence in South Korea, not far from China's border, and supports Taiwan through defense agreements. Other rising powers, such as Brazil or India, do not threaten the U.S. enough to drive closer military ties with China. Completely opposite of Britain's splendid isolationism, America maintains its leadership in NATO, one of the longest running alliances in history, and actively seeks multilateralism and international support in most of its endeavors. All of this means that part of what drove the mutual friendship between Britain and the U.S., namely growing – and potentially existential – threats from other actors, does not exist in the current geopolitical landscape for China and the U.S.

The Sino-American relationship will be the defining geopolitical relationship of the 21st century. How America as the status quo power approaches that relationship with the rising power of China will go a long way towards determining the outcome. Whether policy-makers follow the “nuanced mix of engagement and containment”¹¹ as

¹¹ Ibid., 201.

recommended by Charles Kupchan, or the paradigm of the “skillful blending of reassurance and resolve”¹² as outlined by James Steinberg and Michael O’Hanlon, they should never forget the history lessons of the past.

¹² Steinberg and O’Hanlon, *Strategic Reassurance and Resolve*, 6-14.

CHAPTER 7: CONCLUSION

As Britain transitioned the lead of global power to America, what each considered vital national interests remained largely similar. Joseph Nye has noted that, “Three public goods that Britain attended to were maintaining the balance of power among the major states, promoting an open international economic system, and maintaining open international commons such as freedom of the seas.”¹³ In 2000, the Commission on America’s National Interests identified five vital interests today:

“(1) to prevent, deter, and reduce the threat of nuclear, biological, and chemical weapons attacks on the United States or its military forces abroad; (2) to ensure US allies’ survival and their active cooperation with the US in shaping an international system in which we can thrive; (3) to prevent the emergence of hostile major powers or failed states on US borders; (4) to ensure the viability and stability of major global systems (trade, financial markets, supplies of energy, and the environment); and (5) to establish productive relations, consistent with American national interests, with nations that could become strategic adversaries, China and Russia.”¹⁴

Outside of the emergence of Weapons of Mass Destruction, the other broad vital interests are very similar between the two global hegemon, despite a century of separation. However, as Dr. Yan Xue-Tong notes, “National interests are dynamic; they develop and change. They are born after the nation state is established; they change along with the development of the nation state. National interests change in two ways: content and scope.”¹⁵ America’s national interests have changed in both content and scope since the

¹³ Joseph S. Nye, Jr., “Redefining the National Interest,” *Foreign Affairs* 78, no. 4 (July/August 1999): 28, <http://www.foreignaffairs.com/articles/55209/joseph-s-nye-jr/redefining-the-national-interest> (accessed December 10, 2014).

¹⁴ The Commission on America’s National Interests, *America’s National Interests*, (Belfer Center for Science and International Affairs, 2000), 3, <http://belfercenter.ksg.harvard.edu/files/amernatinter.pdf> (accessed November 14, 2014).

¹⁵ Dr. Yan Xue-Tong, *Analysis of China’s National Interests*, http://cns.miis.edu/books/pdfs/china_national_interests.pdf (accessed November 3, 2014) 191.

end of the 19th century, as she emerged from focusing on domestic issues to becoming a global power.

Similarly, China's interests will change as she emerges from her domestic focus to a regional focus to potentially a global focus. Today, Dr. Xue-Tong argues that China's national interests, in priority order, are economic, political, security, and cultural.¹⁶ More recently, during the closing remarks of the U.S.-China Strategic and Economic Dialogue of 2009, State Councilor Dai claimed that China's core interests are to, "uphold our basic systems, our national security; and secondly, the sovereignty and territorial integrity; and thirdly, economic and social sustained development."¹⁷ Although not articulated at the end of the 19th century, one can interpolate America's core interests at the time to be roughly similar; a focus on immediate national security and sovereignty (within a generation of the Civil War) with economic development following a half tier behind. The question then begs, as China grows in power and if it pursues more of a role on the global stage, will her national interests evolve into those shared by Britain and the U.S. when acting as global hegemons? If not, will this friction of vital interests between rising and status quo powers be enough to go to war?

Likewise, what will be U.S. policy going forward in the face of declining relative power vis-à-vis rapidly rising nations, especially China? If the U.S. remains intransigent in its position that China must adhere to Western values and institutions, then the future remains fraught with danger. However, adhering to the principles of pragmatism, much

¹⁶ Ibid., 192-194.

¹⁷ State Councilor Dai delivered these remarks in Chinese; the U.S. Department of State translated them. "Closing Remarks for U.S.-China Security and Economic Dialogue," *U.S. Department of State*, July 28, 2009, <http://www.state.gov/secretary/20092013clinton/rm/2009a/july/126599.htm> (accessed November 3, 2014).

like British policy-makers at the end of the 19th century, could pave a path that defends America's vital interests while at the same time avoiding unnecessary and potentially devastating conflict with China. This will be difficult as, depending on the scenario, public opinion and strong nationalism could be difficult for policy-makers to resist. Therefore, American policy-makers will need to be able to make a clear-headed, logical case as to why it may not be within America's vital interests to pursue a policy that could lead to war with China. The lessons learned from the Venezuelan crisis during the period of Anglo-American power transition are still pertinent today.

Some might argue that comparing the peaceful power transition between Britain and the United States last century to Sino-American relations in the 21st century is like comparing apples and oranges. Measurements of power during the industrial era are different from the post-industrial era, making comparisons problematic. Technological advances in transportation and communication have solved some problems, while the increased economic ties and globalization of the planet have made other problems infinitely more difficult. Of course, the cultural differences between the two cannot be overstated. However, that should not prevent academics, scholars, and practitioners from trying to draw threads from history in order to prevent conflict arising from miscommunication, passion over logic, or misperception of intentions.

Instead, one should look to the past to make linkages with the present, and draw conclusions, where appropriate, that can help guide foreign policy in the future. That is the importance of this study. If Organski's Power Transition Theory holds true in approximately 70% of power transitions, it behooves stakeholders in international relations to study those cases where the theory failed in an attempt to replicate those

variables. The Venezuelan Crisis presents just such an opportunity. At a time when the crisis could have driven two powers involved in a power transition to war, steady diplomacy, and pragmatism took the lead in preserving peace. Policymakers from both sides of the 21st century Sino-American relationship should heed and apply these lessons from the peaceful Anglo-American power transition of the century before.

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