A Rising Naval Challenger in Asia: Lessons from Britain and Japan between the Wars

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Abstract: The end of Great Britain’s standing as a superpower conjures up a frightening picture of how a post-American world might come about, not by a gradual, managed decline of the United States, but rather by a sudden defeat at sea. Some 70 years ago, Britain’s navy suffered staggering losses at the hands of an emerging peer competitor in Asia. Could a reversal of fortune of this magnitude—the world’s leading naval power being soundly beaten by a rising challenger—happen again? Britain’s naval downfall in Asia provides a sobering parable, warning of potential dangers looming for the United States in the twenty-first century.

Some 70 years ago, a rising power, led by military rulers with extremist nationalist views, embarked on a high-risk, dangerous gamble to seize hegemony in Asia. Launching surprise first-strike attacks, Japan staggered the U.S. armed forces that had been forward deployed in the Pacific as part of a strategy to deter Japanese aggression. At Pearl Harbor, the U.S. Pacific fleet suffered heavy losses: Japanese air strikes sunk or grievously damaged the capital ships of battleship row, the centerpiece of American naval power. The memory of that Day of Infamy has been indelibly etched on the American national consciousness. That day saw the United States thrust onto the world stage, as it grudgingly took on the role of a superpower—a role the isolationist U.S. public and government refused to play during the interwar period.

While Japan’s surprise attack sounded a clarion call to awaken one superpower, the Japanese attack also rang the death knell for the passing of another: Great Britain. Britain’s Royal Navy could not withstand the Japanese onslaught, suffering serious losses of major surface naval forces, capital ships and cruisers, in the waters of Southeast Asia and the Indian Ocean. On December 10, 1941, just days after the outbreak of fighting, the battleship *Prince of Wales* and battle cruiser...
Repulse—so-called Force Z, the naval squadron that Prime Minister Winston Churchill had hoped would prove a “decisive deterrent” in preventing war with Japan and reassuring allies—were set upon and sunk off the coast of Malaya by Japanese land-based naval aircraft. Churchill would later record: “In all the war I never received a more direct shock.”¹ Britain’s inability to command the seas permitted the Japanese to land ground forces in Malaya and seize Singapore, the strategic pivot of British defenses in Asia. The fall of Singapore marked Britain’s most crushing setback since Yorktown.

Japan’s victories did not end with the destruction of Force Z and the loss of Singapore. In April 1942, Japanese aircraft carriers raiding into the Indian Ocean launched devastating air strikes that sank the British cruisers Cornwall and Dorsetshire in what proved to be a lopsided fight. Taken aback by Japanese fighting prowess, Britain’s main fleet in Asia only narrowly escaped annihilation by getting out of harm’s way, retreating all the way across the Indian Ocean to the east coast of Africa, moving outside the range of Japan’s carrier and land-based air power. Admiral Sir James Somerville, Britain’s commander at sea in the East, lamented: “The [British] Eastern Fleet, in its present state and composition, is quite unable to deal with the Japanese naval forces now operating in the Indian Ocean, owing to the marked superiority of the enemy’s carrier-borne aircraft in numbers, technical performance and training.”² With Britain’s naval power broken in the Far East, Japan seized or put in danger of imminent invasion Hong Kong, Malaya, Singapore, India, and Australia, the British Empire’s prize territories in Asia. The world’s leading naval power no longer ruled the waves, defeated by a rising challenger that had brought about a transformation in the conduct of war at sea.

As far back as the 1920s, British decision makers and naval planners had foreseen the grave danger that an expansionist Japan posed to Britain’s strategic position in Asia. Despite these forecasts, efforts to hedge against an aggressive Japan ran up against economic hard times that drove cuts in British defense spending. Lackluster performance by the British economy and tight defense budgets hurt Britain’s ability to respond to rising challengers in the international arena. In facing “the rise of the rest”³—that is, other great powers getting stronger economically and translating that strength into capabilities to fight in the maritime domain—successive British governments during the 1920s and early 1930s curtailed spending requests put forward by the Royal Navy. A combination of adverse economic factors—a slowly growing economy, high unemployment, an overvalued currency that hurt international competitiveness, a heavy debt burden and growing entitlement costs—put immense pressure on the government to economize in defense spending. Confronted by these straitened economic circumstances, Britain’s

political leaders determined that they would rather run risks in the strategic arena than jeopardize the economy’s prospects and bring about social and political unrest. As a consequence, by the 1920s, Britain had become a “frugal superpower” that could ill afford an arms race against a rising great power competitor intent on gaining mastery in Asia.4

Examining the end of Britain’s standing as a superpower conjures up a frightening picture of how a post-American world might come about, not by a gradual, managed, “elegant decline” of the United States, but rather by a sudden defeat at sea.5 There was nothing elegant about the smashing of British power in Asia. The post-British world was ushered in with great violence, as Britain suffered one humiliating defeat after another. The rise of Japan as a sea power demonstrates just how rapidly a challenger can emerge to contest the command of the maritime commons. Overextended, fighting to defend the British homeland against the terror assault of Nazi Germany and to control its scattered empire, Britain’s position as a world power reached a tipping point with Japan’s southward thrust. Could a reversal of fortune of this magnitude—the world’s leading naval power soundly defeated by a rising challenger—happen again? Britain’s naval downfall in Asia provides a sobering parable, a warning of potential dangers looming for the United States in the twenty-first century.

From Ally to Adversary

Though Britain and Japan would fight a bitter struggle against each other in the 1940s, not even 40 years before that war, the two were allies. In 1902, Britain and Japan formed an alliance that served both countries’ strategic interests for the next 20 years. The common threat posed by the expansion of Russia in Asia provided the catalyst for the alliance. Both Britain and Japan feared Russian advances and sought to contain that country’s growing power. Britain thus cultivated a strategic partnership with Japan to manage the shifting global balance of power. Japan, in turn, sought an alliance with Britain to gain regional strategic advantage over its own imperial rivals.

An important element of this partnership was the massive transfer of naval weaponry, technology and know how from Britain to Japan. Without Britain’s backing, Japan could not have challenged and defeated Russia in the Russo-Japanese War of 1904-5. British shipyards, for example, built the battleships that were the backbone of Admiral Tōgō Heihachirō’s fleet at the Battle of Tsushima. Similarly,

on the eve of World War I, British naval architects designed the most powerful battle cruiser in the world, the *Kongō*, for Japan. Built at the Vickers shipbuilding yard in Barrow-in-Furness, *Kongō* would serve in the Japanese navy for over 30 years and take an active role in the fighting against Britain during World War II, guarding the troop transports carrying the Japanese army sent to invade Malaya and storm Singapore. Japan’s rise as a naval power thus owed much to the assistance received from Britain.

After World War I, British officers and armaments firms, eager to secure lucrative contracts, continued to assist Japan’s armed forces, including providing help in the development of the Japanese naval air arm. A British pilot made the first takeoff and landing of an aircraft on the *Hōshō*, Japan’s first purpose-built carrier.6 British enterprise thus helped lay the foundation for the successes later achieved by the Japanese navy over Britain in the opening campaigns of the Pacific War. By accelerating Japan’s rise as a naval and air power, Britain contributed to the decline of its own strategic position in Asia. In less than a generation, Japan went from an ally—a strategic understudy of Britain, heavily dependent on its ally for technology and expertise—to a formidable adversary, capable of inflicting crushing losses on the British armed forces at the outbreak of war in 1941. Although Japan was a relatively poor country, with a Gross Domestic Product (GDP) per capita of only a third of Britain’s at World War II’s outbreak, its navy could defeat the world’s best in battle.7

Despite the strategic value Britain derived from the alliance, British leaders had grown uneasy with Japan’s actions during World War I. With the growth of Japanese power, Japan’s foreign policy ambitions and military actions threatened the balance of power in Asia and began to antagonize the United States. Whereas British leaders originally saw the alliance as a means to contain Russia, they now sought a way to check Japanese expansion. At the same time, Britain did not want to risk alienating Japan by ending the alliance, fearing that such an action would turn the Pacific nation abruptly from a strategic partner into a potential enemy. After much deliberation, Britain’s leaders eventually found a way out of their awkward strategic predicament at the Washington Conference during the winter of 1921-2. In place of the alliance, Britain reached agreements with Japan and the United States to establish a multilateral framework for cooperation to promote international stability in Asia and arms control.8 These agreements were widely lauded at the time as a

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8 On the ending of the Anglo-Japanese Alliance, see Ian H. Nish, *Alliance in Decline: A Study in Anglo-Japanese Relations, 1908-23* (London: Athlone Press, 1972); on the Washington Conference, see the
major step toward constructing an international architecture for peace, using arms control to reduce spending on weaponry, increasing international transparency, and thereby building confidence among world leaders. Hammered out in the immediate aftermath of the hideous experience of the Great War, the Washington treaty system fit the temper of the times. The statesmen at Washington believed they could avoid the mistakes of the recent past—those of entangling alliances and arms races, the combination of which they thought had made war between the great powers inevitable.

The uniformed and civilian leaders of Britain’s Royal Navy, however, doubted that the Washington Conference would tame Japan’s ambitions. They increasingly viewed Japan as a threat, an emerging near-peer competitor, an expansionist power bent on upsetting the international status quo in Asia and arming itself for a coming showdown of strength. A Darwinian set of assumptions about international relations colored British naval planners’ assessments of Japan’s foreign policy intentions and likely strategic courses of action. The British Admiralty saw Japan’s rapidly growing population as driving Japanese international behavior. Satisfying the economic demands of this growing population would entail that Japan acquire additional territory in East Asia to use for settlement. Since the British Dominions and the United States restricted Japanese immigration into their countries, Japan would have no recourse but to seize territory in East Asia. Japan’s increasing population was also forcing the country’s rapid industrial development, with exports providing a way to employ an ever-growing Japanese labor force. Since the Japanese home islands were so poor in natural resources, Japan’s industrial growth generated an increased demand for raw material imports. This increased demand, in turn, would lead Japan to seek direct control over resource rich territories in Asia. The Admiralty maintained that “the need of outlets for the population and for increased commerce and markets, especially new sources of self-supply, will probably be among the most compelling reasons for Japan to push a policy of penetration, expansion and aggression.” To British naval planners, Japan’s expansion, driven by an underlying search for economic security, was practically inevitable, and aggressive Japanese international behavior would ultimately produce a collision with Britain. Britain’s colorful First Sea Lord, Admiral of the Fleet Earl Beatty feared, “by encouraging a revolt in India and raising the

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banner of Asia for the Asiatics, it would be no exaggeration to say that Japan would be able to wrest from us our position in India.”

In the Admiralty’s estimation, containing Japanese expansion in a coming “clash of civilizations” called for a buildup of British naval power in Asia. Admiral Sir Roger Keyes, when serving as the deputy chief of naval staff, maintained that, unless Japan knew that Britain was “in a position to resist her by force, she will gradually but remorselessly push forward her policy of expansion and domination in the Pacific, and always at the cost of the European races.” A future war in the Pacific would require that British naval forces restrict Japanese access to overseas resources, thereby crippling the Japanese economy. The Admiralty also never tired in asserting that the British Empire spanned the globe, and its unity depended on the navy’s ability to keep open a worldwide network of sea lanes. British naval planners, for example, calculated Britain’s annual trade in the Pacific and Indian oceans as amounting to almost £900-million. British trade with the Malay States alone amounted to £107-million. Meanwhile, over 700 ocean-going ships plied eastern waters carrying British trade. Britain obtained from East Asia the important commodities of rubber, tin, zinc, wool, grain and meat. This trade would be vulnerable to attack and disruption if war were to break out with Japan. To meet the growing challenge of Japan’s rise as a sea power, Britain’s naval leaders pursued a hedging strategy, preparing against the increasing operational capabilities of the Japanese navy to fight at sea. In the Admiralty’s view, Japan’s growing naval strength, and not its foreign policy stance as evidenced by the treaties hammered out at Washington, needed to guide Britain’s defense efforts.

The Politics of Fiscal Austerity and Naval Defense

The Admiralty’s requests for major increases in naval spending came at an inopportune time when successive governments and the British people confronted a number of harsh economic realities. A short surge in the growth of the British economy after the First World War was closely followed by a sharp downturn in 1920-1. Unable to achieve robust growth, the British economy failed to bounce back from this contraction. Instead, the economy suffered from sluggish economic performance throughout the 1920s: unemployment remained stubbornly high, typically hovering around ten percent of the workforce, with older, staple industries, no longer as competitive in world markets. The press baron Lord Rothermere complained: “It really looks [as if] every economic thing in England is going wrong. We are … quite unsuited to the era of intensive competition which is now setting

12 Minutes of the 26th Meeting of the Standing Defence Sub-Committee, the Committee of Imperial Defence, Nov. 30, 1922, ADM 116/3165, National Archives, hereafter cited as NA.
in.”16 Spurring economic recovery was the overriding goal of British governments during this era. Britain’s economic problems acted as a break on trying to defend British interests in Asia by undertaking a major (and expensive) buildup of naval power.

Within the British government, the Treasury adamantly opposed spending increases for the navy. Contending with Britain’s serious economic problems took priority over arming for war against Japan, in the view of Treasury officials. Sir Warren Fisher, the influential Head of the Home Civil Service, fought against giving way to the Admiralty’s demands. Fisher wrote to a sympathetic Prime Minister Stanley Baldwin:

> The Country is at present overburdened with taxation and the reservoirs of national well-being are dangerously low. Productive enterprise needs every stimulus, material and psychological, which can be made available. At the same time the stability of the community is likely to be prejudiced unless something effective is done to house the masses and in other ways to mitigate the tragic hardships from which they suffer.…

> Now one thing is certain, namely that the taxpayer cannot have relief from taxation, the industrialist be stimulated, the people be reasonably housed or educated, electrical, transport and agricultural development be encouraged, if armaments are to absorb the present — let alone an increased — proportion of the national resources.17

The spending limits wanted by the Treasury had the strategic effect of curtailing the Royal Navy’s ability to project a large surface naval force into the Western Pacific for offensive operations against Japan. Consequently, the strategic initiative in any future war would rest with Japan.

Even a stalwart proponent of upholding Britain’s world position as Winston Churchill balked at funding the navy’s warship construction programs.18 As Chancellor of the Exchequer in the Conservative government of the late 1920s, Churchill could not ignore Britain’s domestic politics and economic plight. An expensive naval buildup, he feared, might provoke a domestic political backlash against the government. He contended that, by authorizing the Admiralty’s spending requests, the government would provide the opposition Labour and Liberal parties

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17 Sir Warren Fisher to Baldwin, Jan. 7, 1925, T 161/243/S.25613, NA.

an effective electoral campaign issue to attack the Conservatives. To carry out the Admiralty’s modernization and readiness programs would upset the government’s fiscal package of cutting taxes, balancing the budget, and finding money for expanded social benefits. Churchill made plain the tradeoffs facing the government if it agreed to the Admiralty’s spending requests. “We can, if we choose,” Churchill wrote, “make this a Naval Parliament, the work and resources of which will have been wholly devoted to maintaining and developing our sea power, and which in consequence has had to demand the hardest sacrifices from the taxpayer, and to forgo all plans of social reform. On this basis I believe that we could meet the Admiralty requirements without any important increase in taxation.”

Churchill believed that the government would pay a steep political price if it funded the navy’s buildup: “From the moment these [naval spending] estimates are presented and the Admiralty’s designs disclosed to Parliament, we shall be irrevocably branded as a Jingo Armaments Administration.” The Conservatives would then look less attractive to voters outside of the party’s political base. Independent Liberal voters, whom Baldwin wanted to court, would turn away from the Conservatives. Undertaking a costly program of warship construction would “ruin the Government and lead to a Socialist House of Commons, returned for the express purpose of stopping such expenditure.” Churchill warned that, with a Conservative electoral defeat and a Labour government returned to power, the Admiralty could expect even deeper cuts in its spending. Any large shipbuilding program set in train by the Conservatives would only be canceled by a succeeding Labour or Liberal government. Churchill contended: “Only a very real case of public danger would be required to sustain these rapid increases [in naval spending].” In Churchill’s view, no domestic political consensus existed for carrying out the Admiralty’s plans for a buildup of Britain’s naval power to compete against Japan.

Churchill was no doubt correct in his judgment about the domestic political climate within Britain. If the Conservatives appeared grudging in granting the Admiralty’s spending requests, then the Labour and Liberal opposition parties acted like Marley and Scrooge in demanding even deeper cuts in the navy’s budget. As a leader of the Liberal Party, the dynamic David Lloyd George, Britain’s prime minister during World War I, ridiculed the notion that Japan posed a naval menace requiring the acquisition of a large force of cruisers. The real threat to Britain, Lloyd George declared, was not in the Pacific, but in solving industrial troubles at home. In Lloyd George’s opinion, the government, by dealing with the problems of industrial competitiveness and labor unrest, “would do more to protect our trade routes than by constructing 50 new cruisers.” In the House of Commons, Philip Snowden, the former Labour Chancellor of the Exchequer, assailed “an extravagant,
dictatorial, and arrogant Admiralty.” 23 The Liberal or Labour alternative to the Conservatives, then, demanded deeper reductions in defense spending.

The Foreign Office and the Admiralty

The British Foreign Office also believed that Japan was not an enemy. Austen Chamberlain, Britain’s foreign secretary during the late 1920s, wrote to the British ambassador in Japan: “I can conceive of no subject which ought to range us in hostile camps, and still less can I think of war between Japan and the British Empire.” 24 Chamberlain’s judgment about Japan reflected the view of the Foreign Office, which presented a comprehensive assessment, entitled “The Improbability of War in the Pacific.” 25 While Britain and Japan were economic competitors in China, this “struggle for economic supremacy,” in the Foreign Office’s view, did not point toward war between the two countries. “One might hazard the opinion,” the report stated, “that Japan has learnt a lesson from the great war, viz. that Germany by having recourse to arms, failed to obtain what she otherwise would probably have obtained if she had continued in her policy of peaceful penetration.” 26 Britain’s ambassador in Tokyo, Sir Charles Eliot, concurred. He did not see cause for alarm in Japan’s arms programs:

The Japanese Treasury are determined to carry out the policy of retrenchment which was announced when the present Government came into office. That they regard this policy as essential in the present financial condition of Japan is clear from the fact that the Finance Minister has been able to enforce his views upon the two great spending Departments; for not only has he been able to resist the demands of the navy, but also he succeeded last year in obliging the army to agree to a reduction in the number of divisions.

One expert on Japan at the Foreign Office, F.T. Ashton Gwatkin, noted on the Ambassador’s report: “This reduction in expenditure on Armaments must mean a decline of bellicosity on the part of Japan, and an increasing reluctance to a sharp policy in China.” 27 According to Foreign Office officials, in Japan, as in Britain,

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23 See, for example, reporting on debates in the House of Commons about cruiser construction, “New Naval Construction,” The Times, July 30, 1925, pp. 8-9.
25 “The Improbability of War in the Pacific,” January 3, 1925, FO 371/10958, NA.
26 Minute by F. Ashton-Gwatkin, April 28, 1925, on Sir C. Eliot to Austen Chamberlain, March 26, 1925, FO 371/10634, NA.
27 Eliot to Chamberlain, November 6, 1925 (received December 2, 1925), with F. Ashton Gwatkin minute, dated December 4, 1925, FO 371/10965/5787, NA.
treasury officials held sway, demanding that economic considerations come first, trumping the calls of naval leaders for bigger budgets.

On the matter of the Admiralty’s naval buildup, the Foreign Office concluded: “It seems therefore both unreasonable and unfriendly to regard Japan as an active enemy and deliberately to commence a competitive programme of shipbuilding against her. . . . and if they [that is, the Japanese] now became aware that we were deliberately building up our Navy against them the result would not only be deplorable in its effect on Anglo-Japanese relations, but would give other nations to suspect us of militaristic designs.” Victor Wellesley, the deputy under-secretary of state, underscored this view. “I feel strongly,” Wellesley wrote, “that to embark upon a policy of building against Japan at the present moment is both provocative and dangerous.” Wellesley maintained: “What [Japan] is really aiming at is military and naval predominance in the Far East, not for aggressive purposes, but to be able to say to all comers ‘hands off.’” The consensus view held by British decision makers was that Britain and Japan were not locked onto a course bound to lead to a collision.

The attitude of Britain’s political leaders, Treasury and Foreign Office officials frustrated the Admiralty. The Navy’s leadership was not sanguine about Japan’s future behavior and the prospects of a lasting peace in Asia. The Washington treaties might fail as Japan’s power grew. Sir William Bridgeman, Britain’s First Lord of the Admiralty, the civilian chief of the Royal Navy, disagreed with the assessment that there was no imminent danger of war with Japan. “No one,” he wrote, “can foretell the date of the next war.” Instead of continued international cooperation, Bridgeman had no difficulty imagining Japan striking out on the road of conquest. “It has been said there is no danger of war—the common cry of the foolish virgins,” he wrote. “Would the Foreign Office still say, in view of the racial unrest in the East that an anti-European wave of fanaticism might not seize the Japanese, bring about a revolution and the installment of a militarist Government?” One astute appraisal put together by a British naval officer, with considerable experience of service in Asia, maintained that “the Japanese Government and their people are entering a very critical period.” In his view, a struggle was “in full swing” between a “section of the ruling classes” who favor cooperation with the West and the “military party, who have hitherto dominated Japan’s policy, [and] do not take kindly to these new ideas which, as a very minimum, presuppose the subordination of armies and navies to civilian direction.”

The outcome of this struggle within Japan was in doubt because “the majority of the

28 Wellesley to Austen Chamberlain, January 1, 1925, “The Improbability of War in the Pacific,” January 3, 1925, FO 371/10958, NA.
A group of militarists, intent upon whipping up and exploiting nationalist sentiments, could emerge the winners in Japan’s internal power struggle, thereby increasing the likelihood of conflict in East Asia. Japan’s actions appeared “sinister and dangerous” to Admiralty planners.33

Nor did British naval leaders believe that economic interdependence would serve as an effective break to prevent war. “The Admiralty are inclined to distrust arguments which imply that a country will not (foolishly) go to war because of resulting economic disorganisation or that a war will be soon ended because of the alleged economic weakness of one belligerent. . . . The experience of the Great War . . . proved that nations in earnest could endure immense economic dislocation.”34 A country ruled by extremist nationalist militarists would not subscribe to the liberal tenets of Norman Angell that wars fought by great powers against each other was a form of economic suicide, even if the recent experience of the Great War provided incontrovertible evidence to that effect.35

The Admiralty also stressed how rapidly the international scene could change, with Japan shifting from a satiated to a revisionist power, perhaps leaving Britain with too little warning time to rearm and respond effectively. British naval planners framed their force requirements from assessments of emerging Japanese capabilities. While Japanese internal politics and external behavior during the 1920s gave the appearance of a responsible stakeholder invested in the international status quo, simple prudence still dictated that Britain adopt a hedging strategy, undertaking substantial defense preparations to provide for a war against Japan even if that contingency appeared remote during the 1920s. In the Admiralty’s opinion, guidelines for strategic planning and weapons acquisition—such as those offered by the government, stating the Royal Navy should work on the assumption that, for the next ten years, Britain would not fight a major war—were dangerously misleading. If a confrontation occurred suddenly, Britain would then be unprepared to stand up to Japan or to conduct a viable forward defense against a Japanese first strike. The Conservative British statesman Leo Amery warned: “A great Navy, once let down, cannot be improvised in an emergency.”36

33 Memorandum by the First Lord of the Admiralty, “Political Outlook in the Far East,” March 5, 1925, CAB 24/172, NA.
34 Memorandum by the First Lord of the Admiralty, “Political Outlook in the Far East,” March 5, 1925, CAB 24/172, NA.
Although the Admiralty made a strong case for a major naval buildup as an essential part of a hedging strategy to counter the rise in Japanese power, no government of this era, even a Conservative administration committed to upholding Britain's navy as the strongest in the world, proved willing to foot the bill. In contending with the rising power of imperial Japan, British domestic political concerns and economic fears held sway over the strategic forecasts prepared by the Admiralty. Other budgetary priorities, seemingly more urgent than the construction of the latest generation of cruisers, pressed in on the governments of this era. Faced by these straitened economic circumstances, the former prime minister and Conservative Party elder statesman Arthur Balfour could only lament: “Our position is a very unhappy one.” Economic hard times appeared to imperil Britain’s strategic position more than Japan’s naval challenge. In Britain between the wars, the navy wanted by the admirals cost more than what the politicians believed the country could afford.

Today’s Power Struggle in Asia

Today, China’s economic rise and armed strength conjures up fears that the history of past violent transformations of the international system might reoccur, resulting in a great power struggle for mastery in Asia. Henry Kissinger maintains that the leaders of China and the United States “have no more important task than to implement the truths that neither country will ever be able to dominate the other, and that conflict between them would exhaust their societies and undermine the prospects of world peace. Such a conviction is an ultimate form of realism.” Further, he argues that there is nothing foreordained in China and the United States fighting one another in a high-stakes duel. Kissinger contends: “China’s leaders are (or at least have been) more careful, more deliberate, more prone to accumulate advantages by nuance . . . . More importantly, with modern technology war between major powers is an absolutely last resort, not a political option.” Kissinger calls on both countries to develop a multinational framework—a “Pacific Community”—to foster collaboration among the great powers of Asia and reduce the chances of conflict. Much like the statesmen who negotiated the agreements at the Washington Conference, Kissinger makes a compelling case, explaining why neither China nor the United States would benefit from armed competition and conflict. Kissinger projects onto China’s rulers the views of leaders who see benefit in maintaining the international status quo.

37 Naval Programme Committee, November 10, 1927, CAB 27/355, NA.
China’s rising power, however, is fraught with problems that work against a smooth transition of power in Asia. The dramatic growth of China’s economy is producing strategic consequences that will prove difficult to manage for even the most adroit of world leaders.41 China’s growing economy enables the Chinese armed forces to compete more effectively against rivals, including the United States. China’s rise as an industrial, trading, and financial power has already transformed the international economy. How long, it is asked, before this economic power is translated, by increased spending on advanced weaponry and increased combat readiness, into armed force that can contest the dominance of the United States in the aerospace and maritime commons? The Economist projects that it might occur within a generation: “[O]n present trends China’s defence spending could overtake America’s after 2035.”42 Of course, the example of imperial Japan shows that the rising power might prove a formidable naval challenger even before it becomes an equal in defense spending or overall strength. That the Washington Treaty system lasted less than ten years, a victim of Japan’s growing power and ambition to dominate Asia, provides a cautionary note about the ability of today’s leaders to construct a framework for international comity.

In addition, if the Chinese economy surges ahead over the coming decade, China’s leaders confront increasing strategic vulnerability, with other countries holding the means to disrupt critical sea lines of communication on which its economic growth depends. China’s economic development is and will remain heavily dependent on access to overseas resources. China’s industrialization and increasing demand for automobiles requires oil imports from the Middle East and Africa. The growing appetite for food imports is another strategic vulnerability facing China. Just as Japan’s warlords sought to gain secure access to overseas resources by building a powerful navy, China’s rulers will likely feel compelled to undertake arms programs and pursue a foreign policy that they believe minimizes strategic risks to sea lines of communication. China’s naval leaders aspire to possess a force of large carriers by 2020 forms part of a drive to provide for their country’s security on the high seas.43 Kissinger observes: “China’s recent military buildup is not in itself an exceptional phenomenon: the more unusual outcome would be if the world’s second-largest economy and largest importer of natural resources did not translate its economic power into some increased military capacity.”44

China’s increased military capacity, in the development by its armed forces of more powerful submarine and surface naval forces, anti-ship ballistic and cruise missiles, space and cyber warfare capabilities, as well as efforts to improve combat readiness, is already eroding the longstanding lead of the United States Navy in the Western Pacific and troubling America’s strategic partners. Chinese forces pose a lethal capability for anti-access and area denial (AA/AD) in the region. China’s arms buildup means that the United States must make a greater effort just to stay in place in the competition. To maintain the current balance of power in the Western Pacific, the United States will need to put even more effort into countering China. Otherwise, America’s ability to fight effectively on the aerospace, cyber, and maritime commons will erode. The new strategic guidance put forward by the Pentagon, calling for the American armed forces to “rebalance toward the Asia-Pacific region,” along with the development of the Air-Sea battle concept, trumpets a renewed effort by the United States to maintain its longstanding forward presence in Asia.45

Still, whether American decision makers remain willing to maintain the lead in the arms competition occurring in Asia is one of the most consequential questions now facing the country. Paul Kennedy has noted that the United States is “frantically trying to figure out what this rise of Asian sea-power means for its own overstretched world position.”46 James Kurth has drawn the parallel between Britain’s position between the world wars and that facing the United States today: “[I]n the 1930s, an established but weakening British naval power confronted a rising Japanese naval power in the western Pacific. Similarly, today an established but weakening U.S. naval power confronts a rising Chinese naval power in the same region.”47 Policy analyst and commentator Michael Lind holds the view: “The United States should maintain its primacy in the global commons as long as it can do so for a reasonable cost. But at some point in the future it may be impossible for the United States to maintain its lead, without spending itself into bankruptcy, like the over-militarized Soviet Union.”48

That point in time identified by Lind has now loomed up as part of the debate about how to tackle the government’s immense budget deficit. The editorial page of The New York Times, reading like a British Treasury brief from the 1920s, calls for major cuts in aerospace and naval programs. “There is no way to address

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the [government budget] deficit,” according to the newspaper’s editors, “without deeper cuts in defense spending.”49 Leading policy commentators concur. Fareed Zakaria, for example, argues that cuts of $600- or $700-billion in projected defense spending over the next ten years would prove beneficial. He urges: “let the guillotine fall. It would be a much-needed adjustment to an out-of-control military-industrial complex.”50 Even in the cover letter on the new strategic guidance, President Obama maintains that the United States “must put our fiscal house in order here at home and renew our long-term economic strength. To that end, the Budget Control Act of 2011 mandates reductions in federal spending, including defense spending.”51 The effort to cut budget deficits and shrink the national debt by reducing defense spending calls into question the acquisition of the next generation of weaponry, cutting new bomber and shipbuilding programs, shrinking the carrier force, along with curtailing missile defense and the Joint Strike Fighter. Budget austerity in the United States, coupled with increased efforts by China to contest American dominance of the aerospace and maritime domains, would bring about a more rapid shift in the international strategic landscape. Britain’s example between the wars shows the strategic consequences of economic hard times, with political leaders putting a priority on minimizing risk to the economy even as they run greater security risks in facing a rising challenger.

Economic Growth and the Future of U.S. Military Power

The renewal of American power in the world requires robust economic performance by the United States. A “third industrial revolution” might provide a wave of innovation in manufacturing to undergird a revival of the economy and sustain the competitive strategic position of the United States.52 After all, Britain as the leader of the first industrial revolution at the end of the eighteenth century consolidated its standing as the global superpower during the nineteenth, and the second industrial revolution provided the economic sinews for the rise of the United States as a world power throughout the twentieth. Political leaders in a superpower facing decline not surprisingly look to the creative destruction of an economic transformation as a way to avoid painful strategic dilemmas and choices. As chancellor during the late 1920s, Churchill wanted to drive down unemployment

and boost the performance of the British economy. He estimated that the British economy working at full employment would generate about 20 percent greater government revenues.\textsuperscript{53} Closing this output gap between the actual and estimated potential of the economy was the goal of Churchill’s monetary and fiscal policies. Dynamic economic growth would provide the British government with the resources to carry out the Royal Navy’s modernization, to provide social welfare programs for the appeasement of class resentment, as well as redound to the electoral benefit of the Conservatives. British economic performance, however, fell short of what was hoped for and required. The economic policy nostrums proffered by the Bank of England and Treasury officials—remedies (or were they poison pills) that Britain’s political leaders concurred in taking—did not bring about the recovery of the British economy. In addition to bad policy choices, underlying structural factors afflicting the British economy inhibited the kind of transformation in economic performance that would have helped bolster Britain’s international strategic position. Britain’s melancholy example underscores for American decision makers that, in minimizing risk to the economy and pursuing policies to promote economic performance, large defense cuts to balance the budget might only magnify decline.

If the U.S. economy stubbornly refuses to show robust growth, while the Chinese economic performance remains relatively strong, then the strategic competition with China will prove more daunting. James Kurth has noted this growing danger: “The most likely economic prospect is that the current Great Recession will continue, or even deepen, for the rest of the 2010s. It would therefore not be surprising if other similarities between the American condition of the 2010s and the British condition of the 1930s were to manifest, particularly with respect to the growth of foreign threats and especially those posed by rising industrial economies and great powers. We can already see that some kind of challenge will likely come from China.”\textsuperscript{54}

The U.S. budget travails are compounded by the inability of American leaders to achieve a consensus about a grand strategy for dealing with the changes underway in the international balance of power. Important disagreements exist within the government and among policy analysts about the nature of the threat posed by China’s growing armed strength and how to respond. The growing calls for the United States to play the role of offshore balancer underscores that the past 60 years of forward-deployed American military power might soon be coming to an end.\textsuperscript{55} At the same time, security commitments to allies in the Western Pacific—Australia, Japan, the Philippines, and South Korea, as well as Taiwan—pull the United States toward continued forward deployments of its armed forces, within range of the increasingly lethal panoply of Chinese weaponry. The late Samuel

\textsuperscript{54} Kurth, “Foreign Policy of Plutocracies.”  
\textsuperscript{55} John J. Mearsheimer, “Imperial by Design,” The National Interest, Jan.-Feb. 2011, pp. 16-34.
Huntington, for one, feared that American decision makers will prove unable to make a firm decision about whether to pursue a hardline stance to prevent China from achieving hegemony in East Asia or to accommodate Chinese ambitions. “The greatest danger,” according to Huntington, “is that the United States will make no clear choice and stumble into a war with China without considering carefully whether that is in its national interest and without being prepared to wage such a war effectively.” Huntington’s judgment provides the starting point for a serious national debate about American grand strategy.

Troubling, too, is the attempt by China’s rulers to garner legitimacy and popular support by manipulating Chinese nationalism. If the American people and government appear uncertain about the part the United States should play on the international stage, Chinese leaders do not seem to harbor doubts about asserting their country’s leadership role in Asia. The Chinese regime, Nicholas Kristof has observed, by “constantly excoriating the Japanese nationalists of the 1930s, they are emulating them.” Not surprisingly, China’s military leaders show themselves as ardent nationalists, eager to develop and deploy the latest generation of weaponry in an attempt to promote their country’s foreign policy ambitions, provide for its security, and avenge past wrongs. Professor Huang Jing has presented the provocative view: “The young officers [in China] are taking control of strategy and it is like [the] young officers in Japan in the 1930s. They are thinking what they can do, not what they should do. This is very dangerous. They are on a collision course with a U.S.-dominated system.” Robert Ross has underscored how “China’s naval nationalism” could spur antagonism between China and the United States. Even Kissinger is concerned by the strident cries of “triumphalist” nationalists within China who call for their country to become stronger militarily and act more assertively in the international arena as its economy grows. When Japanese nationalist extremist leaders within the military prevailed in policy and strategy debates during the 1930s and early 1940s, the result was catastrophic. Whether the United States can shape decisively the deliberations among China’s rulers, policy advisors, and defense planners, so that they exercise self-restraint in armaments, seeing a large arms buildup as undermining their country’s security and the regime’s best interests, remains to be seen. For American leaders and academics to think that they can “manage” China’s aspirations and actions might well be the great illusion of the twenty-first century.

56 Huntington, Clash of Civilizations, pp. 232-3.
60 Kissinger, On China, pp. 503-507.
Conclusion: Lessons for Today

Efforts by the Chinese armed forces to increase dramatically their fighting capability, to find and deploy a “game changer” to defeat their adversaries if it comes to war, might make it especially difficult for American leaders to manage the rise of Chinese power. Consider Japan’s innovative leap ahead in naval air aviation. Admiral Isoroku Yamamoto, the architect of Japan’s offensive operations against Britain and the United States, pushed a transformation in naval warfare. While Yamamoto appears as a moderate in most narratives of the interwar Japanese navy, he exhibited an aggressive instinct in his plans for fighting Britain and the United States. In a letter written to a trusted colleague in November 1934, at a time when Yamamoto served on the Japanese negotiating team holding naval arms control discussions in London, he noted that Japan’s “mighty empire rising in the east” commanded the respect of American and British leaders because of its growing armed strength. Yamamoto went on to write:

The example afforded before the Great War by Germany—which, if only it had exercised forbearance for another five or ten years, would by now be unrivaled in Europe—suggests that the task facing us now is to build up our strength calmly and with circumspection. . . . I sense that the day may not be so distant when we shall have Britain and the United States kowtowing to us.

For the navy, the most urgent task of all is to make rapid strides in the field of aviation.61

Like Deng Xiaoping’s famous injunction of “keep a low profile and achieve something,” Yamamoto understood the importance of deception for a rising power on the international stage.

Yamamoto’s assessment also underscores how extreme nationalist aspirations, when coupled with the quest for military transformation, can subvert sound strategy. Yamamoto, to be sure, recognized the risks that Japan would run if it acted like imperial Germany, in pursuing too aggressive a foreign policy stance and undertaking a huge buildup of naval armaments. He failed, however, to draw the conclusion that, if Japan wanted to avoid Germany’s fate, it ought to follow a genuinely cooperative approach toward Britain and the United States and act as a responsible stakeholder in international affairs. Instead, the “triumphalist” nationalist Yamamoto looked forward to a time when Japan could humble Britain and the United States, supplanting them in Asia. To Yamamoto, the naval officer, the war planner, a pioneering leader seeking to transform the Japanese navy, Japan needed to develop new, more powerful weapons to gain the fighting edge to prevail in a contest against stronger adversaries. Yamamoto spurned compromise in arms

Britain and Japan

control, wanting a marked increase in Japan’s naval strength. Japan during the 1930s and the run-up to war was not led by treasury mandarins seeking to control military spending or democratically elected politicians who saw a stake in upholding the international status quo. Without the guidance and restraint of prudent statecraft, the warrior not surprisingly aimed to maximize his force’s capability to strike down an adversary in the opening battles of a future war. This combination of weak political leadership and aggressive military chiefs proved a formula for strategic disaster.

The Japanese opening offensive gambit of surprise attacks on the forward-deployed American and British capital ships showed the fallacy of the hopes that Churchill and Roosevelt placed in these forces as deterrents to manage aggressive Japanese behavior. To Japanese naval planners, these deterrents had instead become tempting targets to destroy. Far from deterring Japan’s naval leaders, they spurred them to action in an attempt to gain a quick victory by launching devastating first strikes. Kissinger warns of this kind of dangerous competitive dynamic. “When the Chinese view of preemption encounters the Western concept of deterrence, a vicious circle can result: acts conceived as defensive in China may be treated as aggressive by the outside world; deterrent moves by the West may be interpreted in China as encirclement.”

In a confrontation between China and the United States, both sides might see a strategic advantage in striking first. The report of the National Intelligence Council drew attention to potential first-strike advantages: “Advances in modern weaponry—longer ranges, precision delivery, and more destructive conventional munitions—create circumstances encouraging the preemptive use of military force.” If operational planners consider striking first as likely to prove decisive for the war’s outcome, political leaders will come under immense pressure to give the go-ahead to hit before the other side does.

Once set off, the great Pacific war did not end quickly: the opening round failed to produce a knockout blow; and, the folly of Japan’s rulers, in provoking a coalition determined to wage an unrelenting struggle against them, was exposed. One stark lesson of the Pacific War is that a conflict starting with a race to carry out first-strikes with conventional munitions against forward-deployed naval forces might not end after the discharge of the opening salvos. Instead, the fighting that began with destruction of battleship row at Pearl Harbor and the sinking of Force Z off Singapore triggered a chain reaction of escalating violence, only ending after the nuclear attacks on Hiroshima and Nagasaki. In a war fought out by great powers for the highest stakes, regimes and societies as well as navies will find themselves put on death ground.

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