



The New Cold War Washington Consensus

The Editors of Monthly Review

On April 27, 2023, U.S. National Security Adviser Jake Sullivan gave a speech on “Renewing American Economic Leadership” at the Brookings Institution. Sullivan’s talk was unusual and attracted widespread attention for at least three reasons. First, what was being announced was a fundamental shift away from the previous “Washington Consensus” associated with neoliberal globalisation and its replacement by what Sullivan called a “New Washington Consensus” organised around the de facto U.S. New Cold War against China. The purported China threat was used to justify economic sanctions against rival states, and government supply-side subsidies to corporations in a militarised industrial policy. Second, such a major departure in overall U.S. economic policy was issued not by the president or by a top economic official, but by the U.S. National Security Adviser, evidence of the primacy of New Cold War thinking. Third, to justify Washington’s

New “foreign policy for the middle class” is in effect an attempt to create a solid bloc within the U.S. working and middle classes for an economic strategy that links domestic growth and supply-side investments in key corporations to the New Cold War with China, presented as a threat to the U.S. hegemonic rules-based order

2023, <https://www.whitehouse.gov/>).



new stance, [Photo by Vishwas Katti in Unsplash](#) (trimmed).

Sullivan laid out a number of “challenges” or crises facing the United States, including economic stagnation, deindustrialization, climate change, growing inequality, and waning U.S. hegemony (Jake Sullivan, “[Remarks by National Security Adviser Jake Sullivan on Renewing American Economic Leadership at the Brookings Institution](#),” April 27,

Key to the Sullivan doctrine is the notion that there has been a “hollowing out” of the U.S. “industrial base” as a result of neoliberal globalisation and U.S. “overdependence” on the global economy. This has made the United States more

vulnerable to the new geopolitical and geoeconomic threats posed by China as a powerful “non-market economy,” coupled with the “military ambitions” of both China and Russia. The United States, he insisted, is also faced with the need for a clean energy transition related to the climate crisis. Meanwhile, growing inequality “and its damage to democracy,” which he attributed primarily to the “China shock” to the U.S. economy via international trade, has undermined the position of the U.S. “middle class.” Sullivan’s new “foreign policy for the middle class” is in effect an attempt to create a solid bloc within the U.S. working and middle classes for an economic strategy that links domestic growth and supply-side investments in key corporations to the New Cold War with China, presented as a threat to the U.S. hegemonic rules-based order, and thus to all Americans. Explicitly referring both to the wealthy and nonwealthy in the U.S. population, he declared: “We are all in this together,” quoting John F. Kennedy’s “a rising tide lifts all boats.” This then constitutes a new grand imperial and class strategy, governing U.S. domestic policy as well.

To put Sullivan’s remarks on “Renewing American Leadership” in their proper perspective, it is important to recognise the degree to which he has emerged over the last decades as the leading strategist of the New Cold War and U.S. imperial dominance within the Democratic Party. He was deputy chief of staff and director of policy planning under Secretary of State Hillary Clinton. In this capacity, he played key roles in the U.S.-backed coup in Honduras, the planning of the U.S./NATO invasion of Libya (along with the sending of the captured Libyan arsenal to the Syrian opposition), and the stepped-up U.S. actions aimed at overthrowing the Syrian government. Sullivan was subsequently the link between U.S. Ambassador Geoffrey Pyatt with Assistant Secretary of State Victoria Nuland and Joe Biden in the U.S.-backed 2014 color revolution/coup in Ukraine. He was part of the Clinton team that promoted Russiagate in 2016. According to the Pulitzer Prize winning journalist Seymour Hersh, Biden authorised Sullivan to come up with the plan for the fatal blowing up of the Nord Stream pipelines (Rick Sterling, [“Who Is National Security Adviser Jake Sullivan, the Man Running US Foreign Policy?”](#) Al Mayadeen, June 30, 2023, [english.almayadeen.net](#); Seymour Hersh, [“How America Took Out the Nord Stream Pipeline,”](#) February 8, 2023, [seymourhersh.substack.com](#)).

Sullivan’s supercharged military-industrial policy focuses on building back U.S. technology leadership in strategic areas through public investment. This is explicitly modelled after (1) the Pentagon’s Defense Advanced Research Projects Agency (DARPA); (2) the military-related National Aeronautics and Space Administration (NASA); (3) the creation of the Internet, itself initially a product of the Pentagon through DARPA; and (4) the space economy’s commercial and military satellites. According to this plan, public investment, largely guided by the needs of geopolitical and military power, should be channeled into such areas as semiconductors, advanced chips, artificial intelligence, quantum computing, biotechnology, and critical materials to ensure U.S. global technological dominance in all of these areas. This is accompanied by sanctions against China and attempts to deny it key technologies and connections to other countries while surrounding it with military bases and bellicose alliances. All of this is meant to “unlock the power...of capitalism,” while at the same time sanctions will destroy Beijing as a technological power, weakening it and making it vulnerable. According to Gregory C. Allen, an analyst at the influential Center for Strategic and International Studies in Washington, the intent of the Biden administration’s overall technology policy with regard to China is that of “actively strangling large segments of the Chinese technology industry—strangling with an intent to kill” (Sullivan, “Remarks”; Gregory C. Allen, [“Choking Off China’s Access to the Future of AI,”](#) Center for Strategic and International Studies, October 11, 2022, [www.csis.org](#)).

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In presenting the New Cold War strategy, Sullivan insists that all of this is simply necessary to compete effectively with China, both economically and strategically, and that “we are not looking for confrontation or conflict.” However, such declarations of benign intent are contradicted by the sheer aggressiveness of Washington with respect to Taiwan. The Biden administration has repeatedly sent military vessels and aircraft through the Taiwan Strait, which the People’s Republic of China under the One China policy—agreed to by the United States along with 180 other countries—recognises as its territory, although the island is under an autonomous government. Sullivan’s National Security Council is a nest of China hawks, most of whom have written books and articles on confronting Beijing and all of whom speak of bellicose competition with, if not all-out warfare on, China (Sullivan, “Remarks”; “[Provocative Manoeuvres and Close Encounters](#),” Committee for a Sane U.S.-China Policy, accessed July 11, 2023, www.saneuschinapolicy.org; Alex Thompson, Phelim Kine, and Max Tani, “[Jake’s Nest of China Hawks](#),” Politico, April 13, 2022).

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