

## **Benefits of Anarchy vs. City Planning and Defending Taiwan What Happens Next – 10.31.2021**

What Happens Next is a podcast where experts are given just six minutes to present their argument. This is followed by a question & answer period for deeper engagement. This week's topics include the organic and anarchic character of effective city development, as well as how to defend Taiwan against the potential Chinese invasion of the island. This is truly a variety show as these topics are so incredibly different.

Our first speaker will be Jack Katz, who is one of our nation's leading sociologists. Jack is well known for his book *Seductions of Crime*. Today, he will be speaking about the increasing loss of central control over city development and the success of organic change in neighborhoods. Jack is interested in how the decline of central authority allows for unexpected and often wonderful neighborhood changes. Jack will discuss his case study of the city of Hollywood, California.

Our second speaker today is James Holmes who holds the J.C. Wylie Chair of Maritime Strategy at the Naval War College. You may recall that we met Jim on What Happens Next about a year ago. Jim will discuss strategy that Taiwan can employ to defend itself. He will also discuss the implications of China's recent successful test of a hypersonic ballistic missile and how it would change the balance of power in the South China Sea.

All right, let's begin today's program with our first speaker, Jack Katz. Jack, please go ahead.

Jack Katz:

Thanks Larry. In 1960, residents of the Hollywood section of Los Angeles were modestly differentiated both in their demographics and in the character of their neighborhoods. At the millennium, Hollywood's residents lived in low income Mexican and Central American enclaves, in strictly observant or Orthodox Jewish communities in officially designated historic zones, in Bohemian areas around homeless population centers close to street markets for buying sex and contraband drugs, and within affluent canyon neighborhoods. The question is, what do we learn about the forces shaping city life by tracing how this complex of neighborhoods emerged? From 1915 to 1965, two world wars and a depression drew populous deference to centers of power. 20 years after the end of World War II, the charisma of the center quickly began to vanish. In Hollywood, as in many urban areas across the U.S., a generalized state of anarchy emerged, setting the framework for neighborhood transformation.

One defeat of centralized power began in 1965 when, roughly contemporaneous with the Watts riots, protests broke out against two freeways leading the state in the 1980s to cancel highway projects for the first time in California's history. The county public school system retreated in the 1970s after parents forced the end of mandatory busing to achieve integration.

At the federal level, centralized power over the entry of the foreign born was unwittingly dismantled in 1965 with the creation of a new immigration system. City police leadership assisted the retreat by ordering officers not to inquire about immigration status. Centralized power collapsed in confusion after the Supreme Court took on the challenge to define obscenity in movies. Epitomized by Justice Stewart's: I know it when I see it rationale, the courts vague in changing legal standards undermined the practical ability to shut down burgeoning triple X rated theaters. State and local authorities ended the forced commitment of various populations who are at risk of homelessness. The county closed the so-called drunk farm where city police had deposited adults transported from Hollywood.

The county also shut down a regional facility that had confined the so-called encourageable and runaway youth. In Sacramento, a bipartisan consensus released the nonviolent mentally ill from state hospitals. In 1978, a plebiscite, Prop 13, without authorizing substitute revenues, severely limited California's ability to tax real estate. In the 1980s, the electorate voted to down zone the city, weakening the power of government planners to promote and structure the housing supply. In the resulting power vacuum, neighborhood entrepreneurs developed diverse culturally themed areas. The local leaders were as various and unconnected as were the dynamics creating the new urban anarchy.

A central American neighborhood took shape when retail operations agglomerated around what, for 100 years, had been a high traffic intersection. The owners of new food, dry goods, law, health and financial services businesses started life in Asia, Latin America, and the Middle East. All used Spanish language signage that indirectly told unauthorized immigrants that they would be insulated in a neighborhood of similarly vulnerable peers. Many were accommodated in garages and closets, neglected by building inspectors.

Pious Jewish communities emerged when the long-stalled highway project made property cheap. Advised by co-religionists real estate developers who had made fortunes in Los Angeles, rabbis from East Coast centers of orthodoxy bought property and took over declining Jewish temples and schools. As the mandatory busing of children to public schools was blocked, vans began transporting a stream of tuitions from middle income families to new religious schools. A chain of publicly visible drug and sex markets emerged as hustlers exploited idle parts of Hollywood's aging infrastructure. Movie theaters in decline since the advent of TV in 1950s began to exhibit explicit sex films. Motels also in decline since the 1950s were rented by drug dealers and prostitutes who brought clients solicited in public places for the private delivery of goods and services. Officially historic neighborhoods arose after residents first organized to resist invasive crime and then used their newly discovered collective power to secure legal protection for their neighborhood's aesthetic appeal.

The long highway battle elicited a new Hillside Federation of canyon neighborhoods geared to fight intrusive development. Prop 13 subsidized nimbyism by giving residents economic reasons

to stay in place and garden unchanging landscape. Homeless populations were anchored to Hollywood by a string of hospitals, churches, and charitable service centers. They had been created in the early 20th century by a local network of Republicans who were, in the original meaning of the term, progressives. After many years of internal conflicts, these institutions embraced the homeless. An upshot of these diverse transformations was the development of Bohemian areas in between higher and lower income neighborhoods. In this 50-year transformation of the urban social fabric, government played a historically shifting role after retreating on multiple levels, centralized public power, re-emerged to underwrite what the new neighborhood entrepreneurs had begun.

New laws recognized historic neighborhoods, gave Hills residents legal strategies to frustrate development projects and favored arts districts and zoning decisions. At the city, county, state, and federal levels, financial commitments were made to support the education and health of low income foreign born. But in the development of the new neighborhood mosaic, it was urban anarchy, a characterization that would be denied by politicians, a daily experience endured by fearful residents, and a concept damned by all reigning political philosophies that was the Prothean Crucible.

Larry Bernstein:  
Jack, thank you.

All right. There was a lot in there. So let's start to peel that back and just pick some topics. I think one of the key points you're making is that the role for government in planning the community declined, and we allowed the markets or the anarchy or the organic nature of communities to develop on its own without a central authority. And I'm wondering about, just stepping way back about the field of urban economics in general. There was a sense, I think, in the 1960s that government could solve most problems. You had public housing, LBJ's public housing programs, et cetera. And then there's, Caro speaks Robert Moses' desire to plan where to put our highways. What's going on in terms of the belief among the intellectual elite and their powers to transform American society through city planning? And is that what's going on? Is there a sense that the city planner is ineffective in his utopian ideal and have left it to the market to solve problems?

Jack Katz:  
I don't think it's come out of a self-conscious decision at top levels. What's disappeared is something that's kind of ineffable and hard to, inchoate, hard to get your hands on. I think we used the middle third of the 20th century as a kind of touchstone for our thinking about how government interrelates with social developments. And that period, well, really the 50 years from about 1915 to 1965 were very unusual. They were periods where the development of the first world war, the Depression, the second world war brought a general deference to centralized power that lasted until about 20 years after the second world war. And that enabled

central leadership at all levels to be more confident and be more coherent and organized.

And when that fell apart, and I would take 1965 as the marking year, there was a collapse of the general popular deference to central power. And it wasn't as if, for example, the highway planners, whether it was Caro criticizing Robert Moses in New York or whether it was the protestors in Beverly Hills fighting Sacramento's highway plans, it wasn't as if the highway planners had lost confidence or lost their plans. It was that there was resistance. Now these resistors had no connection to the people who are doing what's called the Watts riots. These are opposite parts of society to some extent. And yet there's all of a sudden, a kind of a challenge to centralize leadership. I don't know how many of your listeners remember the ethos, the field of times in the Watergate era, but that was another period when you could see the collapse of charisma when the disgrace happened to the center, to the presidency. All sorts of deference to authorities at lower levels all of a sudden disappeared.

So I can recall, I was doing research in Brooklyn in the U.S. Attorney's office in the '70s. And cases started to come up that targeted smoking marijuana in the Merchant Marine Academy. The sorts of things that nobody would've raised questions about. But all of a sudden, people started to raise questions about what people or institutions that had power had been doing. And there was a general collapse. The Watergate was a kind of domino collapse that followed the... If you think about it, look at the leaders in the Western world. Eisenhower was in power, a military leader until the '60s. De Gaulle lasted until the late '60s. Franco lasted until the mid '70s. It took a long time for the popular will. And then you had to see change, and that's very hard for social science to get its hands on, because social science, it's methods like to study things that change year to year in kind of ordinal fashion.

But there are major shifts that start to occur in the mid '60s as this charisma of the center, this general deference that the population had, whether it was in democracies or in fascist or in communist countries to centralize power. That starts to fade away without the support of mass traumas from the two world wars and the Depression. We may now be realizing what we're fighting against through all the kind of chaos and conflict and the inability of the center to lead. What is the normal series of events that we find it difficult to appreciate because our touchstone is this unusual period of history that was marked by these mass traumas?

Larry Bernstein:

The religious Jewish experience in the Hollywood community, which you touched on. And your graduate student and mutual friend, Iddo Tavory, he's spoken twice on What Happens Next, most recently about HIV in Malawi and the work he did there. But he did his dissertation and he worked with you for what became his book, *Summoned*, about religious life in Los Angeles. And I think what's interesting in... I don't know this Jewish community in Hollywood at all, but it does remind me of other places around the country. I am currently living in Miami Beach, and I'm living a couple of blocks away from a very intensive, Orthodox Jewish community. And I was

asking myself all these sorts of questions like what are they doing here? And also, why do I want to live right next door to them? And what kind of life do they lead that touches a Hispanic neighborhood here in Miami?

And so I want to ask you this question, Jack. My first one is this really all about that seeds or path dependency matter? And what I mean by that is Hollywood had a secular Jewish community, and I think that that was an important seed that allowed... it must have had some basic institutions that would allow for a Jewish life. And did those initial seeds encourage very Orthodox Jews to move into that community and then boom, that had an immediate positive feedback loop and then replacing the secular Jewish community in full. What happened here in Hollywood?

Jack Katz:

Well, there was a secular Jewish community, and it was actually, in large part, anti-religious. A lot of people were close to socialism and not enthusiastic. And the Orthodox had for decades since the 1920s tried to organize a more pious, a more observant community without success. They started to gain success in the 1970s when a number of things were happening. But again, the collapse of the charisma of the center or the central control is not just the U.S. question. You have, after the various wars in the Middle East, you've got Jewish populations on the move out of North Africa. You've got the breakdown, the Soviet control of Jews who want to leave. And it's not just that Americans are converting, although that's happened to some extent, it's also that people are coming, Jews are coming out of various places. They first go to Israel and then they come to the U.S. and they become part of the constituency. A lot of the new synagogues had particular ethnic complexions. They might be Iraqi Jews who are populating them. They're North African Jews. They're Jews who may be from Latin America, who are moving out.

So it's a kind of collapse of, in a way, colonialism. And the after effects, the population movements that start to... so that's part of the story. Yes, the seeds were there. The, I like to think about it as repurposing infrastructure, there was an infrastructure of Jewish population that was somewhat accommodating. Although it was also somewhat hostile because the Jewish Federation didn't want to compete with the new orthodoxy in soliciting money from contributors. It wasn't always positive. But yeah, there were institutions to take over. And then there were very wealthy Jews who had been secular much of their life, some of them Holocaust survivors who had made fortunes in the post-war developments of LA. In one area, in retirement homes, as the Jewish community got older, real estate developers got together and started to build facilities. And then they saw the opportunity to manage them as retirement homes. And that became part of the wealth basis that the orthodoxy sending people from New Jersey and Brooklyn and connecting with these people who became more observant later in life as often occurs. They start to get donors.

It's a mix of these factors, but it's also, I would emphasize, what's usually not talked about, which is events outside the nationalist focus we tend to have. In this case, the breakdown of colonialism. There were Jews coming from various countries, South Africa even, Argentina, Mexico. And hearing about this very attractive new population community in the population center for Orthodox Jews and providing some of the population base. It was very important because the private school tuitions that the Jewish schools depend on that was aided by the resistance, the whole conflict about mandatory busing to promote school integration.

And that coincided in the 1970s with the cheap real estate that was available. And new schools got developed and Jewish schools were only part of the expansion of the private school system. Catholic schools and non-denominational sectarian schools also emerged in this period, but that was also a resistance to centralized authority in the school board. I think the novel part of the story that I have to tell has to come out of this breakdown of faith or presumed deference to centralized authority in many different levels, and all of it uncoordinated. Nobody's in charge. The same people aren't saying, "Let's end colonialism. Let's end mandatory busing. Let's stop the state highway authorities from bringing a new highway through our neighborhood." It's a very diffuse. And because of the diffusion, it's very hard to see unless you put together, unless you start from the neighborhoods and work out. It's very hard to see this.

Larry Bernstein:

The other point you're trying to make is this strange juxtaposition of such different cultures, religions and political views. And I want to focus on one. Let's compare the transvestite gay stores, movie theaters, sex shops right next to the Orthodox Jewish community. That would be something that you wouldn't guess would be possible. In *Summoned*, this is Iddo Tavory's book, he talks about that the Orthodox Jewish women would walk on side streets to go around the sex shops and to get to the show and back home. How do you think about this strange juxtaposition of different cultures, a desire to be close but not to mix? Because I would've thought that one of the fantastic parts about the disorganized organic anarchy of these neighborhoods is that for someone like me who's much more open to different cultures, that allows me to enjoy the beauty of the differences. But in other cultures where they're trying to be separate, why would the ones who want to be separate are so close?

Jack Katz:

Yeah. It's, in a way, this is how city neighborhoods have developed in the past. If you look at, there was a great book, *The Gold Coast and the Slum*, that was published in the late 1920s in Chicago. And it wasn't just the gold coast on Lake Michigan and the slum some blocks west, but it was also little Sicily. There's an ethnic low income neighborhood. And it was the Hobohemia, the homeless. And it was also Tower Town, which was Bohemian, and then around the historic Water Tower. So, there was a variety of people living next to each other, emerging at the turn of the 20th century, from mass immigration. In part because even a zoning came into power at about that time in history. Nobody was zoning for ethnic or for the cultural fabric. That

emerged in a way anarchically. And the people going to one area, one kind of neighborhood weren't necessarily interested in and had problems of a sensed vulnerability. If they went into other neighborhoods on both sides. I mean the Gold Coast people are not going to be very comfortable in Hobohemia and the hobos know that they're going to be picked up and pushed out if they show up on the Gold Coast. And similarly, it's not just the Orthodox Jews and this hip, youth-oriented, sex and drugs culture nearby that are wary of each other. It's also that the low-income Central American immigrant knows that they're going to stand out if they go a few blocks west and go into a higher-income area, except that they're there as workers.

So this is part of what urban social life has been in the past and became at the end of the 20th century. It's not a novel phenomenon, but it's, in part because nobody is designing this for complimentary and mutual respect and mutual appreciation. Except for the young people who come in, in the Bohemian neighborhoods and the interstices of some of these neighborhoods, the Bohemian areas develop, and they as culture consumers and tourists, like to go to the ethnic restaurants, they like to look, maybe, at the historic homes, they appreciate. But they're a very small part of, even the population of Bohemian area, there may be 20% of an area that's mostly working-class or poor, but the people in the other areas are focused on the themes in their lives and in their neighborhoods. And wary often, very wary.

People in the Hills and the Canyons, one of the couples I interviewed the wife used to sneak out to go shopping in the low-income Latino neighborhood. And didn't want her husband to know about it, because he'd be afraid for her. So that sort of thing. The wariness is not uncommon.

Larry Bernstein:

Let me expand on that. So just for the benefit of our listeners, Jack was just commenting on a book called the Gold Coast and Slum. It's by Harvey Zorbaugh. The book was published in 1929 and it's a neighborhood-by-neighborhood analysis of Chicago. And it comes out of the University of Chicago School of Sociology. And I read this book and I read it because I had an apartment on the corner of Huron and Michigan and I knew this area very well. And I was just interested in learning about what that neighborhood looked like 100 years before.

And what I found, to Jack's point, was just a couple of blocks away on Huron and Orleans, which is about five or six blocks from where my apartment is, which I'm currently trying to sell. But in that neighborhood, what Zorbaugh said is it was 100% Sicilian. Not 99%, 100, it was 100% Sicilian. And Chicago was a very segregated, but not only just by race, but almost by where you were from. So there's Czech neighborhoods, and Polish neighborhoods, and Russian neighborhoods, and Swedish neighborhoods, et cetera.

But what's really interesting, is that, right next to this Sicilian neighborhood on Orleans and Huron, just across Chicago Avenue, was The Moody's Church. And this is an Evangelical Church that was also a school, a University of Evangelism. And they would produce students and these

students would go to the Sicilian section and they would preach to the Sicilians to change their ways and be more religious in their behaviors. And in the book, Zorbaugh describes that they would throw tomatoes at The Moody's preachers.

And what I think is interesting about that story is, and going back to my original question to you, Jack, about seeds, because today, The Moody's Church and The Moody's School is still there and it's probably 25-times larger. It's just an enormous segment of that community. But all the Sicilians are gone. Okay. There's probably nobody left. And it's been replaced by, my niece lives there. It's a very up-and-coming, yuppie community on those blocks. And I'm just trying to understand how the Chicago School of Sociology thinks about the importance of the seed of the Sicilians and The Moody's, that The Moody's are still left, but the Sicilians are gone, and how those neighborhoods changed with time, given the economics and opportunities?

Jack Katz:

So let me take your seed label and turn it into path dependency, which is the way a lot of social research think about things. And I thought we might talk about one of the issues that came up in your conversation with Ed Glaeser about the post-COVID, what's happening to the city, will the city come back and how it will come back. And I thought of a good path dependency example would be

where the new studio development is happening now. There's massive new development of new production facilities and office facilities related to entertainment production in LA now.

Now when the movie industry was created, it was really centered in Hollywood between 1907 and 1915. And it was all in the center of Hollywood. There was a particular intersection that was famous for having lots of different studios around. By the late '20's, by the 1920s, movie studios had made enough financial progress, sound was coming in, they had to expand. Where did they expand? They didn't expand in place. They went 10 miles out to Burbank, to Culver City.

Warners and Universal went to Burbank. Culver City was created to host MGM. MGM was a combination of Metro and Goldman that were separate entities. Twentieth Century Fox was also a combination. They went to what became Century City near south of Beverly Hills.

Now, you have, 100 years later, the 2020s, starting about five, 10 years ago, major expansion of the studios. Where is it happening? It's happening, not another 10 miles out, but it's happening based on the path that the studios took in the 1920s and it's happening all around the nodes that were then established. So, the seeds or the path dependencies, or the constraints, on further movement out, they're not going another 10 miles out. They're not going from Burbank way up to the Northeast Valley. Warner's has the biggest studio expansion in the country going on now, a Frank Gehry design buildings. And it's in Burbank.

Where MGM was in Central City, in Culver City, there's Sony, Amazon, HBO, Apple, are all developing studio-related facilities. In Hollywood, right near the original center of all the studios, Netflix and Viacom and new studios are being developed.

So over time, the path dependencies are getting stronger. And what that means for post-COVID is even as, as Ed Glaeser pointed out, you can track rentals. You can track vacancies in office space and there are some indicators of people not signing up for the same square footage or signing up at lower prices, or less profitable businesses coming in where more profitable were, there's that trend, but there's also this divergent trend of path dependencies being stronger than ever.

So the cities will come back, explosively. I think the 2020s is going to be an explosive growth period, like the 1920s was, where LA's population more than doubled. What COVID meant was a lot of construction projects could really move quickly, because there was no traffic holding things up and other kinds of openings occur. And this tremendous amount that will be coming online very shortly.

When these new buildings come online, which are residential, as well as production facilities, retail will become very, very dynamic around them. Population densities will increase, but they'll increase around the nodes that were established by the 1920s. They're not going to be spread out further out. And there's a dialectic of sprawl that, by having created a more equal housing series of possibilities in the region, about 10 to 20 miles out, now to locate a new production facility or office building on this bigger circle, in any parts of the bigger circle, you're requiring your employees to commute, potentially, a much further distance from another end of that circle. And it becomes sprawl, feeds and gives a dynamic that gives more economic appeal to development at the center.

So there are divergent movements and process here. The high-tech, facilitating work from home, but also the path dependencies of the cities getting stronger over time.

Larry Bernstein:

I'm just wondering if that's consistent with our organic nature of City Development? Let me give you an example from Philadelphia for a second. I attended the University of Pennsylvania and it's got a campus and they want to expand. And there's also this sense that there's, the science departments want to work with pharmaceutical labs and these joint ventures, thinking about like Silicon Valley is with Stanford. And Penn wants to expand, but it's in the middle of Philadelphia. So like what can they do?

And there's two options. One is, is that they can go towards South to the river and where it's industrial right now and rezone it to allow for Penn to go in one direction and then also work with industrial labs. And then it can also go towards East toward the river, towards Center City

and expand there, as well.

The reason why I mention this, it seems like there's a two-prong issue. One is you're caught by your path dependency because U Penn's campus is where it is. Okay. We're not moving the campus. And next question is, where is vacant land? Where can we rezone? What can we do to deal with our future growth? And I think that's the story you're telling me also in Hollywood. What's the cheapest land where I can expand big, that's close enough to my existing spot?

Jack Katz:

Yeah, that's the calculation. I think what's happened since the 1920s, is that the region has been built out. So you've got upper-middle income homes, 20 miles out in all directions, in the South Bay up to Woodland Hills and the Northwest. And there's not cheap land even further out. I think that's been missing from a lot of the thinking about the, quote, return to the city. What's happened is that the land further out is no longer so much cheaper than land closer in. The development, it does happen on expensive land.

The Culver City developments of HBO, and Sony, and Apple, and so forth, are happening in an area that's already the west side of LA, which is a relatively affluent area. They're buying up the land. Paying the higher prices than they would've paid decades ago. But if they're going to go further out, they're also going to pay much higher prices than they would've paid decades ago. Burbank, for example, is not the low-profit farming area that it was when Warner's and Universal first moved out there. And areas further out are already subdivided. And putting together lots to make enough space is a challenge further out.

There's another factor that goes on here that I think is interesting to talk about, and that's the sludge fact. That market forces face social-psychological barriers in multiple ways before development takes off. And one is that, towards the center of cities, you've got more corporate ownership of land. As you go out to the residential neighborhoods, you've got more family ownership of lands that are lots that are rented for business and that are rented for apartment houses. That's a family sludge, in the sense that, you often have to wait for the elderly parents to die and the kids to fight over and be unable to reach an agreement about how to manage this property before you get a sale back into the market.

Towards the central city, you've got more corporate ownership and it's easier, quicker to put together, moving towards the highest and best use of the land. So that's a historical process that's in course now in many cities, it's clearly in LA. And there are other sludge factors that are going to be processed through to move development more quickly towards the center. But that's one that affects the turnover of use of land that isn't taken into account, I think, enough.

Larry Bernstein:

What Jack is referencing is an Ed Glaeser discussion on what happens next, a few weeks ago.

And I wanted to go to something Ed had to say about Southern California, specifically. What he did was he complained about this organic anti-zoning, anti-new building movement that was in our zoning process, which has prevented large-scale developments in California. And that has resulted in a huge increase in real estate prices, which makes both business expensive and living there expensive. And there's this huge wealth given to the older generation at the expense of the young.

And young people have to make the following decision, should they live in very cramped space in California or should they move to a state with less restrictive zoning like Texas, or Nevada, or Arizona, where they can get a large piece of property for very little and they'll deal with the job concerns there later? How do you think about what Ed had to say about zoning, as it relates to this anarchic organic process of city development?

Jack Katz:

In 1986, in particular, in the City of LA, they had a down-zoning proposition that local politicians promoted and that won, overwhelmingly, and that made it harder to build density, it blocked a lot of more dense development. And yes, that had a major effect on increasing land prices and increasing the price for buying or renting. That's another part of the sludge factor, because it's taken 25 to 30 years for the general population to realize the negative consequences. And now you're starting to see a turnaround. About five years ago, the city passed another measure that gave zoning officials a little more power to allow more dense development. And that is happening. That is starting to happen. And there will be an impact on rental prices in the next five, 10 years, that'll be significant.

But it's a minor shift. But it takes a long time for the public to realize the negative effects of this down-zoning. And the undemocratic discontent with the undemocratic nature of the overall process, where, if you really do the math and work it out, it's about one-percent of the population. In a very republican way, in the classic terms of it, the more educated, affluent people who are controlling the land use decisions for the vast majority of people who don't live in the city when the votes occurred. But those votes set up a zoning structure that lasts for 25, 30 years, until it's revised, when new people come in and they don't have any vote in effecting things.

So there's an anti-democratic and real estate-inflating effect of this attack on giving power to central planners to maximize development. Now that's started to erode. And it's possible there will be votes on major new initiatives that will allow much more density to develop. I think of that as another, even longer-term sludge factor, before the public gets aware of the repercussions.

And then there's also a sludge factor before developers get aware and get to be believers in the new development possibilities. Because it's been five, 10 years since the state and the city have

loosened a little bit, the opportunity for dense development. And some of the projects that are now permitted, that weren't before, are only now coming online. And developers aren't really sitting in one room talking to each other. It takes them, in their dispersed locations, some of them are in Canada, some of them are in Texas, to figure out that they can have faith, that more dense projects will get through. So that takes time to work out. Time is the big missing consideration, in a lot of our urban social thinking, I believe.

Larry Bernstein:

Let me try a different aspect to the strange juxtaposition of different communities. And I want give an example like Crown Heights, where you have an Orthodox Jewish community next to an African-American community, and they don't get along. And there was an incident where a very religious Jewish man was trying to go to visit Lubavitch event and ended up running over and killing an African American child. And that resulted in rioting and a lot of anger between the African American and Orthodox Jewish communities. And when you have such radical differences in religious, political, sociological, wealth differences, oftentimes, this can result in a fight.

Larry Bernstein:

How do you think about the idea of, can't everyone just get along, when they're just so different? How do we, and some level, we're so excited about the opportunity of this mixed neighborhood, mixed residential area, of different cultures, but sometimes that results in violence. How do you think about the good and the bad associated with putting different communities together?

Jack Katz:

I don't know that anybody's putting them together, they're getting put together as dispersed people are making decisions over time. And, obviously, you want to avoid conflicts, if you can. But I think that the looming reality that has not yet come to surface is a fuller appreciation of just how overwhelmingly the urban populations in the New York and the LA area, and increasingly, in other parts of the country, are dominated by foreign-born cultures. That is to say, if you look at households in New York and LA, you'll find that almost two-thirds of the households are shaped, people are living in everyday cultures in their homes and in their neighborhoods, that are shaped by people who were born in another country. In LA, it happens to be more Mexican and Latin America. It's more diverse in New York.

But our discussions tend to be about Black/White. And that is, for good historical reasons, there were a lot of very important moral issues to attend to. But the demographic realities, and some point, there'll be another sea change, when this will flip. And the new discussions will be about the foreign-born against, I don't know if there's going to be a hostile or antagonistic matter, but that will become more and more appreciated in the media. The numbers are so overwhelming. There are such overwhelming majorities of foreign-born households in areas that are still

represented by US-born people who have been in the country for centuries, many generations. So there's an undemocratic nature of our whole public discourse, which, for perhaps defensible moral reasons, emphasizes Black/White conflicts, but is really more about this, the U.S. as an immigrant nation again, and that shift in discussion, and themes in the popular media is likely to come in a kind of sea change not far off in the future.

Larry Bernstein:

All right, that's ends our discussion here with Jack and we're going to go with something completely different, which is a discussion with Jim Holmes about China and Taiwan. Jim is the J. C. Wylie Chair of Maritime Strategy at the Naval War College. He has written extensively on South China Sea and U.S. Naval strategy, so Jim, why don't you kick off your discussion about China and Taiwan.

Jim Holmes:

Hi, Larry. Great to talk to you again. We did this about this time last year. First of all, let me start by noting that nothing is inevitable in world affairs and nor is the Chinese attack on Taiwan. In fact, I never say never, never say always is a golden rule for living, but I do think a Chinese attack on Taiwan is more likely than the common wisdom on Asia-Pacific affairs allows. It's a good deal less farfetched than the assassination of an Archduke in Sarajevo plunging Europe into the cauldron of world war in 1914, or for that matter, 9/11 hijack setting up 20 years of global war on terror on 9/11. Yet those events happened, so could a cross-strait Chinese offensive, so it's up to Taiwan and its friends, including ourselves to shape the likelihood of an attack and deter Beijing.

Now geopolitical and geo-economic interests are a big part of the reason why China might strike. As they gaze eastward from the mainland, Chinese Communist leaders and ordinary Chinese alike, behold the first island chain, which runs from Japan southward through Taiwan, to the Philippines and Indonesian archipelagos and around to Singapore. They understand that the island chain encloses China's entire coastline. That its occupants or allies are friends of the United States and that some of them, like Japan, are well armed. In their eyes, this merger of geography, alliances, and armaments raises a barrier to Chinese military and commercial access to the western Pacific and the wider world. They find China's surroundings stifling, and they're not wrong to interpret their surroundings this way.

Should hostile armed forces close the straits whereby Chinese Naval and mercantile fleets access the Pacific high seas, General Secretary Xi Jinping's Chinese Dream, his program for national rejuvenation would be in grave peril. This is why Chinese strategists commonly refer to the first island chain as a metal chain, a barricade blocking China's destiny on the high seas. Breaking this chain is imperative and Taiwan is the best place to cause a fracture. Wresting the island from its inhabitants would bring a wealth of strategic opportunities for China. It would emplace the People's Liberation Army or PLA at the island chain's midpoint, granting shipping,

and aircraft ready access to the Pacific. It would let the PLA overshadow the Luzon Strait, the best channel for submarines to pass between the South China Sea and the Pacific undetected. It would let China turn to Japan's southern flank, applying pressure on this perennial rival, and on and on. National interest constitutes a compelling reason for Beijing to rank Taiwan atop its list of priorities, as indeed they do.

China's leadership may be in a hurry to make good on this project. Last March, Admiral Phil Davidson, the outgoing commander of the U.S. Indo-Pacific command in Honolulu, made headlines by forecasting that China may strike within the next six years. Admiral Davidson was oblique about his reasoning. Why six years and why not five or 10, but nonetheless, the Davidson window for the timing of a Chinese assault has become a fixture in debates among China watchers. While Xi Jinping divulges little about timing, he makes no secret of his goals. He has vowed publicly, vehemently, and often to regain every inch ground once ruled by Imperial China until the fall of the Qing Dynasty in 1911.

He has connected this to China's Dream and made himself accountable to the Chinese people for making their dream come true. Yet making well defined promises is a dangerous thing for autocrats like Xi. It lets them portray themselves as strong and resolute, and possessed of a grand vision. The danger is, if they fail to deliver on their promises, they will cast themselves as weak and irresolute in the eyes of the people. The Chinese people would not take kindly to having their passion for making China great again ignited and then doused. Chinese Communist rule might even fall if they blame Xi for failing to deliver Taiwan after promising to. In other words, Xi, whether deliberately or not, has deployed a version of what the Harvard Economist, Thomas Schelling, called the commitment tactic in negotiations and not especially wisely.

Sometimes a negotiator, say a union leader, will publicly state a non-negotiable position at the outset of talks. Think about what that does. It connects the negotiator's personal prestige to obtaining his or her demands. No one can climb down from such a promise for fear of losing face. By sticking his good name on bringing home the goods in full the negotiator deliberately forfeits the freedom to compromise and in so doing amplifies his bargaining power, but his constituents will be incensed if he does give way and he will pay a price.

Similarly, Xi Jinping has given up the option of compromising on Taiwan. He may have built up his bargaining power with Taiwan and its protectors, but he has painted himself into a corner with his constituents, and again, I would say, this is an unforced error. Now he must stand and deliver. But think about it, Xi is 68. Like all of us, he is on the clock. His patience on Taiwan has limits for that basic human reason, if nothing else. But does this interplay among interests, ideas about destiny, and leadership spell war? It's often noted that Chinese statecraft, dating to the age of Sun Tzu, two millennia ago, puts the accent on winning without fighting. This is true, and in fact, no sane leader or government in China or anywhere else relishes the dangerous hardships and costs of warfare. Even conquerors love peace. It lets them get what without

undue hazard.

The trouble for Xi is that the Taiwan part of China's Dream may not be attainable except through war. Persuasion is less and less an option for Beijing. The social and cultural bonds connecting the island with the mainland loosen by the day. Only about a 10th of Taiwanese now define themselves as Chinese, and there's little chance of that trend reversing itself. Sentiment favoring a cross-strait union is on the wane, plus Taiwanese watched what happens at places like Hong Kong, Xinjiang, and Tibet. They know a similar grim fate awaits them should they submit to mainland rule. It's hard to imagine the Taiwanese people or its leaders yielding to what amounts to a demand for national self-destruction.

Their goal too. Their goal of de facto independence is non-negotiable, so if China wants the island, it will have to take it by force, and in the end, that means mounting a cross-strait amphibious invasion, otherwise it will not possess the contested ground. The metal chain will remain intact athwart China's aspirations. So where does this leave us? In an uncomfortable position. China will not be cowed into forever forswearing control of Taiwan. It commands too much value for China, both in tangible military and economic terms, and as a focal point for China's sense of itself and its destiny, but China can be deterred day by day.

Think about it. For Xi Jinping, as I've said, failing to act would be *bad*. Acting and losing in the Taiwan Strait would be far worse. He might lose his rule or even his life. That knowledge is our advantage. It's up to Taiwan and its friends to figure out how to implant doubt and dread in Xi's mind, making clear that we have both the capabilities to deny China what it wants and the resolve to use them. If Xi wakes up every morning and says to himself, "This is not the day," then we will have deterred him for that day. We will postpone military action. If we can string together enough days like that, who knows? Good things may happen in the Far East. That's probably about the best we can do under prevailing circumstances. This endeavor will be neither quick, nor easy, nor danger free. Let's keep Xi and his comrades up nights, worrying that we will make their Chinese Dream a nightmare. If we do, we may stay their hand. Thanks.

Larry Bernstein:

Thanks, Jim. That was fantastic. I want to start with cheap and effective ways of defending Taiwan. You had an article that was published a few weeks ago, which I assigned to the audience about using of mines to protect against amphibious attack and that these mines can be placed within 24 hours. Can you comment a little bit about the effectiveness of these mines? Why it would work as a defense mechanism and its general efficacy?

Jim Holmes:

Mines have always been one of the most difficult, in fact, anything underwater remains a really difficult threat, simply because of the nature of water itself, which is why we worry so much about submarines, mines, torpedoes, all those sorts of things that can remain obscure from our

sensors, and obviously from our eyeballs. I guess you can think all the way back to the Battle of Mobile Bay during the Civil War, but especially in the late 19th and into the 20th century, they've been a real problem for Navies. In fact, I was up in the Gulf in 1991 and I can remember seeing them float down the side of the ship and think, "Thank heaven we didn't hit any," but a couple of ships were not so fortunate.

It's a perennial problem. It's something that we're always trying to make work, but at the same time, if this is a hard problem for ourselves, it's also a hard problem for China, which is a rather sort of a late comer to under underwater operations, and therefore it has a hard time with anti-submarine warfare, with mind sweeping and so forth. I mean, that's an opportunity for the United States and its allies right there. Just to be able to resort to this sort of cheap and proven mode of warfare.

Combine that with geography. I mentioned the first island chain that are narrow seas that penetrate through the island chain, and they're great places for mine fields. You now have the United States Air Force practicing dropping mine fields from bombers. There's just a lot going on in this area. Again, combining geography with the new and old technology, can provide that sort of strategic advantage.

Larry Bernstein:

I'm going to go through a couple historical island invasions as a way of thinking about Taiwan. I'm going to do two different questions, but to just kind of get you ready. I'm going to talk about Midway and I'm going to talk about Crete, and I'm going to start with Midway first.

When we broke the Japanese code and figured out the Japanese were going to invade Midway, one of the first things that the United States did was it improved the defense of Midway, on the island itself. They beefed up the airport, they beefed up other areas around the island to protect against invasion, and I think that's a very cheap and effective means of preventing an amphibious attack. If you were going to recommend defending Taiwan, how would you do it? Would you recommend having U.S. ground troops, the U.S. Air Force having a base there? Or how would you recommend that Taiwan think about protecting itself against a potential amphibious attack? Away from mines?

Jim Holmes:

Yeah, that's a great question, and it's one that I think tank world people have been thinking about it for quite some time. I think it's about 20 years ago, a team at Rand, they did a historical comparison. They basically mapped out the potential landing beaches on Taiwan, and then they overlaid that over the beaches at Normandy, and it's almost the same size theater, and it's just about as difficult. The first thing Taiwan needs to do is think about how to use the island's geography, the island itself and it's surrounding maritime geography as strategic assets, as operational assets.

One of my favorite passages comes from a theorist we don't think about too much these days. Moltke the Elder, on the military side, the founder of Imperial Germany in the 1870s. He maintained that essentially possession is nine tenths of the law in strategy. What he means by this is that if you already hold the ground, if you already hold what somebody else is trying to take, you have advantages just by possession. Tactical defense is the strongest form of warfare. In the case of Taiwan, Taiwan already holds that ground and China has to come across 90 plus miles of water in order to take it. Of course, the straight is narrow. It's susceptible to, again, mine warfare, submarines, but also surface patrol craft armed with missiles. A lot of these small and cheap capabilities could basically flood the zone and give the People's Liberation Army Navy a very difficult time coming across the Taiwan Strait in force, so there's a lot there.

I think that the other aspect to this, especially for the PLA, or excuse me, especially for the Taiwan Air Force and the Taiwan Navy is they really need, basically a culture change, I guess you might say. For a long time, during the cold war and really into the 1970s, when we revoked our recognition for Taiwan, I mean, culturally they've basically grown up... They were almost like clients of the United States Armed Forces, and they seemed to soak up that, soak up the assumptions that we have in the United States Navy and the United States Air Force. Namely, that we were going to fight a big battle and rule the sky or rule the sea.

Taiwan could get away with that for a long time, because the PLA remained large, but sort of backward and ponderous, and not very good. Taiwan could convince itself that by being technologically, and in the human sense, superior to the mainland's armed forces, that it could hope to prevail in a battle for maritime command or aerial command. That's an attitude that I think has long outlived its usefulness as the PLA becomes a serious competitor, and I think the Taiwanese really need to give up on these assumptions, and think more like gorillas. I mean, they can even investigate China's past, back during the days of Mao Zedong. I mean, think about how the Red Army under Mao overcame the Nationalists and ultimately the Imperial Japanese as well, even though it was the weaker party.

Taiwan is now the weaker party, and I think it needs to embrace that assumption and think about how to do things in a different way. If it does that, and I think if it goes to multitudes of all these small cheap capabilities, I think it has a chance of deterring China and frustrating China's aims if China does use force. Taiwan's not without options.

Larry Bernstein:

Let me try the battle of Crete for a second as another example. John Keegan, a very famous military historian wrote a book entitled, *Intelligence in War: The Value--And Limitations*, and in this book, there's a chapter on the Battle of Crete. The point that Keegan was making was, even with perfect information, you can still lose.

But I think that that is interesting in its own right from a strategic standpoint, so here's the deal. We've broken the German code, and we find out that the Germans are planning to invade Crete at a specific time, and we know exactly what they're going to do. They're going to drop guys out of parachutes where the target is the Iraklion, which is the capital city's airport, and they're going to take the airport. Once they take the airport they're going to fly in and land thousands of troops and take the island.

The individual leading the allied forces is a Kiwi commander, and the Kiwi commander is instructed by the allied forces to defend at all costs the airport, to give up on the sea as a concern of its attack, and they say exactly where the parachutists are going to be landing. They put the machine gun guys right where the parachutists going to come in, but they really don't add a lot of troops to the airport, because the Kiwi commander is still very concerned about an amphibious attack. The Germans land, and there's a tremendous loss of life for the parachutists, but enough get through, they're able to take the airport. The Germans are able to land thousands of troops and Crete is lost.

The reason I bring up this, this is an aside, when Hitler hears about the percentage of parachutists that were killed, he then thinks that he's never going to do this approach in battle again, not knowing that we had broken the code where they were going to land. He also thought that would make it very prohibitively expensive when we landed at Normandy, for fear that the parachutists would get killed just like the Germans, though the Germans didn't know where were going to land.

The reason I bring up the story with you, Jim, is how important is the defense of the airports to landing Chinese troops, to do a battle of the Crete attack on Taiwan? Do you think that in lieu of an amphibious attack, they could do something more from the air, to land troops?

Jim Holmes:

would say it's a serious concern. I'm not actually an air power specialist, but just in general terms, I mean, the airports are obviously important for a lot of reasons. I suppose, especially for the Taiwan Air Force, which unwisely I think, has continued to pour lots of resources into F-16 fighters and whatnot. Sort of high-cost platforms that they could use these resources for other stuff, and I think they would be well off doing, but sort of, for defensive reasons, that's important. Every year they practice landing fighter aircraft on highways and so forth, just as a contingency in case they do lose those facilities to a Chinese attack, which they might, but again, just like you say, these are also valuable facilities to the Chinese.

I have a hard time seeing them primarily... I mean, think about the size of Taiwan. The population of Taiwan is about 24 million people. It's really hard to imagine them being able to airlift or to do a sort of the paratroop operation along the lines of Crete against a target that

size. This is a large rugged island, it's well suited to conducting an insurgency as the island has seen in the past. It's going to take a lot of manpower for the PLA to get across the Taiwan Strait. I'm sure there will be an air component, but the fact is that manpower and especially military resources, heavy military resources are going to come by sea, and therefore I think the maritime aspect is probably still the key one.

Larry Bernstein:

Winning without a fight, that's got to be strategy number one. I'm thinking about it in the context of, what about a little fight? Taiwan, like England, it needs food. It's an export country, it needs access to the sea. Could the Chinese set up a blockade around which they would prevent vessels coming in and out? Could they force a long-dated problem where they couldn't feed their people? Could they also just blow up a bunch of their industries in a low-cost aerial attack that would make it prohibitive to get the Taiwanese to the negotiating table? I've heard that when they do the war games, China wins just about every time. What are these weaknesses that Taiwan has that allows China with low cost, to really force the Taiwanese to the bargaining table, to give up everything?

Jim Holmes:

Let me take the second part first, and then come back to the question that you opened with. I mean, I think you're alluding to Taiwanese willpower. I would suggest, I think it's actually pretty good. I mean, we know that when you estimate a contender's strength, it's a compound of material capabilities, military power, economics, and all that kind of stuff, but then obviously the willpower to actually use those things to get your way. In this case, Taiwan preserving its own de facto independence and national survival. I actually think it's pretty good. They're always doing polls in Taiwan to try to figure out exactly how hard the population would be prepared to fight. I think it's actually gotten better over the years as the Taiwanese define themselves less and less as Chinese and more and more as their own nation, so I think that's actually a good thing.

The cultural component, the willpower component is probably the key. I think they could actually sustain a fair amount of damage before they would be forced to acquiesce. That leads me to what I would say to your first question, which I think, where it comes down to speed. China wants to win fast. In fact, I think China needs to win fast in the Taiwan Strait, so that they can actually conquer that island, if it decides to mount an invasion. Conquer the island before the United States and its allies can rally to Taiwan's defense. If you're talking about, like you said, economic attacks or blockade, or whatnot, I mean, these are slow moving strategies and they would give the United States and its allies, and Taiwan that time that they need to rally to Taiwan's defense, and go in and mount enough force to reverse aggression. So, I think Taiwan, or excuse me, China rather, will not go with a really slow-moving strategy, like a blockade as a standalone thing. Obviously if they're going to mount an attack, they're going to try to cordon off the island and do damage to it. But I don't think they would do these things as the

centerpiece of their strategy, just because that factor of time.

Larry Bernstein:

There was an article in the Wall Street Journal of all places, a front-page story this week about both Taiwan's will of fight and their preparation. And the article specifically was asking the question, "Will the young men of Taiwan, will they fight? And are they prepared to fight in any meaningful way?" And there's a sense of comparison versus the Israelis with their reserve army, where they go to work or one month a year they're out there preparing, thinking about it, fully engaged, and then treating it as an existential threat. Obviously, if the Israelis are taken over by, I don't know the Syrians or something, it's end of days, it's end of the world, they're going to get killed. Versus, the Taiwanese, they're going to get taken over by their fellow Chinese. Yeah, Hong Kong lost, but they're still alive, they didn't massacre them. And now have to die, is the alternative.

How do you think about Taiwan's decision not to build reserves, not to ingrain the military ethos among their young people? Is it too late? Can they turn that around? Will that have high dividends, or should they spend their resources more on planes, and mines, and submarines?

Jim Holmes:

Well, I'm not entirely sure there's a choice between ingraining the military ethos within Taiwan, and investing in other things, but you're right to cause attention to this. I think actually Taiwan's on the right track. In terms of national willpower, but yeah, I saw that Wall Street Journal piece, it appeared in the Navy's daily news clip this weekend. And I think that is a serious problem if they're not actually creating sizable and well-trained reserves. There were some suggestions that they basically just used recruits to do odd jobs. I'm really starting to get a little bit out of touch with this, but I think national service in Taiwan is only nine months now. Man, can you really make a soldier, a sailor, or anything else, in nine months and then turn that person back to civilian?

I think that is sort of a worrisome fact if indeed I'm right about that, and I think I am. I think we are talking about a cultural change that needs to happen in Taiwan. President Tsai has been very good on weapons programs and whatnot, but you don't get the sense that she's devoted a whole lot of attention to that aspect of military preparedness. And I don't want to rosy a picture on Taiwan, my sense is that the trends are going okay in the sense, but at the same time, if you look at what Taiwan spends on defense, it's basically on a peace time about 2% of their GDP on the military.

That's standard in Europe, but at the same time Taiwan stands on death ground to use our senses for it. As you said, it faces national ruin, but yet it's not spending like, it actually takes that very seriously, which suggests that they might still be dependent on the United States, they simply assume that we'll come to the rescue. I think that it's an assumption that has is

outlived its usefulness, because Xi, I think Taiwan wants to win fast, the United States wants to slow things down so that they can actually get to the scene of battle. But, yeah, it would be good to see Taiwan take a bigger share in its own defense.

Also, I would like Japan as well. Japan's actually moving pretty fast by Japanese standard, as started to talk about actually defending Taiwan, that being an important thing. Japan's talking about doubling its own defense budget.

Larry Bernstein:

Let's go to the United States and us defending Taiwan, and the signals you're trying to send. President Biden was recently interviewed by the press, a question more than once. And Biden said, unequivocally, the United States currently has obligations and will do everything in its power to defend Taiwan. And the journalist said, "Actually, that really isn't true." And he said, "No, no, it is true." And then hours later, the administration's press secretary clarified the position back to the current position, which was the ambiguity for Taiwan, unclear of whether or not the US would defend Taiwan. What are your thoughts on, I'll it the incredibly ambiguous US policy towards defending Taiwan, whether we will, or we won't? How is that perceived in China? How will that be perceived in Taiwan? How will that be perceived in Japan or the world? And does it matter?

Jim Holmes:

Well, I think it does matter. I think we're sort of at a nexus where we're having to rethink all the assumptions you're alluding. Yeah, President Biden, I was actually excited when he did that, but then I also expected the people in Washington to start walking it back, just as they did actually one previous about the time of the withdrawal from Afghanistan, the United States could be relied upon to keep its promises in international politics, so it came up in that context as well, and the same thing happened back then.

The policy of strategic ambiguity, the basic idea behind it is we were to deter both our ally, or our friend in this case, our informal ally, Taiwan, and also China. We want to deter Taiwan from declaring independence, something that China has repeatedly stated as a red line for war. And in fact, they had written it into Chinese law back in 2005. And we also want to obviously deter China from attacking Taiwan and trying to settle things by force. But I think that made sense as long as the Chinese threat was pretty remote, but that's really not reality anymore. Over the last quarter century or thereabouts, the PLA has made itself into a serious fighting force, and one that we have to take seriously. And I think that warrants rethinking strategic ambiguity.

A lot of times when people ask this question, and they seem to be insinuating that they want to stick with strategic ambiguity, I always ask... Well, think about theories of alliance building and preservation, do you ever want to issue a non-binding promise to defend somebody? Do you really want to be ambiguous about keeping our promises in nature, under the North Atlantic

treaty, or to Japan under the US Japan security treaty? If it's a good idea to be ambiguous, maybe we should rethink our other relationships. I never really get a good answer out of that one, but I'm not sure why Taiwan would be the exceptions to that.

Larry Bernstein:

From your introductory remarks, Jim, you mentioned that sometimes by being very clear about what your objectives are, you paint yourself in a corner, and by making it something non-negotiable position, you paint yourself in a corner. And we've done the opposite, we have not painted ourself in the corner. It's unclear what hell we're going to do in Taiwan.

Jim Holmes:

Yeah.

Larry Bernstein:

Isn't that really exactly what you want?

Jim Holmes:

Well, if I'm issuing a commitment, a steadfast commitment to an ally, I don't want anybody to doubt that. Yeah. I think that's a fair point, but if you leave that in the minds of the person you're trying to deter, or the country you're trying to deter, at that point, the deterrent starts to break down. I think that's a little bit different situation, although, I think some of the psychological dynamics are similar. But again, do we really want Japan to worry about whether we will keep our commitments to Japan in times of war, or whatever? If they do, what's their natural response? Japan might start thinking about loosening up its commitment to the alliance, perhaps even denying us access to their soil. That way lies madness. I think that's a case in which you want to be very clear.

Kissinger, in the early sixties, put out a book on deterrence, and he defined the deterrence as a product of three things. First of all, it's just basically capability. The ability to do what you say you will. You issue a threat, which is what the deterrence is all about, and also the willpower to use that under the circumstances that you say you will. So, there's that element of strength that I mentioned before. And the last one is belief. The last variable is belief. And the belief on the party that you're trying to deter, that you will actually use your capabilities under the circumstances that you say you will, and you will inflict upon the punishment, or deny them their aims that you're trying to forbid. So that's really where the rubber meets the road, that belief variable. If I'm saying that I may or may not keep my promise to an ally, then it's natural that that belief variable is going to start to degrade.

Kissinger, he has one more, and he actually adds a coda to this little formula as well. He notes that this is about multiplying these three variables. And therefore, if any one of the variables is zero, so is deterrence. I can have all the capability and all the willpower in the

world, if the other side doesn't believe me, then at that point I'm not going to deter. And that's a bad thing in this case.

Larry Bernstein:

I want to try something crazy by you, and you can just reject out of hand, and that is nuclear weapons. What would happen if Taiwan announced tomorrow that it had nuclear weapons and was prepared to use it to defend the nation?

Jim Holmes:

Well, that's a very good question, Taiwan had a nuclear program, an undisclosed nuclear program several decades ago, and basically disbanded it at the behest of the United States. A lot of its whether you think they could actually stage a nuclear breakout overnight. They do have nuclear power plants, and therefore they have the expertise and potentially the materials to do this, but staging a nuclear breakout generally does not happen sort of by surprise like that. Now, if you assume that you could do that, then that could be a game changer, but again, it would depend on the size of the arsenal. Could they actually do enough damage to China to actually deter China, and on and on, so you'd have to start analyzing all the elements of deterrence.

For anybody who hasn't studied deterrence, nuclear deterrence, basically the gold standard of nuclear deterrence is the ability to carry out a second strike even after suffering a first strike from your adversary. It's kind of hard to imagine that Taiwan would come up with a nuclear arsenal that would give it that invulnerable second-strike capability overnight. This would be a project that would probably take some time.

Larry Bernstein:

Just to defend indefensible, imagine that Taiwan announced it had six nuclear weapons. Would that be enough to deter China from doing an attack?

Jim Holmes:

First of all, how much punishment is China willing to absorb, to win a war with Taiwan. I'd say if dropping a nuclear bomb on Shanghai or something like that, is that above or below the Chinese threshold for absorbing damage for the sake of Taiwan?

I think there's also an aspect of this as well, this is very valuable ground we're talking about in Taiwan. To what extent would China actually be willing to use nuclear weapons against Taiwan, even in retaliation for a Taiwanese nuclear attack? It wants to possess the ground for all the reasons that I cataloged, and I think that's something that bears looking into as well. By the way, you mentioned the figure of half a dozen nuclear weapons. That's actually one of the most peculiar, one of the weirdest cases in nuclear history, was South Africa under the apartheid regime, actually built a force of six tactical nuclear weapons for bizarre reasons. And they

wanted to basically compel the United States to come to South Africa's aid in times of war against its neighbors, simply by disclosing that they had a force of six tactical nuclear weapons, kind of just a bizarre story. And I think the Taiwanese breakout in the same category as well.

Larry Bernstein:

My final question for you is, we've been analyzing Taiwan as an area that it's weak, and it has prepared itself against attack, but China itself is also weak. It has a very fast-growing economy with more than a billion people doing very well, and it has not built its country on the defense in case of attack. What is China's weak underbelly? How can Taiwan bring the war to China to undermine or deter Xi from waking up that morning, and not choosing to attack.

Just is a little background, a show what happens next, we had Allen Guelzo speak about his biography of Robert E. Lee a couple weeks ago.

And what Guelzo said was that if you were to ask Robert E. Lee for his strategy in the US Civil War, it was to attack Pennsylvania and Maryland, and just run wild, cause chaos. And then you had some midterm elections coming up in 1862, and that's how you win the war. If you were going to deter China from attacking Taiwan, would the Taiwanese want to blow up one of those big super-container boats in the port, limit the ability to have them do any exports, fire submarine missiles and do tremendous damage to chemical plants, creating an environmental disaster in China. It's a two-way street, it's a mutual destruction. How should we think about China's soft underbelly?

Jim Holmes:

Well, you're making this a very military question, and I think that's certainly a key aspect of it, but when you talk about the Chinese soft underbelly, I think you're talking more in grand strategic terms, and I think that's entirely fitting. I'm not one of the ones who, and I always paint a pretty dark picture when I talk about China and its capabilities. And I think that in the military sense that's entirely fitting, because it's becoming a serious problem. But if you look at some of the major trend lines in China over the next coming years and decades, China does have a lot of problems. You mentioned the environment, and that's been a catastrophe ever since John King Fairbank wrote his famous histories of China many decades ago. I don't think that things have really improved all that much, certainly not out in the countryside, in the cities or gleaming and so forth. But out in the countryside, I think they still have a lot of problems. So that's a drain on China's resources that it might put into security.

Other things, demographics. Demographics, I know China has abolished the one child rule, but it was in place for an awful long time, and they're going to have to deal with the consequences of an aging population. So that'll be another drain on Chinese resources. There are internal security problems, if you look, it's kind of hard for us to know specifically how bad this is, but if you look at the Chinese defense budget, about half of it goes to internal security. The people's

armed police soaked up a large part of the Chinese defense spending. And that is not the behavior of a comfortable regime that thinks it's securely in power. And things like social credit scores, and all those kinds of stuff that the Xi Zhou paint, and the Chinese communist party are usually trying to keep the population in check. That suggests they have something to worry about, and I think that that's actually fair.

So again, some of these trends are going to wear away at China's long-term prospects. We're doing things against Taiwan and elsewhere in the world. However, before I round out this very longwinded answer, that doesn't mean that China is not dangerous today. They teach that sometimes even if you're the weaker adversary today, it might make a sense to start a fight today, if you think the trendlines are going against you, and you would be in a worse place next year. Even if China thinks its rise is cresting, and perhaps even dissenting, could be a very dangerous China. And I think that warrants our attention as well.

Larry Bernstein:

Okay. I end each session on a note of optimism. Jim, tell me what are you optimistic about?

Jim Holmes:

If you look closely at what's going on in China, in the United States, actually in the US military, I actually feel fairly upbeat. For example, I'm an old surface sailor, so I think in terms of anti-ship missiles, we were vastly outranged by the Chinese PLA Navy until recent years. They could take missile shots at us long before we could close the range to return fire. Serious several things that have happened, repurposing existing technology, reinventing old technology. And we're actually correcting that problem. And I feel much more upbeat than I did about five years ago.

Larry Bernstein:

Jack Katz, what are you optimistic about?

Jack Katz:

Okay. The history of neighborhood development since 1965, in Hollywood and many other city areas, shows that anarchy need not be feared. Anarchy isn't a permanent condition. Withdrawal of government power to structure social areas is not destructive to collective life. In diverse and unpredictable ways, that local residents have an ability to organize collective responses, even without coordination from above or across neighborhoods. We should be optimistic that cities will continue to grow around historic nodes of density, and that while with an increasingly well-educated and highly paid population, some vibrant, low-income ethnic neighborhoods will decline future mass entries of the foreign born, which appears to be mounting very quickly, should create other vibrant new neighborhoods in the near future.

Larry Bernstein:

Jack, thank you so much.

Larry Bernstein:

Okay. That ends today's session. I want to make a quick plug for next week. The first speaker will be Richard Bernstein, who is the Vera List professor of philosophy at the New School for Social Research. Richard is a celebrated scholar of American pragmatism, and I've asked him to speak about his book, 'Why Read Hannah Arendt Now'.

Our second speaker is Mark Mahaney. He is a five-time number one institutional equity analyst, specializing in the internet. He has a new book coming out, entitled 'Nothing but Net'. And he will take us through his 10 lessons for how to make decisions on what to invest in internet and tech stocks.

If you're interested in listening to a replay of today's What Happens Next Program, or any of our previous episodes, or wish read a transcript, you can find them on our website [whathappensnextin6minutes.com](http://whathappensnextin6minutes.com). Replays are also available on Apple Podcast, Podbean, and Spotify.

I want to thank both of our speakers today for their insights. I would also like to thank our listeners for their time, and for engaging in these complex issues. Please stay tuned next Sunday to find out what happens next.