

*This is not a very well-done book. The style and substance almost border on pop literature. My copy of the reading is also missing the first 15 pages. So, take this summary for whatever it is worth.*

### **Chapter 1: Introduction**

Rosecrance identifies “two worlds of international relations”: a territorial system originating from the world of Louis XIV and is presided over by the USSR and the U.S.; an oceanic or trading system, which is the legacy of British policy in the 1850s, organized around the Atlantic and Pacific basins. In the territorial system, states view power in terms of landmass (and thus self-sufficiency and self-reliance). In the trading system, assuming trade is free and open, states (e.g. European, Japan) do not need to conquer. They prosper in peaceful consequence. U.S. stance is ambivalent, but it is moving more into a system of global interdependence. No state exclusively relies on trade. States balance their priorities of military incentives and trade incentives vis-à-vis other countries and the world in general. Britain was the only great power that adopted the trading stance. The trading system has relied on the mechanism of balance of power, which kept great powers from seeking too large territorial gains. War has the traditional method of checking aggressors, but since World War II, large-scale territorial expansion began to evolve as too costly. At this point, the trading strategy and the development of the international trading system began substituting for the territorial system. The Yom Kippur War and the Oil Crisis represent two different types of conflict. The former is war and counterwar in the territorial system and the latter is economic and commercial dispute, in which military force plays no role.

### **Chapter 2: The Worlds of International Relations: The Military-Political World, the Trading World**

Throughout history states usually chose a point closer to the territorial system. At mid-nineteenth century, states moved a little closer to the trading pole. Only after 1945 a group of trading nations emerged in world politics. Some states have attempted hybrid forms. In the military-political world, states are homogenous in objectives and functions. Balance of power or a hegemon maintains stability in the system. because units within this world compete for primacy, states continually seek recourse to war. Every country seeks to be self-sufficient and fully independent. In the trading world, states are differentiated in terms of function (providing different goods and services both in economics and defense), and they depend on each other. Trading states form alliances to protect themselves against military-political states, and they seek to improve their position within the context of interdependence. Because of specialization, one state’s attempt to improve its access to products and resources does not conflict with another’s. In addition, because war disrupts trade and interdependence, the incentive to wage war is absent. Conflict is limited by interdependence, exchange and sharing. 1) Reciprocal exchange and division of labor prevent conflict. So the amount of contact between states dictated by distribution of resources affects the system. 2) Military technology influences the trend toward one system or the other. The largest territorial states are no longer immune from attack. 3) Shifts in domestic cohesion affect the choice between the two worlds. The trading system liberates the “productive and trading energies” of peoples and merchants. Unlike the two poles, states have attempted hybrids. Historic “hegemonic pretenders” generally failed (28-29). Britain came close to it in the 19<sup>th</sup> century. “Since Rome, hegemony has never been won by any state.” Given the difficulty of succeeding in both ends of the spectrum, states must choose. Some highlight military-political with trade as an economic palliative between wars. Others focus on trade with defense as a tactical measure to keep other states trading. A third possibility is to isolate oneself through internal development without trade or military force. The choice depends on the cost and benefit of trade and the costs and benefit of war. 1) As states become interdependent, it becomes harder to solve national problems by military means. 2) Profit in winning foreign territory decreases if the home country is destroyed. Governing new territories is costly. Military technology is volatile in consequences. But ideological conflicts, unstable nationalistic regimes and differences in internal political forms still lead to wars. The conditions of the balance of power also affects states’ willingness to wage war. Lastly, domestic sentiments/social cohesion affect the benefits of war. 3) High level of protection (lack of access) hinders trade. Prosperity increases trade, whereas recession/depression decreases. Opening of national economy increases the cost of subjecting the national economy to the vagaries of the international economy. Thus a government that intermediates between the internal and international pressures helps the workings of the trading world. Flexibility of the regime to adjust and reliability of the regime in participating in the trading world are also important. But democracy is not the minimum requirement. 4) Lastly, social learning based on experience and theory influences the choice between the two systems.