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**Intelligence Squared U.S.**

**The Recent U.S. Policy Towards China Is Productive**

For the Motion: Michael Pillsbury, Kori Schake

Against the Motion: Graham Allison

Moderator: John Donovan

<b>AUDIENCE RESULTS</b>	
<b>Before the debate:</b>	<b>After the debate:</b>
<b>26% FOR</b>	<b>15% FOR</b>
<b>51% AGAINST</b>	<b>83% AGAINST</b>
<b>23% UNDECIDED</b>	<b>2% UNDECIDED</b>

Start Time: (00:00:00)

[applause]

00:00:06

He said he was going to be tough on China and guess what? If tough means talking tough, if tough means tariffs, if tough means even a slight tango with Taiwan, a lot of T's there, then Donald Trump is being tough. And if the goal overall is to fashion a coherent response to China's increasingly assertive stance in the world militarily and economically, well then how are all of these T's playing out?

In response to the choices we're seeing coming from the administration, whether they represent continuity with the previous administration, or disruption -- is China actually coming around in a way that is conducive to U.S. interests?

Well, we think, in all of these questions, we have the makings of a debate, so let's have it. Yes or no to this statement -- The Recent U.S. Policy Towards China is Productive.

I'm John Donovan, and I stand between two teams of two who are truly experts in this topic, who will argue for and against that resolution.

00:01:00

As always, our debate will go in three rounds, and then our audience here in Aspen, Colorado will choose the winner. And as always, if all goes well, civil discourse will also win. One more time; we're asking you to cast your vote, if you haven't done so yet. Go to [IQ2US.org/vote](http://IQ2US.org/vote). You'll be prompted to vote for the resolution or against it, or to tell us you're undecided. We're going to keep that open for a few more moments -- a few more minutes, actually.

And again, it's going to be the difference between this vote and the vote we register after, that will determine our winner. Let's meet our debaters. First, on the team arguing for the resolution -- The Recent U.S. Policy Towards China is Productive -- please, ladies and gentlemen, welcome Michael Pillsbury.

[applause]

Michael, welcome back to Intelligence Squared. You debated with us before, back in 2007, our second season. You are the director for Chinese strategy at the Hudson Institute. You're a distinguished defense policy adviser. You're a former high-ranking government official under Reagan and Bush Senior, and President Trump called you the leading authority on China.

Michael Pillsbury:  
Uh-oh.

John Donovan:  
Do you accept that designation?

Michael Pillsbury:  
No.

John Donovan:  
No?

Michael Pillsbury:  
I'm too modest.

John Donovan:  
Too modest. Okay.

[laughter]

Michael, thanks so much for joining us. Again, ladies and gentlemen, Michael Pillsbury. And Michael, your partner is Kori Schake. Ladies and gentlemen, Kori Schake.

[applause]

Kori, this is your fifth time debating with us.

00:02:03

We think that potentially is a record. So, welcome to the five-timers club. You are deputy director general of the International Institute for Strategic Studies. Before that, you were at the Hoover Institution, and you were the Director for Defense Strategy and Requirements for the National Security Council under George W. Bush. Kori, it's so good to have you back here for Time Number 5.

Kori Schake:  
Thank you.

John Donovan:  
Thanks very much. Ladies and gentlemen, the team arguing for the resolution --

[applause]

-- The Recent U.S. Policy Towards China is Productive. Now let's meet the team arguing against this resolution. Please welcome back Graham Allison.

[applause]

Graham, as I say, welcome back, because you've debated with us before, and it's great to have you here again. You're a professor at the Harvard Kennedy School. You directed its Belfer Center. You are a leading analyst on national security, and you worked under President Clinton and President Reagan. You also noticeably brought to prominence the phrase "Thucydides' Trap." I'm sure that's going to come up tonight, and not just from you -- because it's become part of the currency of the conversation. Graham, thanks so much for joining us.

00:03:04

[applause]

And you have a partner as well, Jake Sullivan. Jake, you are the only first-timer on this stage. Welcome to Intelligence Squared.

[applause]

You -- so, you also worked in public service. You were the National Security Adviser to Vice President Joe Biden, the Director of Policy Planning at the State Department, and now you're a fellow at Dartmouth College, and a visitor professor -- lecturer at Yale Law. Jake, it's great to have you here.

[applause]

So, here they are, ladies and gentlemen, our four debaters, ready to get started when Intelligence Squared U.S. continues. Now we continue. I meant to also mention that we're going to do little breaks like that, and I'll say things like, "I'm John Donovan, and I'll be right back," but I won't actually leave. I will --

[laughter]

-- or if I do, it's going to be very strange. So, this is now coming back from the break. And so, on to the debate. Let's start with Round 1. Round 1 are opening statements by each debater in turn. They will be six minutes each. You can make your way to the lectern, Michael. Speaking first for the resolution, the U.S. Policy Towards China is Productive. Here is Michael Pillsbury, Director for Chinese Strategy at the Hudson Institute. Ladies and gentlemen, Michael Pillsbury.

[applause]

Michael Pillsbury:

Thank you. Seems to me a good way to start would be to define with examples what are productive policies toward China.

00:04:06

My own bias is to look at things through the Chinese point of view, to have empathy with China, to be in meetings with government officials, including presidents in which I say something like this is how the Chinese see it. So, from their point of view what is productive if we use our empathy to understand how they see what has been productive, you have to begin with the very first most important what the Chinese call the foundation of U.S./China relations and there is an incident during the Trump transition that I'll tell you about that tested this foundation.

It's usually known as our one China principle or our one China policy. It was worked out in great secrecy through a series of meetings with Henry Kissinger in the second phase. There was even an earlier phase. And the idea generally speaking was to recognize Beijing as the only China and to turn Taiwan into a non-country.

00:05:11

Now, you may not know what a non-country is. It means you cannot visit the United States on your own passport. If you're a military officer coming here to dream you can't have on your military insignia. It's a long list of things that were done to start the one China policy. The Chinese made it clear if you don't do this, they'll be no relationship. You can have no embassy in Beijing and we're not going to have an embassy in Washington.

We're prepared to wait, one of the quotes involved said, 100 years until you come around. And Dr. Kissinger knew that Barry Goldwater would sue if he agreed to this and that's in fact what happened. So, there's a lot of issues we don't have time to get into that are all under the title of one China policy.

00:06:04

Part of the deal is we would not transfer Taiwan to China. They're a non-country, but China cannot have them. They cannot claim sovereignty over them. And the Chinese vociferously said we could never agree to that. So, the compromise was both sides would never mention it again.

[laughter]

And that's held since 1972 until the president of Taiwan quote unquote, remember it's a non-country, so she's a non-president. She called up to congratulate Donald Trump. He took the call. He was on a list. He was on a call sheet of many, many other so-called heads of state assembled by some young staffers. He had a long chat with her, eight minutes. They put out a press release in Trump Tower. "I just spoke for eight minutes with the president of Taiwan." You never can imagine the Chinese reaction.

00:07:03

So, to make up for that the president said, "I'd like to meet Xi Jinping one-on-one in Mar-A-Lago soon, the sooner the better." So, this second great productive policy was started, one-on-one meetings. Again, Kissinger pioneered this. Have a small staff. Have one-on-one meetings. Don't tell the rest of the U.S. government what you're doing. Have things conducted one-on-one and kept very secret. President Trump bought into that idea.

Then at Mar-A-Lag in April of 2017 he, at the request of the Chinese, he terminated the entire U.S./China framework that had been in place for 10 years. The framework was created by Hank Paulson. The basic idea was half of their cabinet ministers, half of our cabinet ministers would meet every year or so, and do business that way.

00:08:03

From now on, two cabinet ministers would meet. Two others, they would channel all business through those cabinet ministers. Much more effective, much quicker. Very effective. For the Chinese to be told "Yes" by Donald Trump, you could see that was productive. That's the way things have been running since 2017. The third thing, direct telephone conversations and meetings between Xi and Trump. Again, this was established by Nixon in the beginning, continued -- I must say -- by Jimmy Carter, long meetings with Deng Xiaoping, when he came to Washington.

Extended by Ronald Reagan. But the idea was, the rest of the government is not involved. It is a president-to-president dialogue about the most sensitive matters in the world. Covert action, security cooperation. This became the fourth example -- to me, anyway -- of productive policy towards China. The CIA was authorized to buy \$2 billion -- that's billion with a B -- of American weapons and transfer them into CIA covert actions programs.

00:09:11

The CIA and the Chinese worked together to expel the Vietnamese from Cambodia. You might have seen this in a James Bond movie. It was true. So, security cooperation became the topic between the two presidents and their intelligence services. I think President Trump has consented -- continued this. However, something that's, I think, very productive -- that you might not think of -- is the Obama administration, if you look carefully -- in the last two years of the Obama administration -- they began to change their views of China.

I first saw it in this Tony Blinken speech, the Deputy Secretary of State -- the return of a great power competition. And before Trump arrived in the White House, I believe at least 10 of our great departments of government -- State, Treasury, Commerce, Defense -- certainly USTR staff -- all began to realize our earlier policies towards China had not been productive.

00:10:15

John Donovan:

Michael Pillsbury, I'm sorry, your time is up. But you can continue your thoughts in the middle part of the conversation. Thanks very much.

Michael Pillsbury:

I've built some suspense up, maybe.

John Donovan:

[laughs] Thanks very much. Michael Pillsbury.

[applause]

Our next debater will be speaking against the resolution. He is Graham Allison, professor of government at Harvard. Ladies and gentlemen, Graham Allison.

[applause]

Graham Allison:

So, good afternoon, and let me begin my thanking the organizers for hosting the discussion, and say what a pleasure it is for Jake and me to participate with two distinguished colleagues from whom we've learned a lot over many, many years. For debate about China, I know that the purpose is a debate, but this quartet on the stage is an odd quad --

[laughter]

-- since we agree about more than we disagree.

00:11:05

So, what -- specifically, what do we agree about? First, that China is not just an issue on the foreign policy agenda, but the issue -- the defining issue for as far as any eye can see. Secondly, that the rivalry between the meteorically rising China and a ruling U.S. will test the presumption that most Americans now take for granted, as if great power wars were obsolete. And third, and most importantly, that America's success or failure in mounting an effective response to this challenge will be decisive in shaping the future -- not just for Americans, but for the global -- so, what then do we disagree about?

We disagree in one line about whether the Trump administration's policy is succeeding, not just in Michael's terms in beginning to engage, but in fact in mounting an effective response to this reality.

00:12:10

In the words of the resolution, whether the Trump administration policies towards China has been productive. So, the key word here is productive and to avoid a semantic debate we went to the dictionary to clarify its meaning. According to Webster's productive means producing beneficial results. So, in this context producing results that advance American interests.

So, ask yourself, has what the Trump administration has done in relations with China over the past two and a half years successfully advanced American interests? Or in

terms that are more familiar to most of us in our own lives, if a member of your family were sick and went to the doctor, is this doctor's prescribed treatment working?

00:13:05

Since all the vital signs shout no, it's understandable that Mike and Kori will try to shift the focus of the debate.

[laughter]

As a debate manual counsel's when the facts support your case pound the facts.

[laughter]

When they don't, change the subject.

[laughter]

So, in preparing for this debate I actually -- I read their writings in general but I reviewed what they've written recently. Among China experts whom the Trump administration listens to, no one has been clearer in sounding an alarm about the dangers of recklessly and emboldening Taiwan, as Michael was just mentioning. Or acting in ways that lead the Chinese to conclude that we believe that there our enemy, that Mike Pillsbury. As he said in a speech last week and I quote, "If Beijing perceives the U.S. -- perceives America is treating it like an enemy, it would fuel nationalistic fervor and the response would be much harsher measures from China."

00:14:16

And then he goes on to warn, "Down that road lies a certain risk of war." To whom is he issuing this warning? Among the four of us, who's offered the most stringent critique of the Trump administration's foreign policy? Including their policies towards China. Read Kori's Schake's article in the current foreign affairs.

[laughter]

After giving Trump credit for quote "Poking holes in pieties" and asking questions about longstanding principles, she concludes and I quote, "His answers to those questions have been self-defeating at best and dangerous at worse."

00:15:00

So, self-defeating and dangerous and on China specifically she says, "China's economic and military power has significantly expanded." So, given what their -- what they've

written, my suspicion is if the organizers took a secret ballot here in the resolution before the four of us at least three on the stage would vote no and maybe even four.

[laughter]

So, to conclude --

[laughter]

So, to conclude, let me identify five questions that all of us have to answer --

John Donovan:

And Graham, you have one minute, just so you know.

Graham Allison:

To make a serious assessment of whether the Trump administration's policies towards China are advancing American interests, questions that Jake will say more about. First. Security first. Is America safer than we were before the Trump administration began administering [unintelligible]? Has the erosion of a military advantage in the Pacific slowed? Has the risk of a third-party action that drags us into a war we don't want been reduced?

00:16:05

Are we stumbling into a new version of Cold War 2.0, as some members of the administration put it, without understanding how different the world is today than in 1950? Second, the long-term economic competition with China. Has the American balance sheet strengthened? Indeed, what Trump has made the central issue -- the bilateral trade balance. During the Trump administration, has the deficit [unintelligible]? Third, on the geopolitical chessboard. Have the ties between the U.S. and our allies in allying countries -- that will be crucial in building a correlation of forces that China has to respond to -- strengthened or weakened? And there's two more questions which Jake will break up after. Let me -- just to conclude. We wish, dearly, that the answer to these questions was "Yes," because we care about the answers. They'll be decisive. But I think, if you look at the facts, they're stubborn, and they answer "No."

John Donovan:

Thanks, Graham Allison.

[applause]

And a reminder of what's going on.

00:17:06

We're halfway through the opening round of this Intelligence Squared U.S. debate. I'm John Donvan. We have two teams of two fighting it out over this resolution: The Recent U.S. Policy Towards China is Productive. You've heard the first two opening statements, and now on to the third. Arguing for the resolution, we have Kori Schake, deputy director general at the International Institute for Strategic Studies. Ladies and gentlemen, Kori Schake.

[applause]

Kori Schake:

So, as Graham pointed out, I am not the administration's strongest advocate, but I do believe the policies -- the approach they are taking to China needs to be taken. Not in its specifics -- which, as Graham said, I'm quite critical of. But the United States has had the right policy towards China for roughly the last 30 years.

00:18:02

And it was best said by Robert Selleck -- which is that what the United States is seeking to do is have China a prosperous, powerful China -- be a responsible stakeholder of the international order. That's what we wanted; that's what we want now. The problem is that, over the last 30 years, quite a lot of data has accrued that that's not what China wants. So, they are -- Xi Jinping stood in the Rose Garden and publicly promised President Obama that they would not militarize the islands they were building in the South China Sea. They have militarized the islands they've built in the South China Sea. They are behaving in a predatory way towards their neighbors, many of whom are American allies. They are not honoring their promises not to hack American businesses. They are forcing Communist Party commissars onto the boards of American businesses that operate in China, thieving intellectual property from American businesses, threatening American allies.

00:19:14

What has changed in American policy -- and I argue it would have needed to change whether President Obama continued, whether President Clinton had been elected, whether President Trump -- was that China's behavior argues for a different, a sharper-edged American approach. And President Trump is right to take a different and sharper-edged approach. The second thing is that -- what does the United States need if we are actually having to confront a rising China that's rapidly growing more prosperous and rapidly growing more aggressive. We need allies willing and capable to stand shoulder-to-shoulder with us. We have those kinds of relationships, but we have allies who over the last 30 years have allowed more and more of the responsibility for our common security to migrate to the United States.

00:20:17

Right? The United States constitutes almost 80 percent of NATO defense spending and the South Korean military is strong and broad-shouldered and capable and that is not how they view themselves and they're not cooperating with Japan, our two closest allies in the region. And so while I would not advocate the needless antagonism of America's allies that President Trump has engaged in, the fact that allies are worried about whether the United States will honor our obligations to join in their defense has caused a strong uptick in activity by those allies in policy fronts, in defense spending fronts.

00:21:05

So, the government of Japan, for example, is cascading coast guard ships to the Philippines and to Vietnam to help those countries strengthen their ability to defend their fishing waters from the Chinese. The Australians have just announced a military training program that they're going to train Pacific allies forces. You begin to see the middle powers of the international order take more responsibility for outcomes. I wish they weren't doing it because the United States was unreliable under President Trump, but in the long run we can fix the reliability problem with a different president.

The improvements in capability actually are a gain for the United States in managing a rising China. And the third thing that the president has chosen to do, which other American presidents have also chosen to do, I personally think it's a mistake but as Mike pointed out the Kissinger approach of not leaning on American values, not pressing our support for those brave young men and women in Hong Kong because they are --

[applause]

Yeah, they deserve it from us. I agree.

00:22:20

[applause]

The United States government has made a choice that with a rising China growing so much more powerful so quickly we need to prioritize making that relationship work because as has been pointed out, we have a lot of work we have to do in cooperation with the Chinese, on climate change, on many other issues. So, the president's approach is cost inefficient and it pains me to see that he's not doing it in a way that -- where we can play team sports and work -- build a common front with countries that share our concern about a rising China being brought into playing by the rules.

00:23:08

But what the president is succeeding at is driving up the cost to China of not playing by the rules and resetting China's sense of how it needs to engage the international order and that's actually a productive American policy.

John Donovan:

Thank you, Kori Schake.

[applause]

One more time the resolution is The Recent U.S. Policy Towards China is Productive and here making his opening statement and our final debater doing so in the opening round will be speaking against, Jake Sullivan, former national security advisor to Vice President Joe Biden. Ladies and gentlemen, Jake Sullivan.

[applause]

Jake Sullivan:

Thank you. So, those are three tough acts to follow. And I'm an IQ2 rookie, so I'm hoping for some moral support from the audience over the course of the next six minutes.

[laughter]

Jake Sullivan:

I'm not above it. I want to return to the resolution -- as Graham laid out -- the recent U.S. policy towards China is productive.

00:24:06

And basically, what you heard from Kori over the last six minutes -- well, it was, first of all, damning the Trump administration's policy with faint praise, for sure, but what you also heard was essentially a single argument. And that argument was, because Trump has gotten tough, it is, therefore, a productive policy. And what Graham and I are arguing is that not good enough to win this debate, and that is not good enough to guide U.S. policy. Getting tough is not, in itself, productive.

[applause]

And that --

[applause]

-- that, by the way, is not some grand lesson of geopolitics; that's something that we tell our kids and our grandkids every single day. So, what we have to look at is what productive actually means. It means, as Graham said, getting results that advance America's interests and values. And on this front, the Trump administration has failed time and again, and I want to talk about four areas where the administration's policy has not just been unproductive, but counter-productive.

00:25:08

Now, in debate, normally, you're supposed to only have three points. But unfortunately, the Trump administration didn't confine itself to three shortcomings, so I'm stuck arguing for four.

[laughter]

The first of these is that the single most important thing the United States could do to have a productive approach towards China is invest in ourselves, in our sources of national strength. And here, the Trump administration's record is severely lacking. No investment in infrastructure. Massive proposed cuts to our science and research budget -- while the Chinese are racing ahead and have, in fact, surpassed us on research and development. We spend one dollar for every three the Chinese spend on clean energy. And when it comes to investing in perhaps the greatest source of American strength -- immigration -- the United States is putting out a not-welcome sign to the talent of the world, and thereby squandering, perhaps, our greatest advantage over China.

00:26:07

And as long as our immigration policy is broken, it's very hard to see how our approach towards China overall can be considered productive.

[applause]

So, we come to this competition with fewer tools and resources. The second area, which Kori mentioned, is that a productive approach to China leverages our friends, our allies, and American-led institutions and partnerships. Now, Kori argues, well, we're beating up on our allies, but that's good, because now they're stepping up and doing more. Never mind the fact that, actually, the reason NATO is doing more is because of what happened with Russia in Crimea in 2015, and it started long before Trump. But to take an example she offered, Australia -- she said Australia is now stepping up. As Kori herself wrote in the Atlantic a week ago, they're stepping up by excluding the United States and pursuing a strategy in the region that is pushing the United States out.

00:27:07

The question for us is, why wouldn't we be rallying half to two-thirds of the world's economy -- which is all of our like-minded friends and democratic partners around the world -- to step up and challenge China on its trade abuses? Why are we going it alone?

[applause]

That, to me, seems like a fundamentally unproductive approach. So, what has the Trump administration done instead of that? They pulled out of the Trans-Pacific Partnership, which was our effort to right the rules of the road in the Asia Pacific. They declared our own allies a national security threat over steel -- Canada. And they've come to the point now, where, in Germany, more Germans believe China is a trustworthy trading partner than the United States. How do you square that with arguing this approach has been productive? Even beyond that, though, when it comes down to it the rules of the road on all of the important questions facing us today from technology to trade to the future of the internet are going to be written and they're going to be written in institutions the United States used to lead.

00:28:09

We have walked away from those institutions and guess who's filling the gap? China. So, that leads me to the third issue, which is that we're not in some kind of battle to the death over ideology with China, far from it. However, we are in something of a contest of models. China is presenting an alternative model to the world and if more countries followed them it would be adverse to American interests and values. So, I ask you in terms the American approach to China, has the last 30 months made democracy as a model look better or worse?

Has America presented a more or less appealing face to the world? A recent poll showed two things. Number one, that China's leadership is now more respected globally than America's and number two, that for the first time in a long time America is actually seen more unfavorably than favorably across the Asia-Pacific.

00:29:03

This is at a moment when we're trashing our democratic friends and allies and embracing every dictator that we can find giving more voice and more support to China along the way. And then finally, a productive U.S. approach to China necessarily, necessarily has to balance competition and cooperation. We've completely thrown cooperation out the window in turning China into an enemy and pursuing a self-defeating struggle and on the single-most consequential issue facing not just the United States but all of humanity, climate change, we have to work with the Chinese and the Trump administration's approach on this has been the very opposite of productive, cutting off the channels of cooperation indeed even denying it exists in the first place.

So, I will close with a simple proposition. A productive U.S. approach would not just be all anti-China all the time, it would be pro-us, pro investing in us and our values and our allies, in our sources of strength. That would be a productive policy. That's what we should be pursuing instead. Thank you.

[applause]

John Donovan:  
Thank you, Jake Sullivan.

00:30:07

[applause]

And that concludes round one of this Intelligence Squared U.S. debate where our resolution is The Recent U.S. Policy Towards China is Productive. Please keep in mind how you voted before the arguments began. You're going to be voting again at the end of the program and again I want to remind you it's going to be the difference between the first and the second vote that determines our winners. Now we move on to round two where the resolution is The Recent U.S. Policy Towards China is Productive. We have two debaters arguing for the resolution that the policy is productive, Michael Pillsbury and Kori Schake. They talk first about the issue of process.

They say that there's now because of this style of President Trump there's no actually a kind of president-to-president dialogue taking place, that there is a communications protocol in place that sets the grounds for engagement, creates the circumstances for better outcomes so on the issue of just process they're saying that the recent policy is productive and promises to be more productive but they also argue that if Trump is being tougher on China that's because China has asked for it, that China is a predatory power.

00:31:17

It's predatory in its trade practices. It's predatory geopolitically in its region, that China's policy and behaviors require a sharper edged approach and Donald Trump is delivering it. They also say that if it turns out that the president appears to be an unreliable ally that there's a silver lining to that unreliability, that it's making our allies just a little bit jittery and they're coming around to the program and that might not be such a bad thing.

The team arguing against the resolution, Graham Allison and Jake Sullivan, they point out at the very beginning that all sides agree that China is the issue of our time, and I think that that's true. All four panelists agree with that. But they say that productive means something else -- that productive means producing results that can be very

specifically enumerated -- beginning with, is the U.S. safer? Is the U.S. trade balance stronger? And some that we didn't actually even get to hear. They played a very interesting tactical move by quoting some of the recent writings of their own opponents, which is also always a very effective debating tactic.

00:32:18

[laughter]

But I think we're going to hear their opponents battle back against that. They also say that it -- what we're seeing in the world is a contest of models, and that China and the U.S. are in a competition for the most attractive, best, productive model, and that democracy as a model, because of the practices of Donald Trump and the recent administration, is being corroded. So, that's some of what divides these two sides. There's a lot to dig into there. And normally, we start this portion by looking at the big-picture disagreements between the two sides, but I want to do something a little bit different and just go to a specific example that is in the news, that we can all relate to. And that's the U.S. interest in having a de-nuclearized North Korea. And China has a critical role to play in that. So, I want to put to Graham Allison first -- is the recent U.S. policy towards China productive in bringing about any sort of move towards de-nuclearization of North Korea?

00:33:12

Graham Allison:

That's a good question. The answer is no and yes, so it's complicated.

Michael Pillsbury:

It's supposed to be no.

[laughter]

John Donovan:

Yeah. That's going to get very, very murky.

[laughter]

Graham Allison:

I don't think that everything that Trump has -- does is wrong, just because he does it. I point that out to the people in Cambridge, Massachusetts.

John Donovan:

That sounds exactly like what Kori just said.

Graham Allison:

A broken clock is correct twice a day. So, the fact that somebody said something doesn't make it necessarily incorrect. If the resolution before the House were, "The Trump Administration's Policy Towards North Korea Has Been Productive" --

John Donovan:

But it's not.

Graham Allison:

-- I would be -- I'd be wiggling. The Trump Administration policy towards China has made it more difficult, more difficult to deal with the North Korean issue. So, it's been essentially no.

00:34:10

But the Trump Administration has tried very hard -- and Mike Pompeo, the Secretary of State, who -- has tried very hard, despite everything else that's being done to China, to explain to them that, because they have an interest in the de-nuclearization of North Korea, they should be cooperating with us. But they're cooperating less than they would if we were taking this as a joint problem --

John Donovan:

Okay.

Graham Allison:

-- between --

John Donovan:

And that gets to the framework in which I was asking the question. Let me take Kori Schake -- your response to that.

Kori Schake:

Well, the Acting Secretary of Defense, last spring, Pat Shanahan -- I thought actually did a really useful thing to try and get the Chinese to be more cooperative on North Korea. He handed his Chinese counterpart a book full of pictures of Chinese ships violating the U.N. sanctions on North Korea. And using the tools of free societies to force the Chinese to play by the rules, I think, is one of the best, most cost-effective strategies that we could be undertaking.

00:35:11

And that's a good example, how, as Graham says -- like, the president's so obstreperous that it's hard to ignore him. But on China policy, help -- every American administration has tried to get China to be more helpful than they are on North Korea. Frankly, I don't

think the Chinese care. They think it's great that North Korea is absorbing so much of our time and effort, and becoming a threat to us and our alliances in the region, because that advances China's interests. It detracts from us being able to focus on them.

And so, they're in favor of it. I think the way that the administration has appointed a special representative in the form of Steve Beacon who is an excellent negotiator on these issues, that the Defense Department is pushing strongly for the Chinese to have to be accountable for what they are doing in breach of sanctions is also really helpful.

00:36:11

So, I don't think -- I don't think it's as bad as it sounds.

John Donovan:

Jake Sullivan, do you want to jump in?

Jake Sullivan:

Sure. When I served in government we would have meetings on North Korea in the situation room and agenda item one was the experts coming in and making presentations and everyone would start the same way. They'd say, "North Korea is never giving up its nuclear arsenal and China won't make them." And then agenda item number two was how do we make China make North Korea give up their nuclear weapons?

[laughter]

I actually don't believe as a metric for whether our policy towards China is productive. North Korea is very effective because the fact is, as Kori was just saying, democratic and Republican administrations, including the current one, have not been able to move the Chinese in a material way to produce a real vision of denuclearization.

John Donovan:

Okay. All right.

Jake Sullivan:

I think we should be looking at --

John Donovan:

All right. So, I'm sorry I brought it up.

Graham Allison:

Can I do one footnote? Footnote, Steve Beacon, whom Kori mentioned, is a member of the Aspen Strategy Group which is just to shout out for...

00:37:10

John Donovan:

Okay. So, let's take that off the table because I think all four of you are saying that, as you put it, is not a good metric for talking about China's role. So, let me go then, Jake --

Michael Pillsbury:

I have to interrupt you for a second. The Chinese after the Mar-A-Lago meeting, they agreed to two U.N. security council resolutions fall of 2017 that were tougher than ever before in history. The North Koreans were astonished by this, so were a number of other countries. So, we can't just imply that China's not helping us --

Jake Sullivan:

But they also agreed to the two toughest U.N. resolutions in history in the Obama administration and every time they will go a little bit further and a little bit further and, you know, the same argument was made during the Obama years, look what we got the Chinese to do at the U.N. At the end of the day the net result is the same.

Michael Pillsbury:

Well, my definition of recent U.S. policy includes the last two years of the Obama administration.

00:38:04

John Donovan:

All right. Well, I'm glad you liked my question, Michael, but --

[laughter]

I'm going to pretend all of that didn't happen and I'm going to -- I want to zoom back then to the issues that were laid out in your opening statements and Jake Sullivan I want you to take on Michael's argument that the president's establishment of a kind of president-to-president dialogue is in itself a productive thing, not only does it lay the groundwork for productive results, but it's productive in itself.

Jake Sullivan:

Well, I would start by saying that no process is productive in itself. It is only productive insofar as it is actually generating results and noticeably absent in Michael's presentation was the results of those conversations.

John Donovan:

Can I stop it here?

Jake Sullivan:

But I think --

John Donovan:

Can I stop you there and because it just put a challenge -- you did not actually produce results. Is that a flaw in your argument?

Michael Pillsbury:

Yes, I did. There's quite a few -- I didn't have -- six minutes is not very long --

John Donovan:

Okay, but can you --

Michael Pillsbury:

--- to list about 20 results that President Trump following Obama's beginning of all this.

John Donovan:

Right.

Michael Pillsbury:

The last two years of the Obama administration.

John Donovan:

What are some of them?

00:39:03

Michael Pillsbury:

Well, one of them has been Chinese agreed to come to the trade talks. I'm accusing you, let's say of burglarizing my house and murdering my wife. Would you please start some trade negotiations with me? They did not accept the charges against them, but they came to the talks and they drafted 150 pages of detailed agreements that would provide greatly increased trade between the U.S. and China.

John Donovan:

You gave an example and I've interrupted you mid-flow. So, go --

Jake Sullivan:

Because I think this is actually also larger than just the lack of results. A president-to-president channel works only if the president is speaking for a unified policy on a given issue. And the problem with our approach to China policy is that there are about six or seven different China policies in this administration. So, that president to president channel isn't all that useful. One day, Huawei is a threat to national security. The next day --

John Donovan:

Remind people what Huawei is.

00:40:01

Jake Sullivan:

Huawei is the Chinese telecommunications company seeking to build infrastructure in other countries, including the United States. So, one day it's a national security threat. The next day, it's a bargaining chip at the table -- at the trade negotiating table. One day, Mike Pompeo is saying, "We stand in solidarity with the protesters in Hong Kong." The next day, Donald Trump is saying, "That's China issue, and we don't have anything to do it." One day, the president is questioning the one-China policy. The next day, they're pulling it back. So, having this channel has not actually even inherently been productive, let alone the results that it's seeking to --

John Donovan:

Kori Schake -- respond to that.

Kori Schake:

I do think that the president's erratic behavior has caused the Chinese to wonder whether they are taking the right approach to the United States.

John Donovan:

Do you think it's calculated?

Kori Schake:

No.

[laughter]

[applause]

I think I'll stop there.

00:41:05

[laughter]

John Donovan:

Graham Allison.

Graham Allison:

I agree completely with Kori, that the Chinese government finds Trump mystifying, the way many Americans do. I've had conversations in Beijing with people who work

directly for Xi Jinping, and they say, "We have an extremely difficult time understanding who this person is, and what he cares about. We have a conversation, and then there's a different conversation. We hear different noises from the administration, as we -- one day Pence gives a speech that declares Cold War 2.0. The next day there's a phone call that says, 'We didn't really mean that.' Then Pence sets up a speech that he's going to attack the Chinese for their activity in Hong Kong. All of a sudden, he's not giving that speech this week; maybe next week, maybe the week after."

00:42:00

So, I think there's a considerable amount of confusion, the way there is -- in fact -- in all of the foreign governments trying to --

John Donovan:

But what your opponents are saying --

Graham Allison:

-- understand -- what is this administration --

John Donovan:

Your opponents are saying that that's kind of a good thing.

Graham Allison:

Say what?

John Donovan:

Your opponents are saying that that's got a silver lining.

Graham Allison:

Well, I think that -- if the purpose that -- was, as Kori said, to poke some of the pieties and erase some questions, and to get people to think about more fundamental questions, maybe -- maybe. But if it looks like you're dealing with an erratic party with whom you're not even sure you can reach an agreement -- and if you do, the agreement is changed by tomorrow -- in relations between great nations, that's extremely dangerous.

And if I go back to the Taiwan case -- I think Michael has played a very constructive role -- and I've talked to him about this for a long time -- in trying to explain to the administration, in emboldening Taiwan to imagine that it can take stronger steps towards independence, they are running the risk of another assassination of an archduke in Sarajevo that would produce a spark that could create a conflagration.

00:43:12

It's extremely dangerous. And the idea that, "Well, we go this way one day, we go that way the next day, we keep them confused" -- there -- if -- well, actually, if it were producing results, I might even have some respect for it. But I think, first, it's not producing results. And second, I think it is as confused as it looks.

John Donovan:

What would be a result? What would -- a goal that --

Graham Allison:

A result would be, for example --

Kori Schake:

A trade deal.

Graham Allison:

-- that, in the South China Sea, if -- the example that Kori mentioned. Here, Xi Jinping agreed that they were not militarizing.

Then they proceeded directly this time. The Trump administration has been dealing with them about the South China Sea but when Kori mentioned that I looked back here at what her organization, IISS said, about what's actually happening in the South China Sea.

00:44:11

John Donovan:

Well, you --

Graham Allison:

And it says just -- between --

John Donovan:

Kori's right over here.

Graham Allison:

---2016 and 2018 the PLA instead of intensifying its effort to fortify these -- instead is intensifying its efforts to fortify these futures by building infrastructures and arranging [unintelligible]. So, basically it's gotten worse.

John Donovan:

All right. Let me take that to Michael Pillsbury, because you were -- we just heard from you through your opponent. So, your -- Michael, -- well, no, Michael I -- the larger point that I want to bring to you from Graham is that he's talking about all kinds of stuff is not happening that should be happening that could be happening because of the policy and

position from the Trump administration and he's describing as erratic and confusing to the Chinese.

Can you respond to that?

Michael Pillsbury:

Sure.

John Donovan:

In terms of the South China Sea context.

Michael Pillsbury:

Well, a lot of Jake's and Graham's points I think are very good. They're very well taken. I admire good ideas when I hear them, but there are a couple mistakes that they've made that I need to correct and they're relevant to the South China Sea.

00:45:10

And the mistakes are -- actually could be tragic if Jake and Graham aren't more careful. When you say, and there's a letter by 100 scholars saying President Trump treats China as an enemy and this is counterproductive. I searched through 200 documents, speeches of the Trump administration. The word enemy has never been used. In fact, you have the opposite. We had the applause for the Hong Kong demonstrations. Here's the president. He didn't say, "Students, demonstrate more." He sided with President Xi. So, but when hawks in Beijing who I write about so much in my book, when they hear Jake or they hear the 100 scholars say oh, Trump treats China as an enemy, you know what they think? Well, maybe he must treat China as an enemy. This fuels the rage in China against the United States and it's simply not true.

00:46:05

John Donovan:

But if --

Michael Pillsbury:

There are things what Graham mentioned when he said, "Oh, Mike Pence made this speech. It was at our Hudson Institute." And he said this Cold War 2.0. Actually, Pence did not say that. No one's ever said it in the Trump administration and there isn't any Cold War 2.0 but when the Chinese who criticize President Xi for being too soft, when they hear Graham and there's been many others who have said this, again, it causes our own policy dates back many decades to become far more difficult to enforce. The PLA now thinks --

[applause]

Aha. The PLA now thinks it was able to fool President Obama.

John Donovan:

Just for the layperson --

Michael Pillsbury:

This is a --

John Donovan:

Tell us what the PLA stands for.

Michael Pillsbury:

PLA is the Chinese military. There's a group of what I call the hawks. They have their own name they call themselves called Ying Pai [spelled phonetically]. Ying Pai is the eagle. So, they're the ones who have said in the South China Sea we've got to close it --

John Donovan:

Okay.

Michael Pillsbury:

--- with military deployments.

00:47:10

John Donovan:

Let me take your response to the --

Michael Pillsbury:

Which is quite dangerous.

John Donovan:

To your opponents -- they don't think the Trump administration's policy is leading to a good outcome from the U.S. interests in the South China Sea. That was your opponent's response to it Jake. What is your response to that response?

Jake Sullivan:

Well, I'd say two things. First of all, if I said Trump said they were the enemy, I -- your point is very well taken. I don't mean to imply Trump has ever said that. I don't believe he has. What I was saying was the approach of the administration has closed off the avenues to cooperation, including on critical issues like climate change and widened the avenues for a kind of self-defeating competition that I think is deeply dangerous and that you yourself have warned about in your Atlantic speech in talking about a totality of

steps that move us towards China becoming an enemy. But on the point -- this question of whether results have been produced in the South China Sea, Graham said it well.

00:48:03

China has intensified its militarization of the South China Sea, not decreased it. It has increased the degree to which it is modernizing its military and closing the gap -- with the United States not closing it. And part the way that it's done that is because while we're investing in legacy systems, like aircraft carriers, they're investing in asymmetric capabilities, like missiles that can kill aircraft carriers. And for every \$10,000 we spend on an aircraft carrier, they spend \$1 on a missile that can destroy that aircraft carrier. That is the kind of counter-productive investment, from a military perspective, that is allowing China to close that gap and allowing them to keep flexing their muscles in the South China Sea and elsewhere. And it's another thing that, I think, is deserving of some correction as we go forward.

John Donovan:  
Kori Schake.

[applause]

Kori Schake:  
So, I agree that China is growing more aggressive, more dangerous, more predatory towards American interests and America's friends in the region.

00:49:08

But that's not a function of Donald Trump being elected or Donald Trump's policies. It's a function of a rising China believing it deserves to have greater weight; it deserves to have, in their minds, a region of influence that we back away from. And they have been, for 20 years, building the military --

John Donovan:  
Kori --

Kori Schake:  
-- capabilities to do that. So, it's not new. And the Trump administration is actually countering that pretty assertively. For example, yesterday was the day that the Intermediate Range Nuclear Forces Treaty ceased to be operative between the U.S. and Russia. And a major reason for the U.S. not sustaining the treaty -- first of all, the Russians had not been in compliance for years with the treaty. And those -- people like me, who favor the agreement, could never figure out a way to bring the Russians back into compliance.

00:50:08

But the second reason, the driver for us withdrawing from the treaty now was that we need to build conventional range missiles of exactly the kind Jake was just advocating, in order to counter China's threats to our allies in the region.

John Donovan:

Kori, let me bring in something that is arguably more --

[applause]

-- a result of President Trump being elected. Tariffs.

Kori Schake:

Yeah.

John Donovan:

Tariffs?

[laughter]

Are the tariffs the president has been slamming against China productive?

Kori Schake:

So, I do believe a policy that imposes enough costs on China that they begin to play by the rules of the international economic order, rather than just taking the benefits of partial participation -- partial opening of their markets, partial access for others -- I think, in the long run, that could be useful. But --

John Donovan:

How long?

Kori Schake:

But --

John Donovan:

No, I mean --

Kori Schake:

-- like, the president not only can't do basic math; he doesn't understand that American consumers are paying the tariffs.

00:51:17

[laughter]

People in the administration who favor the tariffs --

[applause]

Male Speaker:  
That's for you.

Kori Schake:  
-- people in the administration who favor the tariffs, though, make a decent point that us accepting near-term risk to reset the rules that China plays by is a near-term loss that brings us long-term gain. And I think --

John Donovan:  
Okay. So, you're saying --

Kori Schake:  
-- that's a testable proposition.

John Donovan:  
So, you're saying there's a rational reason for the tariffs, and time will tell -- you're not saying how much time, necessarily -- a very wise move. But I want to take that to your opponents. Graham Allison.

Graham Allison:  
If we're -- when we're trying to make the case for tariffs being effective in producing results I'll give you one for your side.

00:52:04

Sanctioning Canada on national security grounds for steel imports has done more to lift the confidence of the Canadian defense forces than any action in history. They now stand like 10-foot tall. Canadians never thought they could be a national security threat to anybody.

[laughter]

But now lo and behold the tariffs --

Kori Schake:  
War of 1812.

Graham Allison:

The Trump administration has enacted are basically promiscuous. We've been as vigorous in prosecuting with tariffs our allies as our adversaries and if the objective, as Jake said, were to get the Chinese to play by a set of rules the TPP would've had 40 percent of the global economy negotiating with 18 percent of the global economy, that's China. Well, that's the correlation of forces in which you might get somebody to agree. In fact, if the TPP had been linked up with the Atlantic negotiation that was going on at the same time, so if this set of allies in a line were dealing with China, the -- you've got 60 percent of the world's GDP.

00:53:14

So, the chances get larger, but in fact the way the Trump administration has gone about it has lost that leverage and the consequence is the result that we see.

Kori Schake:

I agree with that but he's not the only candidate who said they were -- didn't support --

Allison Graham:

Hillary Clinton.

Kori Schake:

Nobody did.

John Donovan:

I want to go to audience questions now and the way that works if you just raise your hand I'll call on you and you stand up and a microphone will be brought to you. Sir, you'll go first.

Male Speaker:

I'm Jeff. Very simple. We talk about North Korea. The largest proliferator of nuclear weapons I believe in that region is Pakistan. Has the Trump administration approached China enhanced U.S. interests in Pakistan?

Michael Pillsbury:

Yes. As the matter of fact, you might extend your question by asking "why does Pakistan have nuclear weapons?"

John Donovan:

Okay.

Michael Pillsbury:

It's China who gave them the design and China's never acknowledged this, but the whole world says so.

00:54:13

So, one of the areas where the U.S. and China can work together and have successfully China no longer transfers nuclear weapons design to other countries. They're quite supportive in the non-proliferation effort. This is not something new with President Trump. Remember, I don't think we're here to have a 20/20 Biden versus Trump debate in Aspen. Biden will win 100:1.

[laughter]

This is a debate about China policy and the effectiveness of China policy. So, in the area of non-proliferation China and the U.S. have cooperated quite extensively. It's very impressive I think.

Graham Allison:

So, let me agree with Mike on that point. What his answer said correctly is in order to prevent the proliferation of nuclear weapons. For decades, the U.S. and China have worked together positively -- not always, but positively.

00:55:04

Therefore, that helps us understand that if we don't find a way to work together, about things that really matter to the two of us -- like proliferation or like climate -- we go backwards, in terms of the results -- that we care about.

John Donovan:

You made that point really well. You shouldn't have started it with saying, "I agree with him," because you actually didn't agree with him at that point. Okay.

[laughter]

Graham Allison:

I'm sorry. Apologies.

John Donovan:

Okay. If you could stand up again, please. Thanks.

Male Speaker:

Yes. Stewart. I wonder if any of you could comment on whether you think the tariff policy of the Trump administration has resulted in the reduced GDP growth rate in China currently and whether you think the tariff policy will continue to cause a diminution in that growth rate. Thank you.

John Donovan:

And also, is that a good thing? Is that a goal?

Michael Pillsbury:

It is a good thing. It has been cut by about 0.5 percent, according to a Barclays Bank study, which is online. It's a microeconomic study. The Chinese are very worried about this. President Trump has, in some ways, encouraged their worrying, because he said six times now, on different TV shows, that if Hillary Clinton had won, China would be surpassing America now, during her term, and that "This is not going to happen on my watch."

00:56:17

When he says this to 70 or 80,000 people in an auditorium, there's no vote for Biden there. There's massive applause -- that stopping China from surpassing America. What could be higher stakes than that?

John Donovan:

Jake.

Jake Sullivan:

I guess I'd make two points. One is that going from 6.7 GDP growth this year -- last year -- to 6.2 percent China GDP growth this year -- if that's your measure of productive policy, we are going to lose over the long term -- because at the end of the day, while we are imposing these tariffs, and American farmers and consumers are paying all the costs, while China lowers its tariffs for everyone else, we are focused on steel, soy, coal. China is focused on quantum computing, AI, biotechnology. They're not thinking about their growth rate in the next quarter. They're thinking about their growth rate in the next quarter century.

00:57:14

And for me --

[applause]

-- a tariff policy that -- this road is not ultimately going to generate a positive outcome for the United States. And I would finally say that it's all fun and good to think about how to slow China down. But I believe that the most unproductive policy of this administration has been to not make the investments that would make America run faster and win the economic competition.

[applause]

John Donovan:

Kori, do you want a crack at that question?

Kori Schake:

I would just maybe add one point, which is I don't think that 0.5 percent diminution of growth is a big problem for the Chinese economy. But if the uncertainty associated with tariffs as a bludgeon and with economics as a major tool of statecraft, continue you are going to see the divergence of supply chains. And that will be an enormous problem for China and its continued growth.

00:58:12

I agree with Jake, though, that we should actually want a prosperous China. We should just want a prosperous China that plays by the rules.

John Donovan:

[affirmative]

Michael Pillsbury:

That's what President Trump says, by the way. It's the exact quote.

Graham Allison:

Just to --

Michael Pillsbury:

A prosperous China that plays by the rules.

Graham Allison:

So, just two facts. So -- Fact 1. The deficit -- the trade deficit, the bilateral trade deficit with China has grown or has shrunk under Trump? It's grown by 18 percent. So, it's successfully expanding the deficit. Secondly, with the growth that Trump likes to talk about that China is overtaking the U.S. I've studied this very carefully. The Chinese in the period since Trump became president have closed the gap between how tall we are and how tall they are by 14 percent.

00:59:12

So, they are continuing to grow at 6.2 percent. We grow at 3 percent. All of us can do the math. Look and see how that -- so, it has not stopped and it's not going to be prevented. President Trump likes that line and it sounds good for Americans but it's not true. The hard fact, I mean, we just do the arithmetic. There's four times as many Chinese as there are Americans. If they're only half as productive as we are they work hard, they're pretty smart, they would have a GDP twice our size. So, that's in the cards

if you look at it as the big picture. Now, that doesn't mean they have to be the smartest. If we do a good job of recruiting talent from all over the world as we've done then we can be the smartest. If you look and see who runs and who's built the high-tech firms that have been the source of American greatness over the past generation, these are people --

Michael Pillsbury:  
Equal time. Equal time over here.

01:00:07

Graham Allison:  
--- that were not born in the U.S.

Michael Pillsbury:  
This is filibustering.

[laughter]

Graham Allison:  
I just gave you two numbers.

John Donovan:  
I'm going to move on to another question.

Michael Pillsbury:  
World Bank publishes something called purchase power parity in which China surpassed us three years ago as the largest economy in the world.

Graham Allison:  
The CAA publishes the same numbers and with the same results.

John Donovan:  
I'm going to move on to a question down -- sir, --

Michael Pillsbury:  
It's a way to measure who's ahead.

John Donovan:  
Can we have a mic down in the front? If you could stand up and tell us your name.

Male Speaker:  
My name is Kevin. I had a question which is that it makes sense that a lot of the analysis they're running through is more macroeconomic in nature because that's a lot of what is

actually happening, but I was curious about whether you think a material part of your assessment of this is the tail risk of an actual conflict whether proxy or direct and if so, how do you size that and price that and how does that factor in your decision --

John Donovan:  
Great question.

Male Speaker:  
-- chaotic.

John Donovan:  
Thanks. Great question. Let me have that go first to Kori or Michael. I'll toss it up between the two of you.

01:01:05

Michael Pillsbury:  
Be brief. Just to be brief, I was simulated a lot by Graham Allison's book on this exact topic. I don't know if you've read his book. It's called, "Destined for War." He addresses in great detail the results of the Harvard Study Project about how war could break out between the U.S. and China and how the -- what the case is that it may well happen. In the beginning he sort of says well, the chances are low, but by the time I got to the end of the book I was pretty scared. So, that's the answer to your question. Read Graham Allison's book, "Destined for War." It's scary.

John Donovan:  
Kori, do you want to jump in on that too?

Kori Schake:  
So, there aren't that many -- there's only one case of a peaceful transition between great powers, between a rising power and a dominant rule-giving power and that's Britain to the United States in the 19th Century. And the reason that transition happened peacefully is because the two societies were similar enough and you had civil society links and that created the space for governments to make compromises in crises.

01:02:09

And there aren't those kind of linkages. There aren't those similarities of values between this Chinese government and the United States. There may be, I think there are very likely to be between the people of China and the United States and we should be fostering those because that will be stabilizing --

John Donovan:  
So, so --

Kori Schake:

--- and producing that tail risk you're worried about.

John Donovan:

Tie that to the resolution that the president's policy, The Recent U.S. Policy Towards China is Productive. Does the situation you're describing support your position in the resolution? Or hurt you?

Kori Schake:

Well, my sense is that we should be pressing harder on the value issues. Many American governments choose not to. But my favorite --

John Donovan:

On the values issues, you mean human rights and --

Kori Schake:

I mean human rights. I mean civil liberties.

John Donovan:

[affirmative]

Kori Schake:

I mean individual dignity, representative government.

01:03:04

John Donovan:

[affirmative]

Which the president is not doing?

Kori Schake:

Which the president is not doing, and many other American presidents have chosen not to do, in order to preserve the relationship with the leadership. But the best expense of your tax dollars on China policy in the last 15 years has been the Obama administration's ambassador in Beijing putting the Air Quality Index on the American embassy website -- because, for almost no money, it forced the Chinese government into accountability on something its public cared about -- that the government didn't. And you can see the increasing attention that Chinese government pays to climate changed issues as a result of that.

[applause]

John Donovan:

Graham Allison, to bring the conversation back to what the question was about, the potential for military conflict between our two nations, in our opening statement, you asked, you know, is the U.S. safer? Is that goal being achieved? So, can you address the audience member's question in the context of that framing that you put in the opening?

Graham Allison:

Well, thank you, and thank you to Michael for a shout-out, for *Destined for War*. So, the --

John Donovan:

And by the way, Kori wrote a book about why Britain and the U.S. -- and that book is called?

Graham Allison:

"Safe Passages."

01:04:15

And it's a great book that tells about the story that she just mentioned.

John Donovan:

And there's a --

Jake Sullivan:

And Michael has his book on the -- [laughter] -- and I have not written a book, so --

[laughter]

Graham Allison:

In my book, I cite Michael's book. So, there's more agreement here than you might suspect. But -- to your point -- so, in rivalries historically, between a rapidly-rising power and a ruling power, you get what Thucydides taught us about, a thucydidean dynamic. And there's the rising power: "I'm bigger, I'm stronger, I deserve more say and more sway over the current arrangements that were put in place before I got here. So, things need to change. I'm a disruptive obstruct." And the ruling power thinks, "What the hell is going on here? We're used to prerogatives and positions that we've become accustomed to, and you're trying to change things.

01:05:07

And actually, not just change things. The way that they are has been a great international order. It's allowed you to grow up. So, why don't you be grateful and become a responsible stakeholder -- take your place at our table?" That's normal. The

way wars often happen is some third party's action -- a provocation, or even just an accident occurs.

Kori Schake:  
[affirmative]

Graham Allison:

And one or the other competitors feels obliged to respond. And they get into a spiral, at the end of which they get dragged into a war that nobody wanted. In my book, I have a good chapter on World War I. But you can't study it too often. And in the China case, if you think about Taiwan -- if Taiwan makes a move towards independence like it made in 1996, we're going to have a very, very dangerous situation. In 1996, I was in the Pentagon. The Taiwan made a small move towards independence. President Clinton decided to send two carriers into the area, forced China to back down.

01:06:06

It drove the PLA crazy. From that day to this, they've been building up a military capability to prevent that ever happening again.

Michael Pillsbury:

It's a very important point you're making.

Graham Allison:

And the missiles that they've deployed, that they call "carrier killers," have forced our carriers out of there. If I was at the Pentagon today, and the same scenario happened, I would not recommend bringing out the carriers. So, now you're going to have a situation in which China will either coerce Taiwan -- if that were to happen, '96, ever again -- or the U.S. comes to their rescue and --

John Donovan:

And Graham, I really just want you to relate this to the resolution, about the recent U.S. policy towards China making it -- the situation more or less dangerous.

Graham Allison:

The U.S. policy that this -- again, I have to say something nice about Mike. Mike has been one of the resisters to this ,but the U.S. policy has been emboldening Taiwan to feel more able to take these moves, the president of Taiwan for the first time ever came and spent four days in the U.S. last week or the week before.

01:07:09

Never before was a Taiwanese president allowed to spend any time here. The national security advisor goes and visits the national security advisor. We just made a big arms

sales to Taiwan. So, when Taiwan where an election is going on right now, one of two of the candidates are thinking about appealing to the population by we could be more independent.

We don't want to be dominated by Beijing. I understand that sentiment very well, but if the -- if acting on the basis of that dragged the U.S. and China into a war that would be catastrophic for everybody and that's --

John Donovan:  
Okay.

Graham Allison:  
Completely crazy, but it was crazy what happened in 1914.

Jake Sullivan:  
I mean, I would just put a very fine point on it. When it comes to the issue of Taiwan, 30 months later it is more likely that the United States gets dragged into a war over that issue than it was 30 months ago and that fundamentally is not productive.

01:08:02

Jane Harmon:  
Hi. I'm Jane Harmon. Great debate. Really applaud you all. A topic that Jake raised that no one has come back to is immigration. And there were applause for that. I, you know, I personally think Trump's immigration policies are flawed, but I want to ask about Chinese students studying in the United States. I think there are 350,000 of them. They pay full freight so universities love it. My view is that they become ambassadors for the United States when they go home and my question is are Trump's policies on immigration and students productive?

John Donovan:  
What a good question. Okay. Who would like to take that?

Kori Schake:  
I'll take that one.

John Donovan:  
Kori Schake.

Kori Schake:  
The short answer is no. But there is a legitimate concern about Chinese students and Chinese scholars getting intellectual capital that gets fed into Chinese military program in a way that if you think there's a risk of war with China and we're actually going to have to fight the Chinese military, then they're not wrong to be anxious about that.

01:09:17

But as with so many other things, instead of having a precise policy that solves the specific problem, they're big and sloppy and it's damaging.

But the great good thing, the saving grace of our sweet provincial country is that the federal government isn't actually mostly what people know about us or even have the ability to take action on a whole bunch of things. My favorite example of which is that despite withdrawing from the Paris Climate Accords agreement, despite the overt hostility of the federal government, despite many states rolling back regulatory regimes. Antonio Guterres, the U.N. Secretary General, announced about three months that the first country that it's going to meet its Paris Climate Accord goals is the United States of America, because states' actions, civil society groups, self-interested business decisions, my mom wanting the place to be habitable for her great-grandchildren -- all of those things work.

01:10:18

And on immigration, that's what saving us --

John Donovan:  
Jake?

Kori Schake:  
-- that people still want to come to American universities. They still think, "If I become an American, my kid can grow up and run the country," and they don't think that in Beijing. So, we --

John Donovan:  
Jake?

Kori Schake:  
So, we still do have a dynamic on immigration.

John Donovan:  
Jake, the floor is yours.

[applause]

Jake Sullivan:  
I think the broader Trump immigration policy lands squarely at the feet of the president. And it is putting a "Not welcome here" sign out to so much talent from so many parts of the world. And that comes at great moral and strategic cost to the United

States. But I think, on the specific question of Chinese students, there's actually some blame to go around. I think too many Democrats in Washington have joined with Republicans in going overboard on pushing these legitimate national security concerns into territory that says, "If you're coming from China, you must necessarily just be a tool of the PLA."

01:11:10

And I don't think that's right. In part, I don't think that's right because most of the work done at universities is open-source. It's published for everyone to see. So, most of the work that these Chinese students are doing is not some secret thing that they get access to because they paid tuition at Dartmouth College, or anywhere else. It -- they could get it anywhere.

So, what we are losing in the talent and ingenuity of those students -- and by the way, half of the billion dollar start-ups in this country were founded by immigrants. Many of the great innovations in all of the areas where we need to stay ahead or get ahead of China are coming from immigrants, including Chinese nationals who come here -- many of whom stay. So, this is a bipartisan problem, and we have got to get the balance better than we have right now, because we're moving into a territory, I fear, of a new Red Scare. And I think that is fundamentally unproductive for the United States.

01:12:05

John Donvan:

Okay.

[applause]

Since no one seems to want to be the vessel of the question that I want to ask, I do want to put it out there. It was a major part of Jake's opening statement, to make the argument that one of the harms, he feels, is being caused by the present policy of the White House, in regard to China, is that China is -- already had been, but is gaining even more ground as an attractive model to various other states around the world, as an authoritarian model, one that engages and encourages surveillance of its population, et cetera, lack of human rights -- and that this is at the expense of the model that the U.S. has promulgated since the Second World War, from which it has benefited -- and I think many would agree the world has benefited -- and that that's a bad thing.

Kori Schake, do you want to take that on?

Kori Schake:

Sure. I -- while the disgraceful spectacle of American politics right now is certainly not advancing brand America in the world, it's also not wholly bad, because the open

discourse we have as a society, the way that the people care desperately about solving these problems or arguing about these problems -- that, too, is an example.

01:13:18

And it's not terrible, even though it's sometimes distasteful. The two real things that -- as much or -- it seems to me, possibly more than President Trump's behavior -- that have made authoritarian capitalism as the Chinese practice and exported.

What the Chinese say is that America's mistakes after the September 11th attacks -- in particular, the war in Iraq -- and the 2008 financial crisis show that the American model is just too difficult to hand, right? The vacillations of fortune are too much. The predictability of the Chinese model is what you should trust and that does have some appeal.

01:14:05

But we are living through the great test of Hagel's philosophy that as people grow more prosperous they become more demanding political consumers and while the Chinese government is trying to stamp out that notion, it looks to me actually like the Chinese people still get it and if the Chinese government genuinely didn't think Hagel was right, they wouldn't have to build a surveillance state to control their own population.

[applause]

But they do.

John Donovan:

Jake, do you have a response to that?

Jake Sullivan:

I guess just to elaborate a little bit on what I was laying out in my opening is that we need to be able to make the case to countries around the world that a democratic free market system can deliver for them and that there is an appealing kind of quality, a moral authority to that system that is superior to this fusion of authoritarianism and technology that China is selling and I just don't believe that if you look at the record of the last 30 months you could argue that our appeal, our moral authority, our capacity to make that case to people around the world has gotten better rather than worse.

01:15:17

And for me when it comes to the approach of the U.S. towards China, that is a huge own goal, a huge own goal. It's not all about Trump. I'm not arguing this is all about Trump, but I think that the current approach, his approach in particular of dividing this country

and of undermining a lot of the fundamental things that we stand for has perhaps provided the lion share of the reason for why people in Beijing right now were thinking hey, this ain't so bad. They're tarnishing their model all on their own.

John Donovan:  
Michael, last word.

Jake Sullivan:  
That to me is a big problem.

John Donovan:  
Last word to you, Michael.

Michael Pillsbury:  
I just want to agree with Jake. As the matter of fact, the Chinese, I have a chapter in "100-year Marathon" shamelessly hold it up, I have a chapter about how they've got a \$12 billion budget for soft power activities around the world. Their own international network of TV stations, radio stations they're buying in Texas that upset Senator Ted Cruz. It's a massive onslaught.

01:16:17

Part of it starts in Beijing where they demonize America, not Trump. They demonize America. It's gotten quite bad in the last two weeks and today there's a Jane Perlez [spelled phonetically] story in the New York Times that cites some of the really nastiness, nasty comments, in the last two weeks that have come out of China. We don't really have a response for this and the organization that used to do this for us, United States information agency in charge of public diplomacy, shut down by Jesse Helms, frankly, and others as a Cold War agency.

Well, if we think about the challenge of China, it seems to me if you look back at 1947, the challenge of the Soviet Union, we created the joint chiefs of staff by law, created the CIA, created the National Security Council, gave some metrics for how to measure how we're doing. We've done nothing in terms of our government organization about dealing with China.

01:17:12

John Donovan:  
Debaters, that concludes round two of this Intelligence Squared U.S. debate where our resolution is The Recent U.S. Policy Towards China is Productive.

[applause]

Now we move on to round three. Round three will be closing statements by each debater in turn. These statements will be two minutes each, two minutes. Making his closing statement in support of the resolution The Recent U.S. Policy Towards China is Productive Michael Pillsbury, Director for Chinese Strategy at the Hudson Institute.

Michael Pillsbury:

Thank you. Let me begin with my description or my definition of recent U.S. policy. I repeated several times. Barack Obama started going down the right path toward a tougher line toward China. I didn't get a chance to mention something he did in the South China Sea. He began to send U.S. Navy warships through excessive Chinese territorial claims.

01:18:03

In one case, his team knew that, if you do acts of war inside the territorial zone, the other side could get quite excited. But President Obama had the courage to do it anyway. In September 2016, he sent a U.S. Navy destroyer that zig-zagged its way through a Chinese island claim. This is the beginning of showing that China is not going to get away with it in the South China Sea. A United Nations related body ruled against China's claims. This gets back to the liberal world order -- that somehow, the Chinese government has got to be dissuaded from these policies. So, Obama started it. Trump has continued it. It's not nearly enough, we seem to all agree. And I would just try to close, and get your vote, by saying, how much are we going to have to do to bring China around to what we all thought China was going to be 30 years ago?

01:19:10

Free markets. Some kind of democracy. Pro-American, somehow -- and appreciation and gratitude for all we've done to build up China. That's the question of our debate. And Kori and I think we're on the right track now. Apparently, Graham and Jake are just negative-minded guys who can't see anything positive.

[laughter]

[applause]

John Donovan:

Thank you. Michael Pillsbury. The resolution -- again -- The Recent U.S. Policy Towards China is Productive. And here to make his closing statement against the resolution, Graham Allison, professor of government at Harvard.

Graham Allison:

So, to John's pain, there's been more agreement than disagreement. But with respect to the bottom line, I think, if these constitute results that are good for the U.S.,

advancing our interests, then I would vote for the resolution. But I simply think the facts don't speak to that. And let me go very quickly.

01:20:10

The economic competition -- President Trump has added an additional \$2 trillion to the American debt, imposed tariffs on virtually everybody, interrupted supply chains -- as Kori said -- in ways that make people worry about the reliability of the U.S. as a supplier or as a market.

So, that certainly is weakening our balance sheet in the long-term competition. On the security front, as the chairman of the JCS said recently -- and he's not wrong -- China's erosion of U.S. military advantage continues, just on the same pace. And in stumbling towards a Cold War 2.0, which is the way at least some of the members of the administration talk about Vice President's speech, we are basically missing the necessity to cooperate with China in areas like non-proliferation -- that Michael mentioned -- where cooperation is essential.

01:21:05

By attacking our allies with as much enthusiasm as when we're attacking our adversaries, and communicating such unambiguous disrespect for the leaders of other countries that we've got to assemble if we're going to have a coalition of allies and aligned, to create this advantageous correlation of forces for dealing with the Chinese, we're basically going backwards. That's not enhancing our strength, but weakening it. As Jake said, the American brand has fallen faster under this administration than ever in the history of polls. The Pew Poll finds 70 percent of the international community now expresses no confidence in the Trump's global leadership and as Gallop found for the first time ever, more of the world supports China than America's leadership in Asia, which seems to be just incredible. So, I would return to the resolution I can't help but think of a medical analogy from America's first president.

01:22:05

George Washington was sick. He had a fever. He called the doctors. They came to the Mount Vernon. They put leaches on him. It got better for a couple of days and then he died.

[laughter]

John Donovan:

Thank you, Graham Allison.

[applause]

The resolution The Recent U.S. Policy Towards China is Productive. Here making her closing in support of the motion Kori Schake, Deputy Director General at the International Institute for Strategic Studies.

Kori Schake:

So, Jake Sullivan raised a really important challenge which is why aren't countries rallying to our side to contest China's breaking of the rules as it rises? And he asserted that President Trump's reckless disregard for our allies and general rudeness and cost imposing strategies on our allies was the sole reason for that. And I'm sympathetic to the argument that the president is needlessly antagonizing our friends, but that's not the only reason countries aren't rallying to our side and in particular it's not the reason that the countries closest to China geographically and most imposed on by China in security, the ones who have the most to lose if China is able to reset the rules of the international order such that power determines outcomes.

01:23:30

The reason that those countries are not rallying to our side is they currently have the very advantageous circumstance that they do the majority of their business with China enriching themselves and enriching China and they have security guarantees from the United States that if China gets out of line that we will protect them. The prime minister of Singapore in May scolded the American defense secretary that, "You shouldn't make us choose between our security and our prosperity," and that would be a beautiful world if they didn't have to choose but if China continues to chip away, if it continues to raid the waters of the Philippines to sail military forces through and harass Philippine coast guard ship, the Philippines are not going to like the international order that results from that.

01:24:27

And so, countries -- it's the free rider problem. Countries want the ability to have us solve their problems and that's also why they're not rallying and I wish the president found more constructive ways to engage that but you do begin to see countries in the region take more responsibility for their outcomes. And ultimately, that will be good for us because when a more dignified and polite president, one who plays team sports, gets elected, you can rebuild that sense of sameness but you will have additional capability. The rules of the order really matter, my friends.

01:25:06

John Donovan:

Kori Schake, I'm sorry, your time is up. Thank you very much.

[applause]

And here to make his closing statement against the resolution, Jake Sullivan, former national security advisor to Vice President Joe Biden.

Jake Sullivan:

You know, when your argument that the policy is productive is contingent on electing another president to change the policy it does raise a real question about how productive you are.

[laughter]

[applause]

Now, if I were on -- if I had been assigned to the other side of this debate and the resolution was the current U.S. approach towards China is productive, I think I would've asked John because it just says productive, it doesn't say productive for whom, if I could've argued -- it's productive for China.

[laughter]

Because I think I could have won that resolution, hands down.

[laughter]

And that, I think, is the core challenge with the argument coming from the other side. If you think about what China has tried to achieve over the past many years -- undermine U.S. alliances -- the Trump policy has helped them with that. Reduce American influence in international institutions and increase their own -- the Trump policy has helped them with that.

01:26:13

Reduce the innovation edge of the United States. Trump putting a budget forward to the Congress that slashes research and development, while China races ahead, has helped them with that. Undermine the appeal of democracy and enhance the appeal of authoritarian capitalism. The Trump strategy has been productive for China in that respect. And then, of course, on perhaps the most fundamental question -- our ultimate trump card against China -- the ability to have a demographic dividend from immigration that they have never been able to have -- squander that and the ball game is going to be over long before it ever really starts. And if all of that is not enough, we have closed off the avenues for cooperation on the single most-consequential issue facing our country today, climate change.

01:27:02

Graham and I only had to prove that this set of policies was not productive. I believe we have demonstrated, in fact, that this set of policies was counter-productive. So, we have actually gone above and beyond what we were asked to do in this resolution --

[laughter]

-- and as a result, I'd ask those of you who voted for us to stick with us -- those of you who weren't with us in the beginning, to join us in opposing this motion. Thank you.

[applause]

John Donovan:

Thank you, Jake Sullivan.

[applause]

And that concludes the final round of this Intelligence Squared U.S. debate.

Now, it's time to learn which side you feel has argued the best. I want to ask you again to go to your phones, to your mobile devices, and you will have the chance to vote a second time, to tell us which team you have found the most persuasive during the course of this argument.

I say this at every debate. Our founder, who's here tonight, Robert Rosenkranz, he set this thing up in 2006 in order to foster the kind of exchange that is exactly what took place onstage tonight -- where four people -- who actually fundamentally made clear that they agree on some very core values -- nevertheless, see disagreement and implementation at the margins and that they were willing to come on stage and clash about that in a way that required thought and just persistence of argument and critical thinking but to do so in a way that was civil and friendly in which they can actually shake hands.

01:28:23

The four of you did that in such magnificent fashion I just want to thank you.

[applause]

I wanted to ask the four of you a question. We've been talking about China and sometimes we like to go to outside the topic that we're debating once the competition is over and since we have four smart people on the stage to talk about something else, just a chat. It's not competitive at all. But since we've been talking about China as the

issue, you all agreed to that and stipulated at the beginning, what do you see as the -- besides China what other national security threats do you consider seeing number two? Kori, why don't you go first?

Kori Schake:

Yep. I would say the national debt is number two.

01:48:02

And I agree with a lot of Jake's --

[applause]

--- argument that if we strengthen the core principles that made our free society successful in the first place that we actually won't have to worry very much about a rising China because if we do what we do well right we'll be fine.

01:29:27

John Donvan:

Okay. Thank you. Jake, do you want to take a crack at that question?

Jake Sullivan:

Well, I agree with Kori on the general direction, though I don't think it's the debt. I think it is making sure that our system actually can deliver for everybody. And sort of -- whether you're on the right or you're on the left, whether you're a Trump supporter or a Democrat, it seems to me that there are some fundamental adjustments that need to happen in our economy. And they relate not just to our tax system and to competition policy, and so forth, but also to this fundamental question of, "What is going to happen with the fourth Industrial Revolution?"

01:30:08

And this has economic consequences. It has political consequences. It has social consequences -- both in the United States and around the world. One thing that we didn't really get into in this discussion is the whole question of what happens when gene editing gets to a point where we're faced with genuine ethical dilemmas. And the U.S. and China may have very different views on those. Or, for that matter, facial recognition, or virtual reality, or artificial intelligence. And I think solving that set of questions, for me, is so profound, and it cuts across, basically, every other foreign policy and national security issue that we face.

John Donvan:

Thank you. Michael, you want to take a crack at that?

Michael Pillsbury:

A related issue, which is hard to -- it takes a new vocabulary to describe it. But we've taken for granted, for a long time, the idea of a liberal world order. It goes back to League of Nations. It even goes back to the Westphalia settlement of 1648. It's gotten very detailed, in terms of specialized agencies.

01:31:09

There's just a huge structure. My first job was in the United Nations Secretariat, actually, and I saw this whole structure going on forever. I didn't understand technological surveillance capacities, the desire of China to first penetrate and then turn the structure to its own interests, and then, other authoritarian regimes doing the same thing. So, I don't have the -- a good bumper sticker for this problem, but it's the erosion of the liberal world order, for -- taking it for granted, and for the failure to find some way to counter this technology that is making cradle-to-grave surveillance every day -- so that if you do something your government doesn't like, you can't buy a plane ticket. You can't buy a train ticket.

01:32:03

John Donovan:  
[affirmative]

Michael Pillsbury:  
All kinds of sanctions get put on you. And all this was unthinkable back in 1945.

John Donovan:  
Yeah. Okay. Graham?

Graham Allison:  
I --

[applause]

-- I think all of the issues that have been mentioned are big ones. And the conclusion in my book, I imagined stuff that I used in my classroom sometimes -- the Martian strategist who's watching what's going on the globe comes down. And I imagine she comes down to Mar a Lago, and there's Trump, and she's sitting there. And she says, "I just have a couple of points to make." She says, "First, each of you have problems that you're probably going to be unable to overcome. Secondly, most of those problems are inside your own border. You have problems between you, but you have even bigger problems inside your own border. You, Xi, you're trying to have -- to revive an

authoritarian -- basically, live in this Mandarin state that Lee Kuan Yew told you is trying to take a 20th century operating system, and patch on 21st century apps.

01:33:20

It's not going to work. And you, Trump, are trying to run a dysfunctional democracy. 'D.C.' now stands for 'dysfunctional capital.'"

[laughter]

"It's not working. And if you can't reinvent a way for your society the govern itself is a democracy the rest of the story is going to follow pretty directly."

John Donovan:

Okay. It's time to end the suspense. I now have the final results. Again, the resolution The Recent U.S. Policy Towards China is Productive. On the first vote from the audience here in Aspen, 26 percent of you agreed with this resolution, 51 percent disagreed, 23 percent were undecided. Those are the first results.

01:34:06

Again, I want to remind you it's the difference between the first results and the second vote that I'm about to announce that determines our winner. On the second vote the resolution The Recent U.S. Policy Towards China is Productive the first vote 26 percent, the second vote for the for side was 15 percent. They lost 11 percentage points. For the other side, the side arguing against their first vote was 51 percent, their second vote 83 percent. They pulled up 32 percentage points. That makes the team arguing against the resolution our winners.

[applause]

Against the resolution that the The Recent U.S. Policy Towards China is Productive.

[applause]

Congratulations to them. Thank you from me, John Donovan, and Intelligence Squared U.S. We'll see you next time.

01:34:45

[end of transcript]

**This is a rough transcript. Please excuse any errors.**