TRANSCRIPT
CSIS-TCU Schieffer Series

“China’s Rise”

EVENT DATE
Wednesday, March 20, 2019

TIME
5:30 p.m. EST

LOCATION
CSIS Headquarters, Washington, D.C.

INTRODUCTION
H. Andrew Schwartz
Chief Communications Officer, CSIS

FEATURING
Michael Collins
Deputy Assistant Director, East Asia and Pacific Mission Center, CIA

Margaret Brennan
Moderator of “Face the Nation” and Senior Foreign Affairs Correspondent, CBS News

CSIS EXPERTS
Christopher K. Johnson
Senior Adviser and Freeman Chair in China Studies, CSIS

Victor Cha
Senior Adviser and Korea Chair, CSIS

MODERATOR
Bob Schieffer
CSIS Trustee

Transcript By
www.superiortranscriptions.com
Andrew Schwartz: Good evening, and welcome to the Center for Strategic and International Studies. I’m Andrew Schwartz here at CSIS.

Andrew Schwartz: So happy to have all of you here, especially Dean Kristie Bunton from TCU. TCU and the Schieffer College of Communication are our partners, and we’re very sad that the Horned Frogs didn’t make the NCAA Tournament, March Madness, but we love them anyway. And it’s baseball season, so who cares, right? (Laughter)

Andrew Schwartz: We also have to thank our partner, longtime for the Schieffer Series. That’s the Niarchos Foundation, who has been amazing at helping us put the series on. Thank you to them.

Andrew Schwartz: And without further ado, the strongest name in news, Bob Schieffer. (Applause.)

Bob Schieffer: Well, this is a big one, and I think we have one of the strongest groups of experts that anybody has put together on this. The title, as you saw in your program, is the rise of China.

Bob Schieffer: In the West, as it is in every country, we have our creation story. We have – some people call it a myth. When I was – back when I was in the Air Force during the Vietnam era, I discovered that the creation myth in Laos is that they believe they came out of a giant pumpkin. Everybody has their own myth. But the creation story of China, as Henry Kissinger has pointed out, is different than any other in that unlike any other creation story basically China was already here when the world was created. (Laughter.) How China got here is still unknown. So we should not be surprised when we talk about the rise of China that the Chinese do not see it exactly the way we do. To them what is happening today is China’s return to the center stage.

Bob Schieffer: However we see it, most of the foreign policy community I think would tell you how we manage this relationship and how they manage this relationship is perhaps the greatest challenge facing the leadership of both countries. We also know that in the long history of the world when a country rises to challenge the existing sole superpower in most cases it has resulted in war, the so-called Thucydides Trap. Graham Allison of Harvard says there have been 16 such junctures in the history of the world starting with the rise of Athens, which rose up to challenge Sparta, and in 12 of those 16 junctures the result was war.

Bob Schieffer: So that is where we’re heading today. We find ourselves in a great competition with China, but is it leading us closer to war or is it leading us toward a more stable world? That’s what we want to talk about, and may I say – as I already said – this panel is one of the best we’ve ever assembled. I really encourage you to read their full biographies in your programs, but let me introduce each of them briefly.

Bob Schieffer: Michael L. Collins is the deputy assistant director of the CIA’s East Asia and Pacific Mission Center. He has served in the CIA since 1996 as an analyst at various times on East Asia, the Middle East, as well as North Africa and the Arabian Peninsula.

Bob Schieffer: He is joined by our own Chris Johnson, who is senior adviser at CSIS, holder of the Freeman Chair of China Studies. He’s a longtime CIA analyst and China watcher.
Bob Schieffer: Victor Cha, down on the end, holds the Korea Chair at CSIS. He came here after leaving the National Security Council in 2007. I think he is acknowledged by most people as one of the most knowledgeable Korea scholars in America today.

Bob Schieffer: And finally Margaret Brennan, who I must say has has the best job in journalism. (Laughter.) She’s moderator of “Face the Nation” and is CBS News chief foreign affairs correspondent. She was a Fulbright scholar and graduated with distinction from the University of Virginia, where she majored in Middle East studies and minored in Arabic. And she’s a new mom, so congratulations, Margaret.

Margaret Brennan: Thanks.

Bob Schieffer: Well, let’s just set the stage here by getting a brief thought from each of you. Where are we right now at this juncture? How would each of you describe the relationship between China and the United States? What is the threat being posed by China? Or is it a threat?

Bob Schieffer: So, Michael, why don’t – you’re the active. (Laughter.) You’re not a former; you’re the active here today, part of the government. How would you compare this juncture right now?

Michael Collins: Well, I – well, thanks. Bob. Thanks for the question. Thanks for your interest in the topic more generally.

Michael Collins: But let me also say thanks to CSIS for the opportunity. As you know, we don’t do these things very often. When we do, I hope that affirms just how important the issue is being discussed.

Michael Collins: So the rise of China, let me say two things about it – one thing about what concerns us and one thing that does not concern us as to what the threat is and what it isn’t. So the challenge we see stemming from China’s rise is I would say no longer of a traditional military, security, or intelligence nature. It is – and increasingly so, and more seriously so, but even more broadly it represents, I would argue, the most serious challenge to the liberal international order our government and our likeminded partners have stood behind for the last several decades.

Michael Collins: Why do I say this? I see this in the open aspirations that the Communist Party of China under Xi Jinping actually enunciates in terms of defining their aspirations as essentially a zero-sum struggle for influence and leadership around the world at the expense of the norms and institutions the liberal international order as we currently know it holds dear. The increasing understanding of how the Communist Party of China is defining how they want their country certainly governed, and the norms and institutions around the world that best enable that, are in direct conflict with what our government and likeminded countries actually stand behind.

Michael Collins: I say this as well because China is clearly increasingly proactively using its power in more coercive and assertive ways to establish greater influence around the world with governments and within countries, with academia, with media in ways that are intended to advance that objective.

Michael Collins: I say this as well because when you look at the standards that the Communist Party of China requires in its international engagement with countries around the world
in its assistance and the terms it requires for trade arrangements, they are in direct conflict with many of the standards we have required and the international financial institutions that have advocated transparency and corruption-free assistance require.

Michael Collins: But the last point I want to say as well is what the threat is not. So broadly it is an honest – and I’m saying this as dispassionately as possible – we see a difference of view on how governments should be governed or countries should be governed.

Michael Collins: But what the threat is not. The threat is not – the challenge is not necessarily coming from China’s rise alone, China’s economy alone, our relationship with China, Chinese people, and certainly the Chinese diaspora around the world. To the contrary, those are all very positive forces for moderation, cooperation, and change. The challenge is increasingly coming from a state – the Communist Party of China under Xi Jinping – that increasingly defines its aspirations by how it desires to define and govern its own society at home. And therein I think is the greatest challenge for what the United States and our partners around the world have to wrestle with as it pertains to –

Bob Schieffer: Victor, you’re the Korea expert. You know a lot about Japan also. How is – this situation where we find ourselves now, how is it being viewed in Asia?

Victor Cha: Thanks for the question, Bob.

Victor Cha: I think – so first I would say with a – it’s viewed as THE most important question out there when we think about the future. Across any metric by which we define great-power status, there’s only one actor out there besides the United States that equates with that great-power status, and that is China. And I think countries in the region – Korea, Japan, Vietnam, Australia – all of them understand that, that this is the next big challenge for the postwar liberal international order that Michael was describing. And so I think this is the big unanswered question in international relations today going forward, is how is China either going to accommodate this postwar liberal order or to what extent they are going to try to revise it. And if they seek neither to accommodate it nor to revise it, but actually seek simply to destroy it with no other model to follow, many would argue that’s even a worse situation.

Victor Cha: And so I think many allies in Asia, you know, they are transitioning now because in the past many of them said: I don’t want to choose. Don’t make me choose between the United States and China. I would like to have my cake and eat it too. I would like the security benefits from the United States and the economic benefits from China. But increasingly, because of the things that Michael described, many countries in the region are realizing that it’s going to be harder and harder in the future to have your cake and eat it too, because, you know, whether it’s China or the United States, there are compelling choices that countries did not want to make before. Whether it’s things like joining the AIIB or not joining it or whether it’s joining the U.S. missile defense system in Asia or not joining it, there are now choices that they are being compelled to make that they are having a very difficult time with.

Bob Schieffer: Chris, what’s your take?
Chris Johnson: I agree with most of what’s been said. I’d try to maybe just sharpen the point a little bit by saying that in my mind really China’s resurgence on the world stage, the emerging blueprint that Mike kind of referred to as to how they want to execute the ambitions they have, and therefore the challenge that then presents to the rules-based global international order, is the dominant strategic narrative for the 21st century. (Laughs.) I mean, I guess that’s about as tight a bumper sticker as I can put on it.

Chris Johnson: And I also would just emphasize as well that the change – the challenge is one like we’ve never seen before. And this is why I don’t like the Thucydides trap model because, A, I think it’s bad history, but I won’t bore people with that, but, B, technology has fundamentally changed the game. It has turned out for example, to Mike’s point, technology has been a tremendous enabler for authoritarian regimes, much to the dismay of the Fukuyamas of the world and, you know, people like that. It’s not the end of history. And it turns out if you have a market that’s big enough and enough determination you can use the internet, you know, in a very sort of coercive way.

Chris Johnson: I also would just highlight that I think it’s important that we understand – and we’ll get into this, I’m sure these policies did not start with Xi Jinping’s arrival, you know, onto the scene. My sense has always been if you understand the Communist Party of China as an organization and its history much of what they’re doing now should not surprise. I think what we’re seeing is that the underlying strategic tensions, certainly between the U.S. and China, have been building for a while. And I believe we’re in a situation now where Xi Jinping is an accelerant for those challenges, and so is Donald Trump. So that’s making things a lot, you know, sort of more robust.

Chris Johnson: And I think the main thing to underscore here is that what worked for us in the Cold War with the Soviet Union it was Soviet isolation, China is not isolated, and, two, the ability to engage in unrestricted competition across all domains. That is either nonexistent with China or is seriously challenged in a lot of domains, especially given the close intertwining between our two economies.

Bob Schieffer: Margaret.

Margaret Brennan: Well, I would say two things. And these are great sort of big-picture items sketched out here. I know for everyday sort of viewers, consumers it’s always well, like, how does this all affect me? And two things I’d point out. One, President Trump was just at a rally in Ohio and talking, again, about China in terms of this trade deal that he expects to strike. He keeps talking about it as if it’s about to happen, going to happen.

Margaret Brennan: We’ve seen the date for a potential meeting with Xi Jinping pushed from the end of March possibly out till April. Nothing’s on the calendar, the White House says, in part because they don’t want to be pinned down to something because the Chinese assume that if a meeting happens, that means there’s actually a deal. And they don’t want to walk in and have happen to them what happened to Kim Jong-un a few weeks ago in Hanoi.

Margaret Brennan: But the president’s language around this is, to workers in Ohio, about the money that China is stealing from the U.S., the 500 billion (dollars) they take from this
country, was how he was phrasing it. I believe he’s referring to about a $500 billion in goods purchased from China. You know, as some – as someone who covered Wall Street for a long time, people just kind of shorthand referred to China as the world’s Walmart for a reason. China had cheap labor. It made things cheaper. Americans like cheap deals, right?

Margaret Brennan: These are the things that as consumers we like about how China has changed markets. But there are a lot of things workers in states like Ohio don’t like about some of these levels of competition and things. And so I think you are going to hear about China on the campaign trail in 2020 in ways that people haven’t quite figured out how they want to articulate policy changes yet, but they most likely will have some kind of trade agreement with China to either complain about or praise in a few months’ time, because the president seems committed to a deal.

Margaret Brennan: What that deal looks like is really hard to describe at this point, you know? You often hear the president talk about goods, agricultural products. That is something that politically really will resonate for him. You don’t necessarily hear the particulars of what the trade dispute is supposed to be about, which is about technology transfer and all of these kind of esoteric things that may not resonate on the campaign trail but mean a heck of a lot to people who are investing there in terms of trying to set up businesses.

Margaret Brennan: So that’s something that I’m constantly tracking. The other thing I’d point out that I have quite figured out how to digest yet is I thought it was very notable that Secretary of State Pompeo in the past week and a half or so has used much stronger language to talk about China’s human rights abuses in a way that, A, frankly, as the United States, you would expect the U.S. to talk about – I mean, pointing out that close to a million people are believed to be rounded up in parts of China, Muslim minorities. The language used by the State Department twice was saying we haven’t seen something like this since the 1930s. That’s pretty stark language to compare it to. Didn’t really get a lot of attention because you haven’t heard it from the White House yet.

Margaret Brennan: But secondly, I’d say one thing that stood out to me about that – A, that he’s talking about it at all – because this administration is often accused of pulling its punches on human rights. So it’s a little bit of pressure I think, interestingly, starting to happen on that front that maybe if this trade deal gets done we hear more about, or maybe we’ll hear from higher levels than the secretary of state about, and perhaps carrying some consequence with it. Largely it has had zero consequence thus far.

Bob Schieffer: So I guess our people are going back to China next week, aren’t they, to start this?

Margaret Brennan: Mnuchin and Lighthizer, mmm hmm.

Bob Schieffer: To start negotiations.

Bob Schieffer: What – does anybody have any thoughts on do you think they’re going to get a trade deal?

Chris Johnson: I’ll take a stab at it. I think we will get one eventually. I think, as Margaret was saying, the devil’s in the details right now. And I think one of the challenges we’ve faced as we’ve kind of gone through this process, and for those who have to watch
it every day it’s very painful – (laughter) – is that there’s a cycle that happens in these negotiations, which is the sort of hawkish elements, which are really defined largely by Lighthizer and the administration, say we have to have a deal that is not just transactional. It has to be meaningful. It has to address all of the U.S. – very valid – U.S. and U.S. business community concerns about industrial policy in China, subsidies to state-owned enterprises, the regime’s use of a coercive regulatory toolkit to block our companies from markets – you know, these sort of issues. Structural issues let’s call them, versus simply buying more stuff – soybeans, airplanes, you know, the other things that are on the table.

Chris Johnson: And so what we tend to see is a cycle where the hawks are ascendant for a while, markets begin to become skittish that nothing’s actually going to get done. Trump starts to panic because he sees the markets going down. And he gets on his people to let’s get this across the finish line. And I’ve seen at least 10 cycles of this since we took this on, you know, last year. And I think we’re in another one of those cycles. So for example, I think his most recent trip that we’re seeing emerge – it’s very interesting. My understanding is it was the Treasury Department that leaked the upcoming trip to the press, because yesterday markets were going down based on stories over the weekend that this might take till May or June. And they wanted to, you know, arrest that. The trip was already planned, but they wanted to dive in. So we keep seeing this over and over again.

Chris Johnson: So my sense is let’s see what comes out of this next round. I don’t think expectations are high on either side. I think it’s mainly let’s keep up appearances and, as Margaret was saying, we’re just going to see this date keep being pushed. Because it turns out, this is really hard to do. (Laughs.) You know, this negotiation, if it’s serious, is far more complex than China’s accession to the WTO. And that took a decade to negotiate.

Bob Schieffer: We have seen the Chinese government evolve. As I was reading to get ready for this today, somebody I read where someone remarked that Deng Xiaoping opened up China’s economy as power was passed from Mao. But the political system was not opened. And this observer said, perhaps because they saw what had happened to Gorbachev and the collapse of the Soviet Union. But how does that affect our dealing with China? Michael, what’s your – what’s your thought on that?

Michael Collins: I think – I think stepping back from the day to day on the – on the bilateral negotiations, what’s happening is a great reflection of fundamental differences into how we see economies being governed, and how they want economies being governed. I think more recently on Xi Jinping’s ascendance in particular, and his consolidation all the more of authoritarian control in that society, and the elimination and moving past the collective leadership structure they used to have. To be sure, following Deng Xiaoping the political opening was not necessarily the thing to have, but at the same time they still had a broader collective leadership structure.

Michael Collins: The most fascinating thing, to me, that’s happened in China in recent years is the consolidation of greater Communist Party control over all things China – all things within China, and all things Chinese outside of China, as they themselves enunciate. The idea that political reform will follow, as international relations theory might suggest, economic engagement and economic openness assumes in that economic openness and economic reform is an end to be achieved itself.
Michael Collins: I would submit that the fundamental end of the Communist Party of China under Xi Jinping is all the more to control that society, politically and economically. So the economy is being viewed and affected and controlled to achieve a political end by thinking about opening up the politics to help enable what we would think are the reforms needed to achieve an economic end and therein, I think, is the greatest challenge right here in this particular issue we’re discussing. How this plays out – I like the way Victor framed this, more broadly stepping back – how this actually plays out and, in particular, not just what happens in our relationship – our bilateral relationship – but how others actually react to this. How do other partners who are also wrestling with China on these same issues – how do the international trading and financial institutions respond to that. I think this is going to be, you know, a key moment into how this plays.

Victor Cha: And what – and what Michael is describing is a domestic issue for China but it’s a domestic issue that has all sorts of international ramifications because – precisely because China is a great power. It is or will be the next great power. I mean, the sort of domestic makeup and choices that great powers make historically has all sorts of ripple effects for other countries in the system. There is a reason why the United States, in its leadership role after World War II, also saw the third wave of democratization in the world, right, and we are seeing democratic backsliding in the world in no small part because, you know, countries like Russia and China – well, China ascendant, Russia back in the game, and the United States sort of receding from the scene.

Victor Cha: So what Mike describes as a domestic experiment in China I would argue has international repercussions for the way we think about regime type, democracy, and domestic choices around the world.

Chris Johnson: And it definitely does because I think the two dilemmas the Chinese Communist Party basically faces are they have a requirement to break through the middle income trap to keep themselves in power. They are in a performance-based legitimacy system. So they have no choice but to succeed on that. Secondly, as they rise in power and prestige, they have a desire to gain international legitimacy. They need to do both of these things but they don’t want to open the political system. Yet, they know that most of the successful cases, especially in Asia, who have conquered those various things have done so at least in part through democratization. So this is their challenge. They are determined not to follow the democratization path so then it leaves them in certain tracks – industrial policy on the economy and making the world safe for China’s unique governance system and state capitalist economy in the international space.

Bob Schieffer: You know, Margaret, one of the things we haven’t talked about in connection with the economy and trade is security – national security. There is no question that the administration, clearly, wants to rein in China’s economical and technological ambitions and to stop China from playing a role in the next iteration of the technological revolution – the so-called 5Gs that we talk about, which I had to go look that up, which shows what – (laughter) –

Margaret Brennan: I think a lot of people, though, even in the government will be, like, yes, so 5G is important. Then you ask them what they mean. They’re, like, you got to talk to somebody else. Yeah.
Bob Schieffer: Well, it turns out what it means is the fifth generation –

Margaret Brennan: Right. Exactly.

Bob Schieffer: – of this technology, which just proves what John Connolly once said. He said all jobs in government are the same once you learn the jargon. (Laughter.) Find out what the jargon is and then you’re set, if you have common sense. But there was a very interesting story in the New York Times, I guess. Was it day before yesterday? The headline was “Allies” are “Spurning Campaign by the United States to Block Huawei,” the Chinese telecom giant, and, clearly, there is a concern about security there. What’s that all about, Margaret?

Margaret Brennan: There is, and I think a lot of that was based around some verbal sparring with the German government, in particular. Well, Huawei – there are so many levels to this story. But in this country you have heard – you know, it’s one of the interesting things that’s – few bipartisan issues of agreement is that China’s a threat, right? But it’s exactly what you do about that and how you counter it, you can run the gamut.

Margaret Brennan: Marco Rubio of Florida has been championing for some time this effort in the United States to specifically block Huawei and ZTE, companies from being able to sell products here. There’s been pressure politically to ban certain products with the idea that they can be used to be a national security threat to the United States if they’re sold to consumers.

Bob Schieffer: In other words, you buy the technology and they have a backdoor into it?

Margaret Brennan: Yes, and which is why, like, the Pentagon has already implemented some of these bans. But in terms of everyday consumers, that’s what people like Marco Rubio are talking about trying to block them out of the market.

Margaret Brennan: And it led to this – if you remember the Twitter messages that the president had posted about a personal call from Xi Jinping a year ago about ZTE, that company and how important it was. All of this is a long, complicated story. But it gets to this bigger question of are Chinese companies actually, you know, capitalist entities within a communist system, or are they arms of the Chinese government? I mean, that’s the kind of fundamental question this comes down to in how they view it. And most certainly Republican senators, particularly Marco Rubio, would argue the PLA and these companies are the same thing, and therefore they shouldn’t be having access to our market. We’re trying to tell our allies this is also a risk as well. But I don’t find – and I’m sure Michael probably can’t comment on this, though I’d love to know what he thinks about it –

Bob Schieffer: We’ll ask him.

Margaret Brennan: – but you find a difference of opinion, because I had asked Lighthizer, the trade representative, when he was on my program a while ago what he thought about bans like that, and he said when I pressed him on it that he wasn’t in favor. But it doesn’t seem like that’s necessarily where the administration is right – I can’t articulate for you what the administration’s policy is on this. I don’t know what it is.
Bob Schieffer: So, Michael, is this something we ought to be worried about?

Michael Collins: So I would say there’s three aspects to the challenge behind the stepping back. One is – let me just say one thing up front, too. I think the irony in what we’re talking about in terms of economic engagement, I do find it ironic that when you step back and you think in this international free and liberal economic order that we stood behind, no country has actually benefited more in their economic ascendance than China from that international economic order we have maintained and the free and liberal principles that have allowed China to actually engage in our country, to acquire the technology they are acquiring, to achieve what they’re trying to do in things like 5G. And at the same time, no country has historically more threatened that order than China currently does. I find that irony noteworthy.

Michael Collins: But the threat that comes from this, one is, it’s on the national security standpoint – not just us, but the countries around the world – that vital technology, that innovative expertise and capability that gives our country and other countries strength, is at risk by all the means by which the Chinese go about to acquire that. So there is one aspect of the threat.

Michael Collins: You know, the second is how they use that capability. Saying nothing specifically about 5G per se, but from a military security dimension, one of our greatest concerns about Chinese military capabilities are increasingly in those areas that require high-end technology, areas in cyber, in space, in electronic warfare where let’s say the norms of the road have not actually been established. And in our national security process, we adhere to certain norms and rules when we utilize such technology. The Chinese don’t. Second point.

Michael Collins: Third point is, look at how China uses that technology domestically. Look at what is happening in Xinjiang. Look at what is happening to repress free and open expression. Look at what is happening to repress freedom of liberty and all those other things. How they use that technology domestically and the laws that are on the books requiring Chinese entities to have that technology, to have called upon to provide support to the security services of China – not just in China, but overseas – that’s why this is a risk. That’s why this is a challenge.

Chris Johnson: And I think before we leave this one, Bob, it’s really important to underscore the issue, because it’s such a microcosm for the China challenge that we started off with in terms of trying to get allies and partners to work with us on the challenge that it faces. The reason we’re seeing, I think, some of the pushback you’ve highlighted is because the allies are saying to our government, you’re asking us to rip all this stuff out of our systems, and our governments are with you, but our business communities may not necessarily be with you, so how about some evidence. That’s one issue. And it’s very difficult because no one questions that Huawei rips off technology. They even admit it. You know, there’s a longstanding issue there. But it’s this issue of how do you prove a negative in terms of back doors and those sort of things.

Chris Johnson: And then I think the allies are also sort of saying, so we’re doing this at your request. Where’s the skin in the game for you? Your semiconductor companies are making huge profits selling to Huawei. You say you’re going to do an executive order banning sales to Huawei, but you don’t do it. You know, these sorts of things.
So it creates strains, I think, within the alliance in an era where our credibility is arguably a little less than maybe it once was.

Bob Schieffer: Victor, I'm going to ask you this next question. To me, the most interesting thing that I learned reading that article, it was deep in the article about our allies are rebelling against us telling them not to do business with Huawei. Deep in this story, I found an interesting paragraph saying the president has repeatedly undercut his own Justice Department, which laid out a sweeping criminal indictment against Huawei and its chief financial officer, and previously he had eased penalties on another Chinese telecom firm, ZTE. It also said in that article that some in the government – and Michael Collins, I won’t ask you to comment on this – but some in the government are concerned that he might try to put some of this into a trade deal.

Victor Cha: Yeah. Well, I mean, it's a great point. You know, I think what this comes down to, as my colleagues were describing, it's questions like Huawei and ZTE that raises this issue of sort of three choices that we have with China with regard to this. You know, one of them is – and perhaps some of our allies would prefer we do this – which is just to muddle through, right, and basically say, as Chris said, you know, let's just get them to buy more stuff, right? Reduce the merchandise trade – just buy more stuff and just let's just muddle through, right?

Bob Schieffer: I'd like to ask you all, we just had the summit in Hanoi with Kim Jong Un. Margaret was there. Victor knows a lot about it. What did China want to happen there? What does China want? How do they want this situation to be resolved?

Victor Cha: So Margaret can comment on that. She was there. I was covering it for NBC, not CBS. (Laughter.)

Bob Schieffer: Victor Cha: But so I would say a couple of things. The first thing is, the absence of an agreement out of Hanoi was not something that China wanted. You know, China, I
think, wanted to see some sort of agreement. I think as we all know, their bottom line is stability on the Korean Peninsula. They do not want to see crises like we saw in 2017. So they would have liked to see some sort of agreement emerge out of Hanoi. I think all of us were surprised that there wasn’t one. I’m sure Margaret, I mean, I was quite surprised that there wasn’t an agreement, and I’m kind of worried about the path forward.

Victor Cha: But I think the bottom line for China is, they would like to see some sort of agreement that ensures there’s not more testing by North Korea that compels political crises for the United States. Of course, they would like to see some practical things done with regard to the North Korean nuclear test site, which sits on the Chinese border. I don’t feel that they are deeply vested in denuclearization of the Korean Peninsula, like the United States and its allies are. But I think that they’re probably as concerned as the South Koreans are about the absence of an agreement in Hanoi and where we go from here.

Bob Schieffer: The South Koreans had a tremendous impact on the government there. Am I not correct?

Victor Cha: By far the biggest – the biggest losers out of Hanoi were the South Koreans because they had so much invested in this engagement with North Korea. They’re the ones that are going to have to try to pick up the diplomatic pieces. There’s clearly a gap between the United States and North Korea on what is a potential deal of sanctions for denuclearization. And you know, it’s going to be – the ball is effectively in North Korea’s court, but anybody who’s negotiated with North Korea knows that when we say the ball is in North Korea’s court that means it’s not going anywhere. (Laughter.) And it’ll be –

Chris Johnson: (Inaudible) – the court. (Laughter.)

Victor Cha: Yeah, basically. And so it’ll – the South Koreans I think are now going to try to work very hard to try to find some sort of diplomatic halfway point.

Margaret Brennan: And I don’t think the Chinese would mind if those troops left South Korea –

Chris Johnson: Oh, absolutely.

Margaret Brennan: – which is something that the president said when we sat for an interview with him that, you know, was something he’d never even thought about, but in the future he would like to bring those troops home, and it is quite costly, but we’re not talking about it right now – leaning into the idea of maybe it’s not so crazy to float the concept. So I’m sure China was hoping for a different conclusion on that particular issue of a peace arrangement as well.

Margaret Brennan: You know I thought it was interesting we had it in Vietnam in the first place as a summit. I know there was a lot of talk about that as a setting – as, look, a, you know, country America was at war with, now a friend. And when I go to Vietnam and have with past secretaries of state, the emphasis is always like this is a country so stuck between the U.S. and China all the time and pressure on both sides. That’s what I was thinking, that that almost was more of a fitting parallel for the summit.
Margaret Brennan: But I mean, I think China muddling through is always what they kind of want. They don’t want conflict. What’s interesting to me when I talk to the administration officials now about how this played out – and I think it’s very clear that John Bolton was happy with his position sort of winning out in terms of taking a harder line – that they, as I believe he’s said publicly now in a few interviews, floating this idea that further sanctions are possible, I think that presumes that China’s going to be onboard for those sanctions. I don’t know that they are. But there’s this idea that you could see China and the rest of the international community tighten things up around these, like, ship-to-ship transfers, like cheating around the edges on some of the sanctions, and more pressure on North Korea. So that’s really where I’m not clear where China’s going to end up on that question, if they’re going to continue to help us play hardball.

Chris Johnson: They probably won’t. I mean, I think that’s the interesting piece in all this. China itself has been on a huge rollercoaster ride in their policy toward North Korea during this process. I think the scariest thing that happened to them was a U.S. president who was willing to engage directly with the North Koreans, and I think their game was a stabilizing long game. Initially I think probably to their detriment, or that’s how they describe it now, they believed it when President Trump said to them work hard on North Korea with me and I’ll get this trade stuff off your back, you know? And they tried –

Margaret Brennan: Which he said explicitly on –

Chris Johnson: Yeah. And –

Margaret Brennan: To John Dickerson. If they help us here, we’ll get a better trade deal.

Chris Johnson: Right. And they tried pretty hard, actually, and gummed up the border pretty well, and actually did more than I think most people acknowledge. But they now believe that they overdid it. In other words, they worked hard, they didn’t get anything on the trade front – in fact, they got another $200 billion in tariffs – and so now I think their strategy is to micromanage the North Koreans. You know, four summits with Kim Jong-un in months, whereas in the previous five years of Xi Jinping’s rule they had none. So I think the Chinese feel pretty comfortable they’ve got him reasonably under control, and the rest of it just kind of let it play.

Bob Schieffer: Michael, did you want to add anything?

Michael Collins: Yeah, just three points on – I think in the context of what broadly we see China trying to achieve in Northeast Asia, as well as what they’re trying to avoid in that process. So clearly trying to achieve a weakening of the U.S. security influence and presence in East Asia in all of our alliances, and particularly with South Korea. Clearly trying to be more influential on issues that matter in the region, for issues not necessarily specific to the United States but to the region itself. And clearly trying to avoid instability on their borders, and in particularly a conflagration right on the border in the form of North Korea. I think it’s noteworthy comments have been made here, just to sharpen it a bit in terms of what they didn’t want to see happen, I think, in this process being certainly a return to a major increase in the temperature. That could get into a situation where things could unfold markedly and they would have the crisis on their border.
Michael Collins: Second is an accelerated resolution of the issue, whereby the importance of that issue, as Chris is referring to – that issue's important to them strategically because it is important to the United States, so therefore it gives them leverage with us on various issues. A rapid resolution of that issue, especially one within which the United States certainly remains, you know, a solid provider of security on the peninsula, thereby undermining broadly what the Chinese strategically are trying to achieve, is also something that is certainly not – China's not eager to see.

Michael Collins: And a last point on the – on the troop presence. Yes, I think it's noteworthy how the narrative in China on talking about the removal of troops from the peninsula is certainly on their radar. It's on their radar screen in terms of things they want to avoid, but I don't know if that's necessarily the case in the rest of the region or certainly on the peninsula.

Bob Schieffer: We haven't talked about the artificial islands that China’s been building out there in the Pacific. What about that? Are they going to – are they no longer artificial? Are they going to be there forever? (Laughter.) And why?

Chris Johnson: I think they’re still pretty artificial. They’re getting more artificial by the day. I mean, I think that’s the challenge.

Chris Johnson: You know, the U.S. in my sense missed the boat on this one. You know, we had an opportunity in the Scarborough Shoal incident in 2012 – this was a territory that was controlled by the Philippines; the Chinese were making an effort there. There was an agreement that was brokered diplomatically that they would use an approaching typhoon as the excuse for everybody to just go home. The Filipinos did; the Chinese didn’t. And the important part is there were no consequences for that decision by the Chinese. And that set the stage, then, for the ambitious building program that we saw afterward. China would have done most of what it’s done down there, I think, anyway, but they would have done so under a much longer time horizon than one to two years. And so I think we face a situation where certainly we can do – and the administration is doing this, and they deserve credit for it – you know, more aggressive operations within the 12-nautical-mile zone and so on, but the only way to undo it is something we might term rollback with a nuclear power. So that’s a very challenging situation. And in effect, do those islands mean enough to us, even in the context of the commitments to our allies and so on? And so far we’re not seeming to suggest that it does.

Bob Schieffer: I want to get some questions from the audience. But while you’re thinking of a question, I’m going to ask Margaret: What’s the latest news on Mike Pompeo? Is he going to run for the Senate in Kansas? (Laughter.)

Margaret Brennan: Gosh. Well, asking that question will get you a heck of an answer, a sharp one. The secretary of state does not like being asked about that. But as we know, he did talk to Mitch McConnell about it. He’s saying for the moment he’s staying in the administration. I would not rule it out in the future to see him run for office there. But do you want to go from being fourth in line to the presidency to junior senator from Kansas? I don’t know. Perhaps within the next two years. But he keeps saying on the record that he’s staying for the moment.

Margaret Brennan: I asked the president about this during our interview. First he told me it was fake news. (Laughter.) Then, when I said that no, the secretary has actually said he
talked to Mitch McConnell about it, he said, well, I asked him and he said no, he’s not leaving.

Bob Schieffer: Well, one reporter who asked him this question said that he told them he was going to let the Lord decide over the weekend, so I don’t have any sources there. (Laughter.)

Margaret Brennan: No. (Laughs.)

Bob Schieffer: I don’t know how to check that out. (Laughter.) Are any of the rest of you hearing anything along that line? Michael, you’re excused from the – (laughter) –

Margaret Brennan: He has spent a heck of a lot of time in the American heartland for a secretary of state, I will say that, very recently doing a lot of speeches in a way that typically secretaries of state speak to local media overseas. The secretary and the State Department explain that to say this is part of the China policy, talking to farmers in Iowa. This is part of recruiting, he has said, to bring in more people from the heartland instead of all the elites who are running our government, he has said. So those are the official explanations for why he’s spent so much time in Iowa recently.

Bob Schieffer: Well, he’s waiting for the weekend. I mean – (laughter) –

Margaret Brennan: Yeah.

Bob Schieffer: Figure out.

Bob Schieffer: Who has a question here? How about right here?

Q: (Off mic.)

Chris Johnson: Yeah, it’s coming.

Bob Schieffer: Yes, here it comes.

Chris Johnson: And please identify yourself as well.

Q: OK. Hi. My name is Angelita.

Q: My question is, so Russia and China are actually after global supremacy, and they have learned their economic lessons from the past administrations. But I think the silent problem is the partnership actually between Russia and China, which the United States still has to accept to learn how to make a long-term strategy how to deal with both.

Q: And then my other question is, which I want your opinion, please – I mean, it’s really the domestic bickering in the United States which takes time from shaping up global foreign policies – economically, politically, militarily. I mean, it seems to be – the leverage of Xi Jinping and Putin is that they have – they have centralized decisions and their administration is quite long term, unlike the United States, where we are quite dependent on who is the political party in line, and then the lawmakers are bickering about the political situation, investigation, all that. So
what do you think is the best global security or how to deal long term with both Russia and China, given your expertise?

Q: Thank you.

Bob Schieffer: Go ahead.

Michael Collins: I’ll take – that’s a great – thanks for the question. You know, there is – I have to say, this is – as I said, I don’t do a lot of these venues a lot but the ones I have done the majority of the time is spent on Russia, and this is a conversation – we haven’t mentioned Russia yet but thank you for bringing it up.

Michael Collins: You know, for all the rightful concerns we have about Russia’s attempt to undermine U.S. standing around the world continuing, for all that they’re trying to achieve, for all the reasons we just talked about China as a source of concern, we also have to think about China (sic; Russia) as a source of concern. Russia is more able to get away with being assertive and coercive and meddling because it can sort of count on – if not legally, officially, formally, it can count on sort of the backing of China, who has shared sort of mutual interests in undermining the U.S. standing around the world. Vice versa, right. China also doesn’t have to get its hands dirty as much and the Russians get their hands dirty by doing things around the world – meddling in the affairs of other countries – and not being as concerned about getting caught doing so, and that also undermines – you know, to the extent it undermines U.S. standing and credibility that also supports, at the end, where you know, as I say, the influence the Chinese are trying to acquire, that’s noteworthy.

Michael Collins: Solidarity – stepping back – solidarity with all of our partners and friends and like-minded countries around the globe is the answer to a lot of these issues – the extent to which our partners stand behind us on the issues we stand for and the extent our adversaries actually see that as well. Chris’s point about the South China Sea – you know, when we talk about an adversary’s threat to us three things matter, right – intentions, capability, and this third thing I call resolve. That is the ability to calculate over time what did I learn to get away with, right. And it’s in that – in that reading of that international arena, if we’re successful in moderating the behavior of not just China but Russia, what we do to achieve a perception of resolve and push back, as Chris says, was not there in the case, perhaps, of the South China Sea, I think we’re more effective.

Michael Collins: The last point is Russia and China, they’re not allies. I think it’s noteworthy in all of this when we talk about alliances around the world, what the United States stands for and the principles we stand – we’re for and how that underpins mutual interests, the Russia-China relationship is more of one sort of strategic solidarity and convenience over mutual interests. But I wouldn’t go so far that – to say that the values that underpin what we know to underpin the alliances we stand for are necessarily there.

Victor Cha: I think – I think there’s an important distinction to be made between Russia and China’s efforts to achieve hegemony versus Russia and China’s efforts to undermine the U.S. order. I think a lot of their activity is focused on undermining the U.S. order. But in terms of achieving hegemony, you know, usually the hegemon, after they achieve their power and influence, actually provide goods to the international system because they want to maintain their new order.
The concern is that Russia and China, whether allies or not, are seeking to undermine U.S. hegemony and then really still take from the system without giving anything back. The United States, at the end of World War II, going forward, we took from the international system but we also gave back to the international system.

You know, there's always this comparison of China's One Belt, One Road with the Marshall Plan. I mean, One Belt, One Road and all of these other activities by the Chinese it's basically these are loans they're giving out, right – debt trap diplomacy. The Marshall Plan were grants that the – that was – that was money we gave to Europe to help reconstruct Europe.

So it's a very different thing that we're talking about when we talk about efforts to undermine American hegemony and Russia and Chinese efforts to achieve their own hegemony. They're interested in undermining U.S. influence but they're actually not interested in replacing the United States, which leaves us overall with a much worse order than we could possibly have today.

OK. Another question. How about toward the back?

Warren Cohen, Wilson Center.

What about Taiwan? (Laughter.)

I didn't hear the question.

What about Taiwan.

What about Taiwan.

Oh, yes. Good question. (Laughter.)

That's kind of a big topic. Can you be a little more specific? (Laughter.)

Sure. I heard Stape Roy the other day arguing that we should be very careful to protect the one China policy and stop screwing around with Taiwan. Then I heard Cory Gardner and others on the Hill who have been arguing for stronger ties with Taiwan to push further for Taiwan's independence. Where do you see the pressure that Xi Jinping and others are putting on Taiwan now, and the American response?

Sure, OK. Thank you. That's much clearer. I'll give it a shot. You know, I think a lot has been made – Xi Jinping made a major speech on Taiwan recently. And a lot has been made of it, especially its content would seem to suggest, you know, let's have reunification sooner rather than later, which was a subtheme of it. There was definitely a sense of urgency in that – in that speech. But a lot of the language and content was actually sort of old wine in new bottles. You know, very similar to previous such speeches that have been done.

Two things I would just point out: One, it's very striking that the U.S. government, through the Defense Intelligence Agency this year, decided that they wanted to publish something in an unclassified state that said basically the Chinese military
now believes it can do that mission and win. So that is something that should give a lot of us pause. The second, I think, and perhaps more fundamental, is we see China using a lot of the tactics of Russia to influence Taiwan’s democracy.

Chris Johnson: And I think that really is the bigger threat, as opposed to, say, a D-Day style invasion, because it’s cheap, it’s relatively successful, Taiwan’s domestic politics can be quite polarized. And we now see even the ruling part is about to have a factional split between the premier and the president over running for president and so on. And China will be deeply involved in all that. I happened to be in Taiwan, you know, during the run-up to their recent municipal elections in November. And a lot of this was going on. It’s a deep concern. And so I actually think in a lot of ways that’s really the larger threat.

Chris Johnson: As to the role of the U.S., I think Taiwan is learning a lot of lessons in this process. You know, certainly the phone call with then President-elect Trump was a huge win for Taiwan. But they also then got a lot of backlash from the mainland, which I suppose they should have seen coming, but it’s not necessarily clear they did. And there is a risk, I think, for Taiwan in some cases on this of being in a position of sort of don’t love us too much, to the Americans, right? Because they are always the ones that are sort of caught in the middle.

Chris Johnson: What I do think – just to come back to several comments Mike has made – in a way Xi Jinping’s style of governance is making it easier, shall we say, for voices to emerge to say: We ought to be supporting the democracy, that’s Taiwan, not the CCP, ideology-driven sort of socialist state. So you can argue that new forces are being unleashed in that relationship which would then test those who say, no, the one China policy was decided at the time of the forming of relations and it cannot be violated in this sphere. It has to be managed very strictly. So it’s very messy, I think, for all three parties.

Bob Schieffer: OK. Anybody over on this side? Right here. This lady right here.

Q: Good evening. I’m Jen Runion, currently a graduate student at Georgetown.

Q: Given the fact that China has recently issued a polar strategy, I was wondering your thoughts on China’s aspirations as a polar power.

Bob Schieffer: Who’d like to talk about that?

Victor Cha: We’re all looking at Mike. (Laughter.)

Chris Johnson: I can. Do you –

Michael Collins: Go ahead.

Chris Johnson: OK. I’ll give a quick answer and anyone else can jump in.

Chris Johnson: They clearly have one and want to be involved in the issue. And I think there’s a sense – this is another area, actually, where the points that have been made by all of us today about alliances and the importance of alliances – you know, the Nordic countries are very worried about this. They’re seeking U.S. assistance. We are a polar power and always have been. And I think it will be important for us to show
some leadership. I think there’s certainly a question as to whether some of the fear of China’s ambition, let’s say, in this area is slightly overwrought. So far they’re talking a lot and not doing much. But you know, we have situations where, for example, they now have the largest fleet, I believe, of icebreakers in the world. They have serious trade and economic reasons for wanting to be involved up there.

Chris Johnson: And I think in that aspect, they do seem to share the Russian philosophy of: Look at all these minerals and economic opportunity, you know, that’s in there. Say, as opposed to environmental protection in the – in the Nordic area, you know, things like that. So, again, this is an area where it’s kind of on low boil. But it’s getting stronger. And it’s an opportunity for the U.S. perhaps to show leadership in managing the process.

Bob Schieffer: OK. One more question. Let’s see. Have we gotten anybody from over in this area? How about right there.


Q: I was wondering if Mr. Collins would engage on the question of whether, as the panel brought up a possible ban on U.S. exports to not just Huawei but other Chinese companies, would that have any effect on China’s ability to surveil, control their own society, some of the things that you pointed out in your original comments that are concerning about China’s rise? Is there any way for the United States to hamper that sort of ability to exercise social control over their own people? And furthermore, could that slow the rise of Huawei until a Western competitor can catch up?

Michael Collins: I think it’s a great question. One of the realities out there that is not openly, widely enough discussed is just how dependent Chinese technology still is on its access to the international arena – not just the United States, but elsewhere. Despite the idea that Huawei has – owns the, you know, 5G system from start to finish, you know, there’s parts – you know, there’s dependencies they still have on capabilities and access they need from componentry from others around the globe. And that doesn’t apply just to 5G technology.

Michael Collins: It’s the priority Xi Jinping is putting on this 2025, this vision for China to be the leading provider of these, you know, major technologies around the world. As much as they aspire to achieve that, that depends heavily on access they still to the technology, the expertise, the data, the intellectual property they know they can get elsewhere. So I would just say objectively there is a vulnerability in terms of China’s ability to be dominant in those technology spaces by the fact that they still have to have access to innovative capability, not just in the United States but around the globe.

Chris Johnson: I think I would add to that, because of that dependency look at things like the budding relationship between China and Israel rather closely.

Bob Schieffer: All right. Well, on that, I know how to get off on time. (Applause.) Thank you all for coming.

(END)