

# CONVERSATIONS

WITH BILL KRISTOL

## Conversations with Bill Kristol

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**I: The Rise of China 0:15 – 50:10**

KRISTOL: Hi, I'm Bill Kristol, welcome to CONVERSATIONS. I'm joined today by an old friend, Aaron Friedberg. More importantly, a China expert, a distinguished professor of politics and international affairs at Princeton. You worked in government for a couple of years in the Bush Administration, George W. Bush Administration and you've done a lot of work with the Defense Department, CIA and others. I'm sure you'll tell us about all that classified – [laughter]. Just joking. No, you've been very familiar with the practical world of policymaking, as well as the more academic stuff.

So we want to talk about China, which is really a big issue now, right? Not just in the public press, so to speak, and in the President's rhetoric, but genuinely for serious foreign policy experts, the biggest issue?

FRIEDBERG: I think so, yes, absolutely.

KRISTOL: And it's interesting. You came to China, I remember you were a little after me in grad school and you were a student of international relations and you wrote an excellent PhD thesis which became an excellent book. I didn't read the thesis, but the book version of it, on the British, the end of the British Empire – not quite, but the decline.

FRIEDBERG: The beginning of the end.

KRISTOL: – of the British Empire.

FRIEDBERG: Period of decline, around the turn of the 20<sup>th</sup> century.

KRISTOL: Did you have the U.S., was that somehow supposed to teach us lessons about the U.S. at the time?

FRIEDBERG: Yes, I had that mind. And I originally thought that I would do a side by side comparison. But wound up, for various reasons, getting so interested in the British case that I focused on that.

But I was interested in this question of how people think about and try to measure power, and why they may disagree. And in particular, how they do that in circumstances where it may be the case that they're

experiencing relative decline, as the British clearly were at the turn of the 20<sup>th</sup> century and as many people argued the United States was at the time that I was doing the research and writing the thesis in the mid to late 1980s.

KRISTOL: Yeah, that's interesting. You were ahead of the curve, unfortunately, on the decline thing. Well, that's another story.

And then you wrote about the Cold War. So you then came to China, I remember your article in *Commentary* in 2000 which caused a ruckus, which was called "The Struggle for Mastery."

FRIEDBERG: "The Struggle for Mastery in Asia."

KRISTOL: In Asia. So I think it's interesting that you came to, I mean, it's fine if people study Chinese as kids and love China and become China experts. But you actually came to it from your study of international relations.

FRIEDBERG: That's right.

KRISTOL: Which I think is revealing because somehow you decided it was a very important topic. And you really focused on it in the last 20 years, right?

FRIEDBERG: Right, that's right.

KRISTOL: So tell me about how you came to it, and what's changed in China, in the China expert world in 20 years, and what's changed in the real world and so forth.

FRIEDBERG: Well, my interest in China grew out of my interest, as you say, in international relations and in particular looking at the world in the immediate aftermath of the end of the Cold War. And I participated, along with some others, in some scholarly debate about the future of the world and whether war was obsolete. And whether Europe was going to become divided and wracked by conflict again.

And much of the discussion, and this is in the early 1990s, did focus on Europe. And it seemed to me that Asia was potentially quite different. And as I looked at it more, I became convinced that whatever happened in Europe, Asia, for a variety of reasons, was likely to be prone to the reemergence of great power competition.

I wrote an article in 1993 called "Ripe for Rivalry," which made that argument via an examination of various theoretical claims about the determinants of international relations.

KRISTOL: So no "end of history" in Asia.

FRIEDBERG: No end of history, exactly. And I was, again, part of that discussion, but offering an alternative view and particularly focused on what was happening in Asia. And from that point, I started writing and thinking more and more about Asia.

And of course, in the course of that, focusing more and more on China and what appeared to me by the middle of the 1990s to be an emerging great power competition between the United States and China which clearly took some time to percolate.

KRISTOL: So that was really a minority view then, right? I remember we started *The Weekly Standard* in '95 and the conventional wisdom was very much on the other side – you know, engagement.

FRIEDBERG: Yes.

KRISTOL: You can explain it better than I can.

FRIEDBERG: Well, I think there are a variety of reasons for pursuing close relations with China at the end of the Cold War, and even in the aftermath of Tiananmen, which of course happened 40 years ago, in 1989, or 30 years ago.

But I think the widely held view certainly among academics, and I think around policymaking elites, was that by incorporating China into the U.S.-led and now clearly U.S.-dominated international system with the collapse of the Soviet Union, we would promote tendencies within China that would, in the long run, encourage it to liberalize its economic system and ultimately to become democratic and become a sort of member in good standing of our club.

KRISTOL: Right.

FRIEDBERG: And that was the expectation. And there were various reasons why people supported that. There were practical reasons; there were a lot of business opportunities that were clearly emerging by the early '90s. And that was one of the reasons why the Clinton Administration decided in '93, '94 to back away from the idea that they would use the annual renewal of the Most Favored Nation Status to hold China to account on its human rights policies. And then later in the decade supporting China's entry into the WTO. So there were commercial motivations.

There were others, so-called realists who continued to argue that a close relationship with China was necessary to deal with emerging post-Cold War problems of proliferation and rogue states and so on. So far and away, I think, the majority view that this was a good idea and was going to lead to good things.

KRISTOL: And it did lead to some good things.

FRIEDBERG: It did, to some.

KRISTOL: I mean, an awful lot of Chinese came out of poverty into decent life.

FRIEDBERG: Yes.

KRISTOL: Circumstances which we were not responsible for, but which the fact that we helped integrate them into the world trading system, and didn't force them to spend even more money on defense and so forth probably helped, right?

FRIEDBERG: Well, we helped them a lot. Not only by not confronting them and competing with them in that way, but also by opening our economy to their products or products manufactured in China. In pursuing policies that encouraged investment by American and other Western firms in China.

The early stages of China's industrial revolution were really fueled by a combination of a large supply of relatively low-cost labor, much coming from the countryside, and then Western capital and know-how. And then those two things together allowed China to become this huge manufacturing platform. So no country in the world did more to help China develop economically than the United States.

KRISTOL: That's interesting. And why would it be wrong then to say, so that was a good thing all in all, and it probably is still true that if they're wealthier, they're a little less likely to risk everything on some crazy war or something. They haven't launched wars really against people in the last 20, 30 years. I mean, for all the occasional brouhahas about Taiwan and stuff, the Taiwanese are sitting there and recently in good shape, I guess.

And their neighbors are sitting there, they've taken a couple of tiny islands that had no one on them. And now there's a crackdown politically, and we should come back to that at some length, obviously, and the liberalization that I think even the China engagement types would say hasn't quite been what they hoped politically.

But still, all in all, is it such a – was it a mistake? Or is it a failure? Or what's the issue now? Why are we suddenly so preoccupied with China? Why can't we "steady as it goes" with a little course correction, or something like that?

FRIEDBERG: Well, on the question whether it was a mistake, I mean, I think one can conclude that it was a failure, or that it failed to achieve the objectives that were claimed for it, without saying it was necessarily a mistake. In my view it was an experiment. The problem is that we continued to sort of double down and hope that it would work out, even as evidence began to accumulate that it was not working.

So on the question of success or failure, you evaluate the policy against the stated objectives, I think we pursued a two pronged strategy towards China. And this kind of evolved. It's interesting that in contrast, for example, to "containment," this is a strategy that didn't and doesn't really have a name. That was never, as far as I know, codified in a document as a result of internal deliberations at the highest levels of the U.S. government, as was true at the beginning of the Cold War.

KRISTOL: That's interesting.

FRIEDBERG: So it was organic.

KRISTOL: There's no actual famous document.

FRIEDBERG: No, no.

KRISTOL: No one scholar, no George Kennan, no speech even, I guess, really.

FRIEDBERG: There really is not. But the policy itself kind of grew with two elements intertwining. On the one hand, engagement across all dimensions, particularly economic, but also societal, diplomatic, scientific cooperation, cultural exchange and so on. So being as open as possible and trying to, as I said, to integrate China into the global system, especially the global economy. But not only that, encouraging them to join various international institutions which they hadn't done. So that was one part.

There was another part which doesn't get talked about quite as much by people who say well, this engagement was just foolishness. And that was what I would call a balancing, a simultaneous effort on the part of the United States, or led by the United States, to maintain what was, from our point of view, a favorable balance of power in the Asian Pacific region. By maintaining our forces in the region, even after the Cold War. And that was the subject of some debate in the early, mid-'90s, whether we should pull back. Strengthening our alliances with our traditional alliance partners, Japan, Korea and Australia. And also, over the course of the '90s and into the early 2000s, beginning to develop what might be called quasi-alliance partnerships with other countries who shared with us a concern about the implications for themselves in the long run of the growth of the Chinese power, but to whom we didn't extend security guarantees, like Singapore or India.

So it was a mix. Engagement on the one hand, balancing on the other. And the objectives were, I think, first to maintain stability, to deter aggression or coercion by China even as China got stronger as it was expected to do. And the balancing piece was meant to preserve stability while engagement could work its magic on China.

And I think what that meant was three things. One, China, as we welcomed it into the international system would become a member in good standing, as I said. In the Bush Administration, the term of art was they will become "a responsible stakeholder." So they will see it as being in their interest not just to participate in these institutions, but actually to help to strengthen and maintain them. So there will be, they will become a status quo power.

KRISTOL: And this is the George W. Bush administration.

FRIEDBERG: Yes, that was the terminology of the George W. Bush administration.

KRISTOL: So they were not actually, particularly –

FRIEDBERG: Not in the end. So that's one thing.

Two, as I mentioned, and this was part of the argument for encouraging China's entry into the WTO, that there was a process of liberalization underway, more and more reliance on market mechanisms, retreat by the state and so on, that was expected over time to play itself out in a way that would lead China to become more and more like another advanced industrial economy. And that integrating them into the WTO, into the world trading system, would create further incentives for that. And then in the long run, that engagement, and particularly economic engagement, would contribute to a process that would lead to political liberalization.

And this was drawing on social science arguments that people had made going back to the '50s that as economies grow, societies evolve. You begin to get a larger and larger middle class and the middle class is the standard bearer for political liberalization. And so the expectation was that that would happen in China.

And at the beginning of the process, certainly during the '90s, top American officials said this very bluntly. Bill Clinton characteristically did, and even on one occasion standing on the stage with Jiang Zemin, the Chinese leader at the time, said, "You're on the wrong side of history." But it wasn't meant as a threat; it was "the water's great, come on in, you'll see the light."

So it really was, there really was an expectation that that would happen and probably sooner rather than later. I think that expectation was shaped by the recent experience at the end of the Cold War and the collapse of the Soviet Union. And the thought that history was coming to an end and in any event, only heading in one direction. So that was the theory.

And I think the last point, of course, was even as China became richer and stronger, if it was a status quo power integrated into the system, and if it was a democracy, it would not pose any fundamental challenge to our strategic interest. So it could get bigger, wealthier and stronger, but not pose a challenge to us.

So it was coherent strategy and it was essentially bipartisan. There was some bickering around the edges, but for the most part, the core of both the Republican and the Democratic Party foreign policy establishments converged on a very similar set of views, and I think really pursued a very similar set of policies.

KRISTOL: And that began in the '90s, early mid-'90s I suppose and went all the way through?

FRIEDBERG: Yes, to now, basically.

KRISTOL: Almost to now.

FRIEDBERG: We've begun now to confront this sort of crisis of confidence in the existing strategy and there's been accumulating evidence that none of these criteria have been met.

KRISTOL: So walk through that. So why hasn't it more or less worked as well as anything else, like this works and so forth?

FRIEDBERG: First, just on "the what" as compared to "the why."

So what are the symptoms? Maintaining a stable balance of power. China has devoted significant resources to developing its military capabilities. It's been engaged in a two decade long military buildup that it has sustained year on year. And it has now begun to deploy capabilities that pose a serious

challenge to the ability of the United States to maintain its ability to project power into the Western Pacific, which is essential to backing up our alliances, to our allies to whom we extend security commitments. So there's been a growing concern about the balance of power.

As far as China becoming a responsible stakeholder in certain respects, arguably it accepts some of the aspects of the existing international order. But it's also become clear that it wants to change certain important aspects of that order.

And some of the changes that it wants are more tangible than others, but among other things it has claims to virtually all of the waters and resources of the South China Sea and the East China Sea, too. Its leaders are now clearer, I think, than they've been in the past in saying that they would ultimately like to see American alliances come to an end.

So they want a change in the structure and composition of the regional system and also in ways that perhaps we can talk about, they're beginning to challenge aspects of the global international system. So they're not just, they're not a status quo power; they're a revisionist power.

They have not liberalized their economy beyond a certain point. And that, I think, is one of the factors that's been feeding this re-examination. In fact, the state has not retreated fully and in certain respects has come back. They're pursuing industrial policies, subsidies, theft in intellectual property, with support from the state which is increasingly challenging to the existing rules and norms of the global trading system, and to the U.S. economy.

And last, but not least, far from liberalizing, in fact, the regime certainly under Xi Jinping, I think these trends began earlier, has become more repressive. It has not liberalized. In fact, the regime has cracked down on dissent, become more ideological, more militantly nationalistic. So by any of the measures that we set for our policy back at the beginning and in the early '90s, it's hard to argue that the policy has been a success.

KRISTOL: It's interesting. So they really are, and you argued back in 2000 that something like this was likely.

FRIEDBERG: Yes.

KRISTOL: That they would consider themselves a rival and not a partner. I don't know how much the political liberalization would necessarily follow from economic liberalization and how much you address the kind of economic liberalization. But there too, taking advantage of the international trade as opposed to being a good faith participant in it.

FRIEDBERG: Right.

KRISTOL: And the latter is the one that's triggered, obviously, President Trump and a lot of American businesses to be less – I remember when I followed this stuff more closely, certainly when I was in government at the time of Tiananmen when there was a genuine debate on what we should do. And the people want to engage amazingly easily given how terrible that was.

FRIEDBERG: Right.

KRISTOL: And that there was a moment where the regime was shaky and the Soviet Union was falling and you might really have gone for liberalization. But the business community was just so against any rocking of – not only against rocking the boat, they wanted us to help the Chinese stabilize the boat.

FRIEDBERG: Right.

KRISTOL: Which we did, I think, actually.

FRIEDBERG: And again, there were strong arguments to be made for that; and they derive from a variety of, some narrow self-interests, and some broader interpretations of the national interest. So there wasn't any, there wasn't really any appetite for confronting the Chinese at that point.

I shouldn't say there wasn't any. There was some, but it dwindled pretty quickly. And you have to, in retrospect, be impressed by the ability of the CCP Regime to reinforce tendencies in the West and in the United States that served their interests. And to convey, in various ways, messages and signals that indicated that in fact that they intended to liberalize. And it was just a matter of time –

KRISTOL: It wasn't just our wishful thinking.

FRIEDBERG: It was not. There was a very concerted effort to shape the perceptions and therefore the policies of western countries in a variety of ways, some, I think, deceptive and some more direct. So saying, "Look, we're all going to make money here, everything is going to be fine. We can help you on issue X, issue Y. And also, by the way, yes, we are moving towards liberalization; you just have to be patient."

And it's not that they had to try that hard; they were pushing on an open door. But they did go to some lengths to achieve that and to shape those perceptions. And they were quite successful.

KRISTOL: So there's economics, strategic and sort of politics, internal politics.

FRIEDBERG: Yes.

KRISTOL: So on economics, when do you think things started to change here in terms of the perception of "this is a huge market and it's all wonderful," to "they're not treating us very well," to "they're stealing everything." I mean, it's pretty noticeable over the last few years, I think.

FRIEDBERG: It's interesting. Just, again, this may be something we talk more about, but it's almost like there have been layers of disillusionment and concern. So some people started to worry about the strategic piece, the military piece going back to the '90s. The economic piece, we'll talk in a minute. And then the political piece which I think is the most recent one. The kind of deepening recognition that China is not liberalizing.

KRISTOL: Well, let's begin with the strategic one. That goes back the furthest and I suppose ultimately is, in some way, crucial.

FRIEDBERG: I think on that set of issues – so when I say strategic, I mean the growth of China's military power, the possibility that China might pose a kind of traditional geo-political challenge to the United States aside from the economics, aside from the character of the regime.

There were some people who I think picked up on that early on, or saw the possibility for a variety of reasons. Sam Huntington, our late professor, was one of those who argued essentially on realist grounds that China is growing economically, its power will grow. As its power grows, it will challenge the existing order, which will lead to some degree of friction between the United States and China.

And Sam actually in his book, *Clash of Civilizations*, so I think that's 1996, predicted that Asia would ultimately be dominated by China. That it was the kind of natural hegemon. And that Asia, unlike Europe, had historically tended to be hierarchical in structure whereas Europe was fragmented and there was never a successful hegemon after the collapse of the Roman Empire. That that had not been true in Asia. So he had a whole elaborate argument, but it was based on this observation about the shifting balance of power.

And Andy Marshall, the late Director of the Office of Net Assessment, was also someone who picked up on this in part as a result of some studies that he commissioned at the very end of the Reagan Administration in the transition to the George H.W. Bush Administration, as part of something called the

Commission on Integrated Long-term Strategy. Which, among other things, included some projections of economic growth – remembering this is early on in the process of what Xi Jinping had called reform and opening up, which really only started at the beginning of the '80s. And just sort of doing the math and looking at the population, and making some assumptions about the increase, likely increase in productivity and so on. This report projected that over a period of decades, China would be in a position to become a major military competitor of the United States. Interestingly, it also pointed the possibility that India too would become a major power. So that's really just kind of looking at the data and doing some projections.

The other thing that people started to pay more attention to in the '90s was Chinese military writing and the development, the beginnings of the development of Chinese modern military capabilities. And Marshall was important here too because after that first Gulf War when the United States used precision guided munitions to very effectively decapitate and disable Iraqi forces and to win the war very quickly, I think the prevailing reaction in the United States was one of self-congratulation: we are so much superior to everybody else. In part, because we have the systems and few others do.

A few people, like Marshall, began to wonder what the world would look like as those capabilities began to proliferate. And he and others noted that the technology involved in building more precise conventional weapons, cruise missiles, ballistic missiles, was not that sophisticated, not that expensive, and it could spread.

And the conclusion of that, the sort of early conclusion of that examination was as this happened, it would become much more difficult for the United States to project power in the ways that we had become accustomed to doing and in the ways that we did in the first Gulf War. Where we could come and go as we saw fit, where we took six months to build up this massive army right on the borders of Iraq and we chose the moment when to launch the war and so on. So what would have happened if Saddam had had many precision conventional weapons that he could have launched? It would have been very difficult for us actually to do that.

So that was, in part, a thought experiment, but then there were also efforts to go and read what Chinese military officers were writing. And what we see now in retrospect was they began really to study very carefully the developments in Western and especially American military capabilities and doctrine and to think hard about how they could counter and defeat them.

And so there were a few people who looked closely at these writings. There's a remarkable book by a man named Mark Stokes who was an Air Force attaché in China, and I think the book was published in the mid-'90s, '96, '97. And it's just based on a reading of open source materials available at that time, but it describes many of the elements of what later came to be referred to as China's anti-access area denial capabilities. So again, it was focusing on the empirical piece of this, not theory driven so much. But just looking at what they were talking about and thinking about what that might mean.

And that began to gather some steam over the course of the '90s. There's a missed opportunity in the story. The Defense Department used to produce something called the Quadrennial Defense Review and they've renamed it, and I can't remember what the new name is.

KRISTOL: QDR, I remember.

FRIEDBERG: QDR, so reexamining our strategy. And the second QDR was set to be published right around September 11<sup>th</sup>, 2001. And it was pulled back at the last minute and some language is inserted in there about the importance of terrorism, which had not been there.

But if you read that, it contains quite a detailed description of this anti-access challenge. It doesn't name China. I think it says something about the challenge that could be posed by a continental power with substantial resources, first letter C, it doesn't –

KRISTOL: Still reluctant to name – that's interesting.



FRIEDBERG: At that point, still.

KRISTOL: As late as 2001 with Bush and Rumsfeld in charge.

FRIEDBERG: Right. But it describes the challenge. And also begins to talk about things that we and our allies would have to do to respond.

KRISTOL: And I think, this isn't just doctrine. I mean, they were doing things consistent with this doctrine.

FRIEDBERG: Well, but that's the thing. And that, I think, is the missed opportunity. This would have been quite a forward leaning view at the time. It also, by the way, was something that was heavily influenced by Marshall and by the Office of Net Assessment.

And I think, if not for 9/11, Donald Rumsfeld, returning Secretary of Defense, would have tried, as he described it, to transform the U.S. military to focus much more on this kind of future challenge, primarily from China, and that that would have become the central focus of our military developments in the first decade of the 21<sup>st</sup> century. But, of course, because of 9/11 and Afghanistan and Iraq, it didn't happen.

So it was something that was just beginning to come to the surface more fully. Even then it was a minority view among experts and it was controversial in the Defense Department. But I think but for 9/11, we would be well ahead of where we are now in responding to that very same challenge.

KRISTOL: And China meanwhile does then chug ahead over the last two decades on that path.

FRIEDBERG: Yes.

KRISTOL: And would you say that path is, I mean, is it a very aggressive path towards taking us on? Could it be interpreted as just well, they prefer to be strong in their own region and they don't see why they shouldn't be maybe as strong as us, but it's not really a threat? I mean, where on the spectrum of – we now know much more, we have much more data, evidence than we did when people were, I suspect, were thinking about this 20 years ago.

FRIEDBERG: Yes. And it has come to pass. They have done all of the things that people anticipated and more. Whether one can describe it as being aggressive or not, it's a very intelligent approach to countering our superior capabilities.

As late as the early 2000s, it was not uncommon to hear people, well-informed people, say "China is two generations behind us. They can't possibly pose a challenge to us because they are far behind in, for example, the newest kinds of fighter aircraft." Or, "they have yet to deploy anything remotely resembling an aircraft carrier. And it's just going to take them a long time because they're going to be moving in a linear fashion imitating us and developing the same kinds of systems that we have. And we will, in the meantime, be moving ahead."

But instead, what they did was, I mean, they did some of that, but they also sought asymmetric approaches specifically geared to countering our whole mode of power projection. And in particular, focusing on developing and deploying large numbers of precision conventional weapons, ballistic missiles, cruise missiles, torpedoes and platform surface, subsurface air, land launched. And extending the range of these systems further and further, developing the reconnaissance capabilities to locate targets out into the Western Pacific. And gradually bringing within their range not only the relatively small number of fixed bases on which the United States depends to maintain and project its capabilities into the region, but also some of the mobile capabilities, in particular aircraft carriers.

So it's, in that sense, there's no question that it's targeted right at us and is intended to counter our capacity to project power into that region. Which isn't to say they want to fight a war with us or that they're anywhere close to being able to.

But I think the goal was to raise the costs for the United States of even considering intervening in a conflict in the region. And at the same time perhaps to undermine the confidence that others had in our security guarantees, to eat away at the foundation of our alliances and therefore our position in the region.

The initial problem on which this was focused from the Chinese perspective was Taiwan. And this process of development that I referred to that started in the early '90s, most analysts I think believe that it got an additional infusion of energy and seriousness after the '95, '96 Taiwan Straits Crisis when the Chinese fired ballistic missiles into the Taiwan Strait. And the Clinton administration sent two carrier task force groups to the region in the context of a Taiwanese election. And apparently at that point the leadership also began to devote greater resources to defense buildup. So it's aimed at us.

KRISTOL: And how far along is it? It's a stupid question in a way, but I mean, I don't know, is it still ten or twenty years away from being a serious problem for us? Is it currently a serious problem?

FRIEDBERG: I think it is now a serious problem.

KRISTOL: Beyond even a serious problem?

FRIEDBERG: Well, you get different views on this. And again, I think there was a reluctance to really fully take this seriously. One of the things you used to hear, but I don't think you hear much anymore, is – and this is from naval officers – “Don't worry about this, these missiles. We could tell you, but we can't tell you, we have ways of dealing with this problem.” You don't hear that anymore. I think it has been acknowledged and recognized that this is a very serious challenge and potentially a threat to the survivability of our platforms, fixed and mobile. And it's also a difficult one to solve, a difficult one to respond to.

There's an irony. We used to talk about competitive strategies and pursuing asymmetric means for imposing costs on the Soviet Union, and this was in the latter stages of the Cold War. We've been talking about it, the Chinese have actually been doing it and doing it to us and with quite a bit of success.

We are now, our military, is grappling with this problem and working hard at trying to mitigate it and solve it. But it's not an easy one to solve, and it's not going to be a cheap one to address. So it was an intelligent and, I think, effective strategy on the part of the Chinese.

KRISTOL: Would an American president today, cavalierly is not quite the right word, but you know, without too much hesitation send two aircraft carriers through the Taiwan Strait?

FRIEDBERG: They would have to be very, very cautious about that. And I believe, although I can't cite who it was who said this, that some high ranking U.S. naval officers have in the last several years said effectively that. Not we can't support our allies, or we can't project power into the region, but this gives us pause. We would have to be very careful because we're not going to, we can't afford to lose one of these big carriers.

And now you have responsible, serious people including the authors of the recent Defense Commission National Defense Commission, which is a group that comments on the QDR or its current equivalent, chaired by our friend Eric Edelman, saying there's a serious possibility the United States could lose a future war.

There are things we have to do to address that challenge or we could be in trouble. There are Rand studies that have come out in the last year or so that say the same thing. And that is now not a minority opinion.

KRISTOL: That's a big change.

FRIEDBERG: That's a very big change.

KRISTOL: The world balance of power. Suddenly, the assumption has been for a couple of decades that we're number one, and it doesn't mean there aren't problems and difficulties, and it's not so easy to win these wars with Iraq and so forth.

FRIEDBERG: Right.

KRISTOL: But basically it's, you're managing a lot of lesser competitors and challenges and some of them are difficult. But as opposed to we have something close to a peer.

FRIEDBERG: Right.

KRISTOL: Now I suppose, is it a regional competitor? Or to what degree is it now, both in terms of ambition and capability, beyond that?

FRIEDBERG: I think it is, just on a peer competitor, here too I think maybe it's becoming more like that, in that I always thought of a peer as being someone or something that's kind of matched you, or was equivalent to you across a whole range of measures. And they're not, in some measures.

But as I said, because the strategy they've pursued is asymmetric, they now pose a challenge to us which is equivalent to, or maybe more serious than, the one they could have posed if they had followed a more kind of conventional, one foot in front of the other approach to developing their military capabilities.

It is a regional challenge. The further you move beyond China's coastal waters, the more difficult it is for them to project power and the more, the advantage that we would have.

On the other hand, you asked about their ambitions and their capabilities. I think there's not much question that their ambitions are to become a more complete global military power and they are rapidly developing some of the capabilities that they'll need in order to do that.

So the intense competition is still in the immediate region and there they've drawn to a point where they're posing a serious challenge. Beyond, we still have big advantages, but they're pushing ahead and working at that problem, too.

KRISTOL: And in terms of foreign policy, I suppose, my sense is they now, they don't think it's unusual, and I guess others don't either, that they would have something to say about Iran, or something to say about Africa, or something to say about Venezuela, perhaps.

FRIEDBERG: Yes.

KRISTOL: Of course, I do think twenty years ago we would have thought well, that's, that was us and the Soviet Union. We're interested in every place, but China is not interested in –

FRIEDBERG: Yes.

KRISTOL: So on the foreign policy side, as opposed to the military side.

FRIEDBERG: That's a big change, too. And I think it's been driven, at least initially, by the expansion of their economic interests. And that's something we can talk about. But they've kind of exploded onto the world scene driven by their rapid growth.

And I think in some respects the speed with which this has happened has, I don't know that it's taken them by surprise, but it's caught them a little bit behind in their thinking about what they want the wider world to look like. I think they know what they want their immediate region to look like, and they have for

some time. And it's becoming clearer, I think, and they have the means now to pursue that objective more actively.

On the global scale, they don't yet have the means. They have a lot of economic tools, but they lack military capabilities. But they're working hard to catch up and to come up with their own sort of alternative vision of what the world should look like.

But it's true. They had relatively little interest, and very little leverage, 20 and 30 years ago in Africa or Latin America, in Europe. And now that's completely different. They have a good deal more.

KRISTOL: And just one last thing on this sort of more military or almost technological side: cyber and AI type things. Sort of capabilities both on the more direct weapons sense, but also in messing up our elections and so forth. And hacking businesses and electric grids and so forth. That they've been, they are quite well along on? I mean, we're not miles ahead of them, as far as we can tell?

FRIEDBERG: Well, they are probably two dimensions non-terrestrial. One is space and the other is cyber. And we know in space they're very interested. They're pushing hard to develop their own satellite capabilities. That's also something they had only in very limited to a very limited extent into the 1990s.

And we sort of helped them in various ways to improve their space capabilities, but that's another story. And also developing and have an interest in anti-space, anti-satellite capabilities which could be used to make it very difficult for us to communicate with and coordinate our forces on the other side of the planet, if there ever was a conflict. So that's another domain of competition that's heated up.

And then cyber as well. They're very interested in that. I think it's difficult to assess, certainly from the outside, the extent of their capabilities in this domain. We know they've been very successful in penetrating and exploiting for other reasons, both the commercial and the government computer networks, not only of the United States, but of other countries as well, including some that are supposedly highly secure and classified. Presumably in the event of conflict, they would try to use that access to disrupt our communications, to disrupt our logistical system.

Chinese military theorists, again, going back to the '90s, but used to say one of the disadvantages that they had relative to us was that whereas their rear areas were vulnerable to us, ours were not vulnerable to them. And that this was an imbalance.

KRISTOL: Rear areas meaning?

FRIEDBERG: Meaning our homeland, Hawaii, logistical command. I mean, lines of communication through which we would support and sustain forces and we could stand off pretty close to China if we chose to do so, to attack elements of their system in their homeland, and they couldn't do that to us. And so they've been interested in being able to do that and not just through, again, kind of terrestrial or conventional or physical, kinetic means, but also through cyber.

They're extremely interested in artificial intelligence. I think there's a debate about where that stands and how far they've gotten and how far they're going to get. But there are some people who argue that they see artificial intelligence as potentially the foundation for the next so-called revolution in military affairs. There was an interesting paper by Bob Work who used to be, I guess Under Secretary of Defense. A very thoughtful guy who tried to do things in the Obama administration to accelerate our efforts to compete. In which he argues, essentially that, that they're very focused on AI and they see this possibly as a way to kind of leap ahead of the United States in many different respects. I don't know. I'm not expert enough to assess that.

But everything, for China, everything for the CCP regime is related to national power. So nothing that they're doing is not connected in some way to the regime's effort to achieve its strategic objectives. And they're very open now in talking about what they call "civil military fusion." So anything that's developed

in the ostensibly commercial sphere should also be readily available for military use, vice versa. And they've tried to set up institutions and other mechanisms that will promote that.

And, of course, they're also interested in acquiring technology from overseas, including from the United States, both for commercial reasons and for strategic reasons. So there's a military technical competition underway in that domain, certainly.

KRISTOL: And their economic – to get to the economics maybe more briefly, but their economic development and the ability to import a lot of stuff and have pretty good access to our markets, both capital markets and real markets, and markets or goods, but also high tech and stuff helps them. And this obviously – it's not simply a commercial thing. I mean there may also be commercial issues with what they're doing, but it strengthens their ability and therefore makes possible their ambitions I suppose in terms of foreign policy.

FRIEDBERG: Yes. I think, I mean, you asked before about when attitudes here on the economic front began to change. And it's a good question. I think that future historians will wonder both about why it took us so long to respond to the challenge posed by China's growth, and also why we began to respond more vigorously at the moment that we did.

But the attitudes of people in business certainly have played a role in that. And there's the '90s and then China's entry into the WTO and the great enthusiasm for that, and the explosion of trade with China. There were always people who were unhappy with this. But in the '90s and into the early 2000s, those people tended to be the sort of losers economically here in the U.S.: labor unions, some of the less advantaged manufacturing sectors, you know, "Too bad. It's going there and if you're smart," you the owner of a manufacturing company, "you will move your facility over there. And the labor unions, it's just too bad."

So there were people who didn't like it. And also people didn't like it on human rights grounds, but they were in the minority and they lost the political battles.

In retrospect, I think it was clear as long ago as the first decade of the 2000s, so even before the financial crisis, that there was beginning to be backsliding. Whereas previously it was possible to make the case that there was evidence of movement steadily towards a more open economy. And that was one of the things the WTO was supposed to ensure, and better handling of intellectual property. Protection of intellectual property rights, reduction in subsidies, dropping tariff and non-tariff barriers on imported products. Opening the various sectors of their economy to Western and American companies to invest. All that was supposed to happen.

In retrospect, it's clear that certainly that it didn't, at least not in its entirety. And that that retrograde tendency probably began with Hu Jintao who came to power in 2002. It certainly has accelerated since Xi Jinping came into power.

But actually if you look back, and this is well before Trump. I think that 2015 report by the U.S. Trade Representative on China's compliance with its WTO commitments, includes a discussion of China's record. Which points to this much earlier shift away from the expected direction of their policy.

And then it's the cumulative effects of that I think as they begin to be felt by U.S. and other companies. But maybe particularly as Chinese companies emerge, move up the ladder of technological sophistication, and begin to emerge as challengers and competitors in cutting edge sectors. So not just they're making children's toys or tennis shoes – that's from long ago, and not even that they're making color TVs, but they want to be making computers and jet aircraft. And they have had some success in beginning to move up that ladder.

So that too I think has contributed to the growing doubt about whether this is all paying off. And then there's also this accumulating evidence of the theft of intellectual property via cyber and other means. So all of those things. I don't know whether there's a straw that broke the camel's back. I'm not sure that the

camel's back is broken just yet. But certainly it's weakened in the sense that the business community, which is of course large and varied, is not by any means as unified in support of continuation of engagement with China, no matter what. Not as convinced that that's in their interest as they were 10 and 15 years ago.

KRISTOL: It's also hard to put the toothpaste back in the tube, though. And there are supply chains and businesses. And maybe they're not perfect and they've stolen some stuff, but still, you've got your stuff coming in from there. And so you're nervous when President Trump starts talking about tariffs. And maybe also the reason he's doing it isn't very coherent and all that, the argument he's making isn't very coherent.

And I guess they also – I mean they're so much bigger an economy. Six percent growth, or it really is six or even if it's five or four or whatever – over what, two decades, three decades? It adds up, right? I mean it's just – they're just big. So it makes a difference, right?

FRIEDBERG: Right. Sure, and big in a potentially large market. I mean I think from the perspective of American businesses, there were two opportunities presented by China in the opening in China's development.

One was that China would supposedly buy lots of American goods and services and the other was that China could be a low cost manufacturing platform for American as well as for other companies and that that would be profitable. And arguably that would help American consumers because it would lower the cost of living and so on.

On the first one, I think there has been this kind of accumulating skepticism about the ability of companies in different sectors to get into the Chinese economy. There have been more and more obstacles to that. The Chinese claim on national security grounds that we're not going to buy computer equipment from American companies, that kind of thing.

So the wonderful Chinese market may not be panning out. Although I think many companies are still hoping and some of them, I think, feel that they can't survive globally if they can't have access to this 1.3 billion person market for whatever it is, so access their purchases of products.

And then as far as being a manufacturing platform, although that's still important, Chinese companies competing or displacing American companies, and China becoming less attractive as a platform for manufacturing because wages are going up. So the whole thing isn't working out as planned. But it's big and diverse, so there isn't like uniform agreement. There is no magic moment when the balance tips. But there's more and more skepticism.

## **II: Competing with China 50:10 – 1:30:17**

KRISTOL: And President Trump is very interested in this issue because of his own sort of views on tariffs and so forth. But I guess we'll see what happens with – it does seem like the forces of globalization still seem pretty built in, I guess the way I think of it.

So it's going to be hard to educate people to really fundamentally change our trade or investment or whatever policies towards China. We could at least tighten up some things here, and complain more about intellectual property there. Or maybe not – maybe you could have a more fundamental change.

FRIEDBERG: Well, I think it's – I like to tell my economist friends that in the end, politics dominates economics, although they don't believe it. And so what exists today is the result of political decisions made, both in the United States and China, to allow this to go forward. And we and they had very different views of what was going to result and we pursued very different policies.

Ours has been more or less laissez faire and theirs has been very state directed and aimed at achieving kind of national objectives that are, as we see, increasingly inimical to ours. Changing those arrangements at this point would be costly and disruptive and messy, but it's not impossible.

You know, if you think about a sort of spectrum of possibilities, at one end would be the status quo where we remain more or less open and they remain more or less closed. And we just figure on balance that's still better than trying to change it.

At the other far end of the spectrum would be a true cold war where we would have very little trade investment or economic contact with China. And obviously for a whole variety of reasons, there's nobody who's actively advocating that, that I'm aware of, although we could wind up there if we have some kind of direct confrontation or crisis.

So then the question is where on that continuum should we, from our point of view in the United States, want the policies to be directed? And from the perspective of our national interests, not just the interests of particular companies or individuals who may be benefitting as some are under the status quo. I think that's the question. Can we achieve a stable equilibrium that would have that character. And if so, how? Would China accept it? Would they try to undermine it or disrupt it?

But globalization is not a – it's not an act of God. It's not a natural phenomenon. It's not even solely explicable in terms of costs and efficiency; it's a result of political choices that we've made.

KRISTOL: I suppose the Cold War analogy suggests that even if one is sympathetic to President Trump, for example, that is tougher on China policy, I mean, you do need allies to make this work. I mean, you're not going to be very successful in isolating China if it just ends up isolating us.

FRIEDBERG: Right.

KRISTOL: And so I suppose that would be a question.

FRIEDBERG: And that's a real risk. I think there are two difficulties with the way in which the administration is proceeding with our allies and just more generally. One is if we really want to try to exert the maximum possible pressure to compel the CCP regime to alter in fundamental ways its economic policies, I'm not sure we can do that because I think they're so deeply interwoven in their system.

But it's going to take a lot of leverage. And what I think we're seeing now is that we unilaterally probably don't have sufficient leverage to compel that. However, if we were acting in concert with our friends and allies, I don't know that it would be possible, but the odds would be greater.

So if the Europeans and the Japanese and others were joined together with us and saying to the Chinese, in effect, look, we're going to deny you access to our market too, or we're going to impose tariffs or other restrictions unless and until you abandon the subsidies and give us reciprocal access and so on. I think there's a greater chance that that could succeed.

So the fact that we're picking fights with our friends and allies on a variety of other issues, economic issues, makes it much more difficult to achieve that kind of cooperation. It's still not impossible, somewhat surprisingly. You know, even when we're threatening the Europeans with tariffs on automobile imports to the United States, there still is a willingness on their part and an eagerness, I think, to try to coordinate with the U.S. to exert a kind of common pressure on China. There certainly is from the Japanese in spite of things that we've also done to antagonize them. So that's a problem.

But then there's another difficulty, which is if we fail to persuade or pressure others to join with us, for example, in not adopting Chinese made technology, Huawei, not allowing Huawei to build the critical elements of communications infrastructure. If we fail to achieve that, we may be the ones who are increasingly isolated and sitting on an island. Effectively doing things our way and everybody else is

becoming more integrated with China. I think that's China's goal. That's what they hope they can achieve.

They see opportunity in what the Trump administration is doing. I don't think it's a foregone conclusion that they'll succeed. I think we have to try to prevent them from achieving that. But that's a real danger.

KRISTOL: And there must be a fair amount of wariness about that among the Europeans and others, so that helps us, I suppose.

FRIEDBERG: Sure.

KRISTOL: So that gets to politics, which as you said, we certainly want to believe is ultimately the dominant force. I think is. And there, I mean, it would be one thing I guess, I was thinking about as you spoke, India, Japan, we've complained about their having a lack of market access there and all kinds of rules, regulations, India is kind of a nightmare to do business.

FRIEDBERG: Yes.

KRISTOL: But if you're a democracy and an ally, in the case of Japan or a quasi-ally in the case of India, you sort of put up with a certain amount of that. And maybe you fight back a little, you push back.

But, of course, I think the China thing has made so much more fraught and important because of the fact that the regime is not, does not seem to be becoming like India or Japan. So that, I think, even I, and I've been a skeptic and followed your lead and others on China. Maybe I'm wrong about this, but I guess I've been pretty struck over the last few years how thoroughly this sort of, what was once a more ambivalent – once the China doves would say political liberalization is going to happen. People like us would say ah, not so sure and there's cross-cutting pressures where they might go the other way. And that was kind of the debate, I would say, right?

FRIEDBERG: Right.

KRISTOL: Now it's just remarkable. Maybe I'm wrong, but it seems like it's just, I mean, the degree of tightening of control and the genuine quasi return of almost totalitarianism and human rights violations and so forth is pretty astonishing.

FRIEDBERG: Yes. And I do think that's become much more widely accepted. There are people who say well, maybe once Xi Jinping goes, things will improve. So there's – hope springs eternal. There are always people who think it'll happen.

And I think it could well happen in the long run, but I don't know of anybody who's very optimistic in the short run. And so there's kind of a, I don't know that the debate has been framed in quite this way, but it's an interesting, I think an interesting question, to what extent can this be attributed to one man and his inclinations? And, to what extent is it, in some sense, both a continuation of earlier tendencies and an expression of the innermost character of the CCP regime?

So I think Xi Jinping has kind of been a convenient villain for some people in the West who want to believe, or want to say, that things were working. And the policies that we advocated as recently as five years ago were doing just fine until this guy came out of nowhere and yanked the wheel in a very repressive direction.

I don't believe that. I think, in fact, all of the things that we see, the anti-corruption campaign, the tougher policies directed at minorities, first in Tibet and then in Xinjiang. A greater emphasis on sort of nationalist patriotic education, even anti-corruption. All of that stuff was evident – and crackdowns on the internet – all of those things were evident earlier under Hu Jintao and began, in fact, to gain steam, I think, in the latter part of his rule.



And partly they were a reaction, I think, to the Color Revolutions in Europe. Partly to the Arab Spring in 2011. And yes, Xi Jinping has really stepped on the gas and done more in all of those dimensions than his predecessors. But I don't think he is an aberration. I think he is an expression of the innermost character of the system.

And here maybe we'll have a debate in the future, like the one that Sovietologists used to have about whether Stalin was the inevitable outgrowth of Lenin. We can save that for academic journals. But this is an authoritarian system that has aspired to maintain control over every aspect of life, political, social, as well as economic.

I think whatever possibility there might have been of movement towards political liberalization died at Tiananmen. That there were people in the system who were advocating liberalization and they were ousted and either exiled or put under house arrest. And that that possibility died in 1989. And that Westerners who were looking for evidence that perhaps it was being rekindled, and "there were village elections," and this kind of thing were fooling themselves, they were being deceived by the Chinese. That there was no intention, as far as I can tell, on the part of the people who mattered at the top of that system to move towards political liberalization. And it's been varying degrees of tightening up and loosening up.

Also, I think, on the economic front there's been, what I believe is a fundamental misunderstanding of the meaning and significance of economic reform in the Chinese context. I don't think the CCP ever intended that this was a process that would lead eventually to a true market economy. They've always intended to maintain political control.

It was just a question, I don't know whether it was Deng or someone else used to say the market is like a bird in a cage. "And you can expand the cage or contract the cage, but you keep the bird in the cage." Because they see it as the source of political power.

So if you ask, going back to our earlier discussion about our previous strategy and why it failed, I think the deepest reason for the failure is the resolve and resourcefulness and ruthlessness of the Chinese Communist Party and its determination to hold on to its monopoly of domestic political power, no matter what. I think that was always there, and we're seeing it more clearly now, but it's always been essential to that system.

KRISTOL: And one hope obviously was that, whatever their intentions – maybe they're not nice people and so forth – technology and just modernity, travel, internet, you name it, would make that kind of control much harder, much more expensive, much more difficult and ultimately would erode it.

And I guess what is striking and most worrisome is we've had huge social and cultural interchanges with China and large numbers of young Chinese have studied here. And we have the internet and Facebook and all that, which has had some effects against dictatorships, maybe, at least temporarily it seemed to, and the Middle East and stuff in 2011.

But they seem to have – it doesn't seem to be having – I mean it sounds like, just from my little knowledge of China, that the most modern technology, the AI Artificial Intelligence advances and stuff, is helping the regime enforce control, not undercutting it. And that all the confidence that no one can censor the internet – I don't know, maybe they can, you know?

FRIEDBERG: Yes. Well, they can and they are. That is part of this whole wave of optimism that begins or accelerates after the end of the Cold War and it's partly to do with the end of the Cold War and "the end of history;" partly to do with the recognition of these trends towards globalization, which were present before but really take off once the Berlin Wall comes down, once people start pushing to fully integrate China.

And of course it also coincides with the IT revolution and the growth and spread of the internet. And people who were optimistic about where this was going had stories to tell about each of those in which those were historical forces that led inevitably only in one direction.

Bill Clinton gave a speech in which he said trying to control the internet was like trying to nail Jell-O to a wall. He got a big laugh, because everybody knew, as you said, that it was just impossible, you couldn't do it.

Well, it turns out it's not impossible if you're willing to spend the money and mobilize the people and develop the technology actually to do it. And China has, to an unusual degree, been willing to do all of those things. It employs, I don't know what the numbers are, but hundreds of thousands of people, as well as sophisticated systems to monitor communication.

There's been some work by political scientists actually showing what kinds of things the regime is most sensitive to. And it turns out they're not as sensitive to criticism of the regime, although they are sensitive to that, as they are to any attempt to use the internet or social media to mobilize demonstrations or to create collective action. And that's what they really crack down on. That's their fear.

And they've progressively kind of cut off the access that people in China have, or many people in China have, to the broader internet. And made it much more difficult for people to connect, and use search engines that tell you about what happened at Tiananmen. So they've been quite successful in that.

And as you suggest also what we're seeing now is that some of the new developments, particularly in big data analysis, facial recognition software, or artificial intelligence, are being applied to population control. And to being able ultimately to monitor and track the movements and communications and who knows, eventually even the thoughts of potentially every man, woman and child in China.

And of course that was the totalitarian ambition of the 20<sup>th</sup> century totalitarians. That's what you get from reading Orwell, *1984*. That's what they wanted. But of course they didn't have the means. The Soviet Union could put a speaker that broadcast into people's apartments, and maybe you could bug this apartment or that, but you couldn't monitor everything.

And now in China because of the ubiquity of things like digital payment systems, it's becoming conceivable that the regime could approximate that degree of surveillance and control. That's certainly what they're, I believe, what they would like to be able to do. Whether they can achieve it or not is another question. But here too, the technology is opening up possibilities for evil as well as for good. And the people who pushed the technology in the West didn't tell us about the evil parts.

KRISTOL: Yeah. And it could also be the case though, I was thinking about this the other day, because yeah, my general inclination is to say the technology is kind of neutral, and everything depends on the political user. It can also be, at times certain technologies have a bias towards opening up, or the opposite.

It wasn't, I'm just making this up – but maybe the internet, qua internet, actual email for instance, the ability to communicate very easily and cheaply, would have a sort of liberalizing effect. One has the impression the fax machine helped *samizdat* circulation. And the Soviet Union and Eastern Europe in a similar way.

But it may also be that social media, and then AI in particular, has sort of the opposite effect. And that neither is deterministic, I would assume one would want to say, but that different waves of technology have different social implications.

And we may be now hitting a moment where, in the communications and technological revolution, of which the internet I guess is the shorthand way of saying it, we're in a downward wave in terms of its being friendly to liberty. One has that feeling, just you know, people can intervene in our elections, and

everyone can monitor everything you say and think and buy. And so it's like it doesn't seem like that's going to be very friendly for liberty.

Sending an email to a friend in China, and hear she being able to read something online, and pretty hard to stop it if, you know, go to the *Weekly Standard* in 1998 and read some stuff. That seems like that's a friendly or – worst case they shut down the *Weekly Standard*.

FRIEDBERG: Right.

KRISTOL: And then kind of try to run around it, or you cut and paste an article. That's happened, I remember, into emails, and they're not monitoring emails, they're monitoring the websites. That's a different world from the world of artificial intelligence and social monitoring, I think.

FRIEDBERG: Right. And I mean there are a couple of interesting thoughts there. One is this idea of about cycles of technology and the extent to which they contribute to social control or individual liberty. It may also be the case that in certain historical periods or periods of industrial economic development, certain kinds of regimes have an advantage, and other types may be at a disadvantage.

And so in the latter stages of the Cold War our system enabled us to develop technologies because we had this vibrant commercial sector that gave us a mounting advantage in military capabilities over the Soviet Union. And they just weren't able to match them.

Whereas earlier in the Cold War, when it was ballistic missiles and hydrogen bombs, it seemed like their kind of top-down state-directed system performed reasonably well, and at least equal to ours in its ability to create these innovations and deploy them.

The other thought is that at this point, if we think of a competition between open and closed societies, the closed societies may have some advantages over the open societies, or the open societies may have vulnerabilities that the closed societies can exploit. And I think that's what we've seen. It's not just or primarily with China, but with Russia too.

And here too we were very optimistic and maybe a bit careless in our thinking going back to the end of the Cold War. We're going to welcome these guys in, in every respect. Open our doors, real and virtual. And what could possibly go wrong?

Well now we're wrestling with this problem, how do you prevent your openness from being exploited, from being made a vulnerability, political, economic, social, without sacrificing the virtue or the value of openness?

And on the other hand, the systems that are closed, which we thought inevitably had to open, seem to be doing a pretty good job of staying closed and keeping out things that would be challenging to their rule. And not just keeping things out, but also propagating and promulgating their own messages and propaganda in a much more subtle and sophisticated way than the old style of totalitarians ever did. Including, and this may be more the case for the Russians than the Chinese, producing enough uncertainty about what's real and what's true. And of course they've tried to do this to us, but to their own populations too.

Or in the case of the Chinese, promulgating a certain narrative about the way in which the West has conspired to hold China down. Which, in a way, is the last line of defense for these regimes. Because to the extent they succeed, they inoculate people against whatever messages might get through the great firewall and so on. And people don't listen, or they don't believe or they believe something else. And the ability of these regimes to spread that narrative or those narratives is undoubtedly greater because of this technology.

KRISTOL: Yeah, I think Havel, maybe someone like Havel, had this formulation – this was late sort of Soviet Union and Warsaw Pact, so I have always associated it in the sense with declining authoritarian

regimes – I mean, it was a very common argument. No one believed in communism or even socialism anymore in Czechoslovakia at the time, or Poland or much of the Soviet Union. But they really didn't really need people to believe; they just needed people to be quiescent or accept it. And confused enough about what the alternatives might be, or sort of passive, forced into passivity by being uncertain.

I do think that people say, "Well, no one believes anymore in Maoism or in communism, such as the Chinese might once have believed in." That doesn't mean it couldn't be a pretty nasty dictatorship. And we do have this image that everyone has to be in rallies, you know, 100 percent adulation of the leader. And that has happened, too.

And also I guess the question is can you do without the communism if you have nationalism of a kind?

FRIEDBERG: Yes.

KRISTOL: And that could be a pretty nasty combination.

FRIEDBERG: Right. Well, I think in the Chinese case, and this is true of Russia too, but the Chinese case, they've certainly tried to ramp up the nationalism. So this is also something that began after Tiananmen – not began, but it was broadened and intensified, the so-called system of patriotic education.

So making sure that every young child is exposed to a particular interpretation of Chinese history in which the emphasis is on the bad things done to China and the so-called Century of Humiliation, particularly by Westerners, but also by Japan. And this central and continuing role of the CCP in defending the honor of the nation.

So I think what they found is that nationalism works in some form almost everywhere. It doesn't work on everybody and there are different variants of nationalism, obviously. But it's really powerful and more powerful, in some ways, and maybe more natural in the emotions that it taps than these more abstract theories of economic development.

So they've used it to their benefit. In the case of the Chinese leadership, I think there's a fusion of nationalism and still a kind of Marxism, Leninism, Maoism, that hasn't died out, at least in shaping the thinking of the top leadership of the party.

But if you think about the Soviet Union in the latter stages, or the East European satellites of the Soviet Union, by the time the Berlin Wall came down and well before, those societies were, I think, largely demoralized, cynical. They had experienced years, maybe decades of very slow economic growth. People evidently didn't believe much of anything that the regime had to say.

And I think we're a long way from that with China, in part because the regime has been successful in producing economic benefits, at least up until now. And so people have been willing to go along with it. And they've also sought to inculcate this nationalist sentiment, which I think now is going to be put to the test because they're going to use it more if, and as the economy grows more slowly and if and as they find themselves confronting the United States and other countries more directly.

And we see that starting to happen, and even in the last couple of months, there's been more of it apparently. Chinese television has been showing movies from the Korean War that show Chinese troops boldly defending against American aggressors. And the language that Xi Jinping and others have been using taps into those same sentiments. So they're reaching for what they think is the most powerful tool in their toolbox to keep people with them, and we'll see how well it works.

KRISTOL: Yeah, I want to ask you one final question about that, too. But one observation, someone made this point to me once, we were talking about the kind of the demoralization question and kind of, someone pointed out to me. The Cuban Missile Crisis, which I guess was as close as we came to a nuclear exchange probably with the Soviet Union was nine years after – is that right – Stalin died. Khrushchev had denounced him. There was a certain amount of liberalization. It wasn't entirely fake,

even. But nonetheless, it didn't mean that they didn't want to put missiles in Cuba, and didn't lie about it, and that we were surprised. And it could have gotten out of control.

So yeah, people – it's a little different from dealing with Stalin, it's a little different from dealing with the regime that launches a flat out attack on you, in kind of a Hitler type situation across borders. But it doesn't mean you can't be in a very dangerous world, even with a post-Mao or post-Stalin regime.

FRIEDBERG: Sure, and we're seeing that. We've seen that in recent years, we're seeing it now. The current leadership in China is more assertive, more aggressive. Does seem willing to take some like greater risks. But I don't think there's anybody who believes that Xi Jinping is a crazy gambler who's going to roll the dice and provoke a war with the United States in the hopes that somehow he might win it.

No, these are very methodical and careful people. Up to a certain point they may also, at some point, respond in emotional and irrational ways. But they're serious adversaries in that respect and I think we have to take them seriously in that way.

You know, your question also that touches on an issue that is sort of an old chestnut among theorists in international relations, if I can revert to that. And that is whether really it would make a difference in China was democratic as compared to whatever you want to call the current regime. And the so-called realists, the more extreme variety, would say, "No, it doesn't make a difference, it's national interest. It's what happens when countries grow in wealth and power, they seek to expand their interests, their sphere of influence and their interests lead them further afield. And so what we're seeing is kind of natural and it wouldn't make any difference if China was governed by democracy. In fact, some people say it would be even worse because there's –

KRISTOL: The demagogues would be –

FRIEDBERG: There's demagogues, there's all this nationalism that's out there. So really, we should be happy with what we have now."

I just don't believe that, and it's partly, I suppose, an expression of belief, but I think it's also rooted in some understanding or interpretation of the way that system works.

If you imagine China as a democracy, yes, you might have those demagogues who would say we should invade Taiwan tomorrow. But you also pretty clearly have people who say, "Why are we wasting all this money on massive defense buildup. Why are we wasting all this money on Belt and Road. My parents are elderly and my healthcare is no good and the air is polluted." And you'd have competition.

Moreover, you'd have greater openness between the Chinese system and other democratic systems, greater transparency, greater degree of trust. I think ultimately, although again, the political science literature would tell us that the transition from authoritarianism to democracy is a period of danger. That there's actually greater instability and greater risk during such transitions. In the long-run, I don't see any reason to think that a democratic China wouldn't be a country with whom we could resolve differences and get along more or less peacefully.

We might have disagreements, we might be uncomfortable with some of the policies that they would pursue. We might prefer to remain the unchallenged hegemon in the region. But we probably could live with it if they were a liberal democracy, and I don't think we can live with it if they're not.

KRISTOL: So if, to end on that question, well I guess one sub-question I had is, is it more dangerous if China keeps growing economically and gets stronger and stronger? Or if they stop growing economically, and have a recession, a crisis, a French Revolution type situation where, you know, expectations are so high now that every year is going to feature reasonable economic growth? And if they have what we would consider to be a normal recession, even leave aside a financial crisis, how do you stabilize? And that's not impossible, presumably.

FRIEDBERG: No.

KRISTOL: And then more broadly just again, so what do you expect for the next, I don't know, five, ten years – let's give you a reasonable timeframe that's not crazy, you know?

FRIEDBERG: Well, maybe the worst of all possible worlds would be a period of continued growth maybe for five or ten years, that's followed then by a real crash and setback. Because they're not really ready at this point to confront the West, to confront the United States. This is premature I think from their perspective and they know it, and that's inducing a certain measure of caution.

If they had another ten years of reasonable growth and expanding military capabilities, and we didn't take advantage of that period to strengthen ourselves and to tighten up our alliances and so on, I would be more worried about that prospect.

As far as whether it's better to have a weak or a strong – you know, it depends on your assumptions about when this happens and what it means. The stronger China under anything resembling the current regime is the bigger threat. If the choice is between a China that's still ruled as it is today by a CCP that's structured and functions more or less as the CCP does now, is a greater threat to us than what we face now. And I think it's a greater threat to us in the long run than what we would face if China now encounters serious difficulties; even if that results in a certain measure of disorder and instability. It's not what we – it's not the object of our policy.

But the same thing with the Soviet Union. There were people who said, right up to the end, you know, we don't want to rock the boat, and we don't want the Soviet Union to fall apart. And obviously the world today is not great, and we'd rather that Russia had continued on a liberalizing path, and they pose a challenge and even a threat and so on. But they're not the threat that the Soviet Union was, even to the day of its death.

And I think the same thing can be said of China. All kinds of scenarios are possible, but the idea that we would rather have a stronger, stable China under the current regime, doesn't make sense to me. I'd rather take the chances with the weaker regime because I think they would be, unless the place really falls apart, they would be even more cautious.

KRISTOL: That sounds like, though, that you are, generally think they are moving on a path of maintaining and expanding their strength both in foreign policy, without liberalizing the regime at home, on the one hand. And it sounds like you think we are getting more, somewhat more serious, but maybe not as serious as we should be?

FRIEDBERG: Well, certainly I agree with the second statements.

KRISTOL: Leave aside Trump and let's leave aside party. And some president you kind of liked became President, and you went into the White House in 2021 to work with him. I mean how much would you say, oh, we can do this, we have to do a few things a little more than we were doing? And how much would you have the attitude of this is kind of a major, if not crisis, it needs to be very high priority and requires some really pretty more fundamental rethinking and reprioritizing, and spending, and organizing and so forth?

FRIEDBERG: I think the latter. I certainly would incline towards the latter. On the first question, I think for the time being, what we can expect is further tightening by the regime. I think we can expect growing economic challenges and difficulties. I think they were and continue to be headed in the direction which will make it difficult for them to sustain growth over time and they know it.

I think one of the reasons why they've been pushing so hard, for example, to acquire foreign technology is they realize that their existing model has outlived its usefulness. They can't just rely on massive supply of labor and Western capital and technology; they need to make leaps into this so-called fourth industrial

revolution and robotics and so on. But they're not ready in many respects. They don't have some of the cutting edge technologies they need in order to make that jump. And that's why they've been going out and trying to buy it and steal it, in a way that's now provoked a reaction not just in the U.S. but in the West. Because I believe they see that as essential to their ability to sustain a reasonable level of growth, and therefore social stability and political control.

Because the alternative to that is either do nothing, which probably means you're winding down into slower growth and problems associated with debt and declining competitiveness and so on. Or, that you really have to liberalize. That's the thing that they really want to avoid.

All the things that they've been advised by Western economists, all the things that various people in China have said they want to do and should do, expanding the role of the market and so on, I think that's their best chance of sustaining economic growth. It probably also is a path that would weaken the control of the CCP, and might increase the likelihood that in the long run it would be displaced, which is why I don't think they're going to go down it. They're going to try to make this leap, relying on technology, and developing markets in the Third World, and shifting away from their dependence on us. But if they have to, they'll endure a period of stagnation rather than really relaxing their control.

I mean, if you talk to people about, who follow the economic developments closely, and you get varying opinions. No one thinks they're in great shape. Some people say they've got a crisis that's right in front of them in the next several years, particularly if the trade tensions intensify, they're going to encounter real difficulties.

Other people say no, they've got a decade, or they've got twenty years. That they can continue to squeeze more growth out of the system as it's currently constituted. But I don't know anybody who thinks they can keep on going as they've been going, or can keep on going at a reasonable rate of growth, without doing something pretty significantly different than what they've been doing.

So we may have a period, I think we're in a period, of intensifying competition where they are likely to be encountering increasing difficulties and we have to be prepared for that. But I think that may also give us reason to have some optimism in the longer run, that at some point they will confront the necessity of changing, or change will come about.

It's hard or be optimistic about that because our experience with that has not been a happy one in the last 30 or 40 years. But what's the alternative for that for us? We've tried hard to be nice. We opened up and we tried to integrate and encourage. It didn't produce what we thought it was going to. I guess there are some people who say we should try even harder. But that, I think the definition of insanity is, you know, you keep doing the same thing over and over again even when it doesn't work.

So what's the alternative? We have to defend ourselves against this. We have to, I think, take steps to defend our societies, our economies, from penetration, exploitation. Defend the outer perimeter of our interests and our allies and then we're in a waiting game. Kennan talked about awaiting the gradual mellowing or eventual breakup of Soviet power. I think we're probably waiting for the same thing, but substitute the CCP power.

So the strategic question is, how do we strengthen ourselves to prevent China from exploiting what they might see as our weaknesses? And also whether and what we might do to accelerate that process. And we're nowhere near thinking about that yet.

But we're in it now. I don't see any way of unwinding it. I don't think whoever comes next is, after Trump, is going to pursue drastically different policies. It may be a matter of degree. But a lot of this is driven of course by CCP perceptions. They've always believed that we were out to contain and undermine and displace them. And in that sense, they're not shocked by what's going on. But at the same time, there's nothing we can do, I don't believe, to persuade them otherwise.

KRISTOL: So we have to be serious, which is a challenge for us these days.

FRIEDBERG: Yes, it is.

KRISTOL: Maybe more than it was even in the late '40s or the '80s or – .

FRIEDBERG: Yes. And that, I think just a last point, I think if you think back to the Cold War, 9/11, the Great Depression, the Civil War, our system is capable of mobilizing and applying societal resources in strategically purposeful ways, but that happens usually only if there is a crisis of some kind.

And the question for me is whether we can get closer to that and forestall the crisis, without having to have some real shock. And I worry that even now with all the talk about a new consensus and the focus on China, we're nowhere near that point. And for other reasons that it's difficult to get agreement on much of anything. I hope that we don't have to go through a crisis in order to get fully serious about it, but the historical record would suggest that may be more likely than not.

KRISTOL: That's an important dose of realism. And I guess we'll get back together in a couple of years, maybe when there will be a new administration or a second term of Trump, and see where things stand. These things look like they progress and move slowly until they move suddenly, right?

FRIEDBERG: Right.

KRISTOL: But this has been awfully educational for me and I think for our audience. So thank you, Aaron for joining me today.

And thank you for joining us on CONVERSATIONS.

[END]