Conversations with Bill Kristol

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I. The U.S. and China after Covid-19 (0:15 – 40:31)

KRISTOL: Hi, I'm Bill Kristol. Welcome back to CONVERSATIONS. I'm very pleased to be joined today by Aaron Friedberg an old friend and distinguished professor of politics and international affairs at Princeton University. And an expert on China. Someone who was, I think it's fair to say, hawkish on China before it was cool to be hawkish on China.

Aaron, you wrote a book *Contest for Supremacy: China, America, and the Struggle for Mastery in Asia* about a decade ago in 2011. But as someone reminded me earlier, I think the article on which that book grew was way back in 2001 when the rest of the world was looking forward to China being a responsible stakeholder and "the end of history" and the end of ideological struggle and liberalization in China, and a lot of things that might've been nice, but don't seem to have happened.

So I thought this would be a good time to – we had a conversation almost a year ago, which I think stands up very, very well actually, where you look ahead to a more competitive relationship with China. But with China being so much in the headlines for the pandemic, I thought this would be a good time to reconvene and have another conversation about where things now stand on China. So welcome Aaron.

FRIEDBERG: Thank you very much for having me back.

KRISTOL: It's a pleasure. So where do we stand? Everyone's talking about China suddenly and how big a moment is it? Talk a little bit about their actual handling of the pandemic, which has triggered, I think mostly triggered this reconsideration. Is it a real reconsideration? Or is it just a kind of minor something that people will forget six or 12 months from now?

FRIEDBERG: No, I don't think it's something that people will forget. I do think it's likely to appear in retrospect as a major turning point, probably more. Or maybe it's more correct to say rather than a turning point, a point at which things accelerated, because I think in many respects, certainly Chinese policy is continuing along the same line as it appeared to be going last time we spoke, so almost a year ago. And something similar could be said in the United States, while I think the changes here are more significant and have more to do with public attitudes, what's happening in Congress. There's been a sort of an enabling effect that has allowed the administration to do some additional things with regard to China that I think they had wanted to do for a while. COVID changed the atmosphere there.

And then the big question marks really are the impact of all of this in the rest of the advanced industrial democracies. So particularly in Europe, but also in Asia and in the developing world where the pandemic itself hasn't yet hit and we haven't seen the full geopolitical implications of this either. But I think there are big changes underway in other parts of the world, especially in Europe.

KRISTOL: Yeah. That's a good reminder, and we'll get back to this. It's not just a question of American attitudes changing. It could be global attitudes and that, of course is a much bigger deal. So let's walk back to their handling of the pandemic. What surprised you? What didn't surprise you? What conclusions should we draw just from these last several months, about half year, I suppose, since it broke out in Wuhan?

FRIEDBERG: I think the first issue, and the one that's of course fueling the animosity towards China and suspicion of China, is the question of how they actually handled the initial outbreak and how forthcoming they were about how severe it was. And it seems pretty clear that they withheld significant information for a considerable period of time. It looks in retrospect like the first cases of what we now see as COVID-19 appeared as early as November. And it wasn't until almost the end of January that the PRC acknowledged that this was a disease that was being transmitted from human to human, which is of course the most dangerous thing. And there was an intervening period where they withheld information. They tried to suppress discussion of the pandemic inside China itself and so on.

And so there's been a sense that if they had been more forthcoming sooner, others might have been able to prepare better. Whether in fact they would have done so is an open question because obviously there were reasons why we didn't do more and why some other countries in the West didn't do more to prepare.

The Chinese response, I think once the leadership acknowledged the reality of the problem was classic in a way of their system, their representation of their system: top-down, total mobilization and pretty brutal, but also apparently fairly effective. So once they had acknowledged that this disease was spreading, they locked off large cities, parts of the country, prevented people from moving in and out, prevented people from coming in and out of their homes and kept them there for weeks and even months, a very severe version of what it is that we've been struggling to do here, to limit social contact and slow the spread of the disease.

There's a lot of controversy also about how effective they were. We still don't really know how many people have died. We don't know how many cases there really were or how many there are even now. So there's a lot of doubt about the transparency of the regime, but it looks like they beat down the initial wave fairly quickly. And now they're in the process of trying to reopen their economy. And there's some evidence that they're having second waves and so on; but it was brutal but effective.

KRISTOL: So the analogy you sometimes see here maybe wishfully is that this could be their Chernobyl, the moment that exposes the system as incompetent and corrupt and where the kind of mask drops from the mystique of the authoritarian state. But it doesn't sound like you think that's quite the right analogy.

FRIEDBERG: No, it's interesting. If you go back and look at the commentary in the West about what was happening in China, from the origins, going back really to January and February, there's a lot of talk along those lines. And there was some reason for it because we think of the Chinese authorities as being so effective in controlling their information sphere. But there was a period of several weeks in which they really did seem to have lost their grip or didn't establish it firmly. And there was a lot of discussion in social media of what was happening. There was criticism of the regime and including from some well-regarded academics who have in the past have written critical articles and several of them were very harsh in their description of the regimes response and of Xi Jinping personally.

Of course, those people quickly disappeared. The regime got a grip on social media and they pretty quickly turn the discussion of the outbreak internally in a way that cast them as the heroes of course, cast the CCP as the heroes. Even appropriated the memory of people like this unfortunate Dr. Lee, who was someone who had warned or tried to warn his colleagues about the spread of the disease before the regime acknowledged it at the very end of 2019 and subsequently died. He was held up by critics of the regime as a truth teller, whistleblower. Well, now the CCP has declared him officially to be a martyr. He was someone who sacrificed himself in the frontline struggle against the disease and so on.

So they've established and tightened their grip. At least as far as we can tell from the outside. I think there is a question about the extent to which Xi Jinping may be susceptible to criticism from inside the party. And you see a lot of speculation about that, and people theorizing that he's doing X, Y and Z, because he's concerned either about public criticism or about criticism from his colleagues. I'm very skeptical of those kinds of arguments for various reasons, not the least of which we don't have the information that would allow us to make those judgements.

But this was and is still a major crisis for him and for the regime and potentially a very dangerous one, both in its initial effect and now, going forward, as it affects their ability to get the economy running again. Because as important as that is in the United States or advanced democracies, what's at stake in our country, for example, is who wins the 2020 presidential election. What the CCP leadership fears is at stake in their country is widespread unrest, even political upheaval, potentially changes at the top in response to dramatic developments in the country at large. And they work overtime to make sure that doesn't happen, but they're still concerned about it.

And the other aspect of it, which I'm sure we'll talk more about, that they're very worried about is the backlash from the rest of the world. I think they recognize the danger of this much earlier than anybody else did. And they were starting to worry about it before anybody was really thinking about blaming them. Now, whether that's because they knew things about what they had withheld and had a sort of guilty conscience, or just because they suspected they would be blamed regardless. A lot of what they've been doing from very early on, I think, was an attempt to get ahead of that and prevent that from taking shape.

KRISTOL: So just to finish up in a way, the backward look at the origin and the lessons to be learned from that, it doesn't sound, this is not Chernobyl with Gorbachev and power and a leadership that's seeking to liberalize anyway. And then this becomes one of the blows that helps induces more dissent and liberalization and so forth and discredits the regime. At least for now, we're dealing with an authoritarian regime that shows no signs of loosening its grip. And in terms of its response may turn out to be even more aggressive than they've been in the past. Is that right?

FRIEDBERG: I think that's right. Both at home and abroad, their reaction has been to adopt an even tougher stance. So they weren't interested in liberalization before, and they're not interested now. They were repressive before, they're even more repressive now. They were aggressive before, they're even more aggressive now. So if it's a Chernobyl, if it looks in retrospect, like it's a Chernobyl, it's one with a long fuse, and it hasn't gone off yet.

KRISTOL: Yeah. That's very interesting. So what do we do?

How much does America and the rest of the world – and I think it's important that you keep reminding us that it's the rest of the world too – how seriously do you take our change of perspective? You've been fighting, debating China policy for two decades plus, and been, frankly, in a minority position, I would say, certainly in the foreign policy community, and being a skeptic about liberalization and a skeptic about China's very limited ambitions as other people saw it. And in the political world too, I suppose there was kind of a bipartisan consensus, mostly the other way. How much is that changing? How much can it change? What are your thoughts on our situation?

FRIEDBERG: I think it is changing and the pandemic is accelerating that change.

Now it may also be producing complications because of the way the administration in particular has handled the issue. It's now become very partisan, it's part of the 2020 election. And perhaps can talk about that.

But I would say at two levels, the pandemic is accelerating a tendency that was already there. One, if you look at public opinion, attitudes towards China expressed by both Republicans and Democrats have become more hostile, isn't quite the right word, but suspicious. And those numbers have increased since 2017 pretty sharply. I think it's now close to, it's over 60% on average, I think, of people who express a negative or suspicious view of China. And that's the average of both Republicans, Democrats. Republicans, a bit higher, but Democrats now not that far behind.

And the pandemic seems to be pushing that curve up even more sharply. I haven't seen the most recent polls, but some that came out a few weeks ago, which I think did reflect some of the changes that have occurred since the disease really hit, show that increasingly skeptical view of China. So that's at the level of public opinion.

And then in Congress, there has been, I think, a trend in both political parties towards adopting a tougher stance, at least rhetorically, towards China. And I would say a growing recognition that China is a challenge. It's much more widespread than it was even a few years ago. And again, you find it on both sides of the aisle, both Republicans and Democrats, and now there's kind of a desire to, on the part of each party to not to let the other get, I don't know if it’s to the right or to the left, to get a tougher position and scratching around for things to do.

What kind of legislation should we pass? What kinds of declarations should we make? Thinking here of Congress. And also less resistance than there might have been to some of the things the administration is pushing.

Again, as I said, the one complicating factor is that the Trump administration has clearly chosen to make China a major issue in his reelection campaign, which as the Democrats see it involves blaming China and trying to push off responsibility for the administration's handling of the pandemic here onto a foreign force. And then also of course trying to portray the Democrats as soft on China. What's interesting now is that, of course, the Democrats are doing the same things to the Republicans. So the two parties are competing, but they're competing in the same direction if you like, they're competing about how far and how fast to go towards taking a tougher stand on China.

KRISTOL: I suppose in that respect, one could compare the current situation with China, not with Chernobyl and the end of the Soviet Union, but with the early days of the Cold War. And you've written about this, where the Republicans, let's say in 1952, attacked Truman, which seems a little ridiculous in retrospect, but attacked the Truman administration for being super soft on communism. Nixon sort of carried that. But then in ’60, Kennedy seemed a little more hawkish than Nixon. And certainly both parties basically were certainly wanting to prove they were serious about checking and containing the Soviet Union. How to do that of course, was a big question and particular decisions were very controversial. So it does seem like maybe we're in that kind of situation or potentially in that kind of situation.

Now, the key as you've written, was that we actually had a strategy then; that both parties ended up mostly agreeing on containment and the institutional structure that carried out a certain strategy of containment and so forth. And it's not clear that we're anywhere close to having that now. So I guess the question is twofold. What does China want to do that we need to stop? And two, do we have some theory about how to stop them or pressure them? And I guess we can get to 2A, which would be, especially in the economic sphere, where there needs to be so much integration in a way that really wasn't, I don't think with the Soviet union in 1949 or 1953 or something in terms of the business community and global supply chains, how practically will something like containment even work?

FRIEDBERG: Well, if I could just say a little bit, you've touched on one of my favorite subjects, which is the Cold War, so you have to indulge me a little bit on that because I do think there are some interesting parallels.

KRISTOL: Not an indulgence. It's important to educate people about the Cold War.

FRIEDBERG: Well, all right, if you look back at the early stages, so the period from the very end of the Second World War to the early 1950s, there was debate and disagreement. There was also an ugly kind of partisan aspect to this, particularly on the part of Republicans who were accusing the Democrats, not only of being soft, but of harboring traitors. And this is the start of the era of McCarthyism and so on. So it was pretty ugly in that sense. But at the same time, you had the emergence pretty quickly of a consensus on the importance of containment and on a broad array of policies that were then sustained over 40 plus years.

And in the transition from Republican to Democratic administrations, that didn't take that long to take shape. You mentioned the ’52 campaign and Eisenhower did try to attack the Truman administration from the right. And in a sense, as you say, it's a little, maybe not surprising, but looking back at what the Truman administration actually had done, they started this process and pushed policies against some objections from Republicans after World War II, and wound up of course signing treaties and keeping US forces overseas and so on. The Republican position in the early fifties was containment wasn't enough, we need to have rollback. And “the cowardly college of containment,” I don't know if that was McCarthy or Nixon.

KRISTOL: Nixon I think.

FRIEDBERG: Yeah, that's right. Yes. The “dean of the cowardly college of containment.” What we know now is that although Eisenhower sort of entertained that and didn't dismiss it openly, he had pretty clearly come to the conclusion himself that this was not realistic. And he eventually brought his administration around to a policy that pretty closely resembled what the Truman administration had started to do.

So I think that's the direction in which we're headed. It's possible that you could get real division, but given the changes in public opinion, it doesn't seem likely that major figures in either party – and we know this is true for the presidential candidates this time around – are going to be saying, "Wait a minute, maybe we're being too hasty, maybe we're blaming China too much. Maybe we shouldn't be adopting as tough a stance as is being recommended by our opponents." That's not where we are right now. And as I said, I think there's reason to think that that a consensus is in the process of being formed.

One interesting indication of the early manifestations of this in an institutional form, which has been put on hold for now, is the effort that was made in Congress to form a kind of super committee that was going to be bipartisan, including representatives from all of the committees that had anything to do with China, not just Defense and Intelligence, but Commerce and everything else to try to coordinate and come to some agreement about policies that should be implemented. That fell apart at the beginning of this year. Democrats pulled back from it, I think in response to what they perceived as the politicization of the issue by Trump.

But I don't think that is going to last forever. I think there's a recognition on the part of the people who are paying most attention to this issue in both parties, that if we're serious about it, if we're serious about the magnitude of the challenge and the need to confront it, and the likelihood of having to confront it over an extended period of time, given the nature of our system, you can't do that if every time you have a presidential election, you may have 180 degrees shifting in policy. So we're headed towards some kind of consensus.

One interesting test of that will be what would happen if Biden is elected in 2020 and how similar and how different the policies that he might pursue would be. And maybe we can come back to talk about that.

On the question of what they want, and what we should do, of course, those are the strategic questions. And you always have to start with the first. Of course, there's also a question of what we want. I think there is a growing acceptance of the idea, well, first, that China isn't changing, isn't going to change anytime soon in the directions that we had hoped and assumed that it would, either in terms of its domestic political arrangements or its economic arrangements. In addition, I think there's a growing recognition that China in fact, is not becoming, has not become, isn't likely anytime soon to become a “responsible stakeholder” as you use that term, which goes back to the George W. Bush administration. And that it's not a status quo power; it's a revisionist power. And that's a major shift in mindset. And then the question is –

KRISTOL: Explain that a little bit, what do you mean by a revisionist power as opposed to a status quo power?

FRIEDBERG: So a status quo power would be one that really accepted the basic structures that exist. Wasn't trying to drag drastically or alter the balance of power. Wasn't trying to change the rules of the game. Wasn't attempting to restructure existing international institutions. Wasn't trying to change the existing alliance system in East Asia, for example, and had come to terms with those things and was going to work within the confines of basically the system that we created and into which we have been trying to include China, really since the end of the Cold War. I think that was the expectation.

Even now when people say, "Well, we never really thought they were going to liberalize politically." And some are saying, "Well, we never really thought they were going to liberalize economically." I don't think that's really what people thought. That's certainly not what they said 20 something years ago. Even those people would say, “But we did expect, we do expect, that China will be accepting of, broadly, of the existing international system. Yes, they may want a few more seats, at the World Bank or the IMF. They want to have a bigger say, but they're not trying to upset the apple cart.”

Now I think, increasingly, people recognize that that is not correct. Now they may differ in what they think exactly the Chinese want or how threatening they think it is, but the idea that China is just going to be a responsible stakeholder in our system, I think has been overtaken by events.

So then the question becomes well, okay, so what is it that they want? I think one way of thinking about this is in terms of sort of spheres. I thought for some time that what China wanted initially was to re-establish its position – what they would see as its rightful historic position – as a preponderant power in Eastern Eurasia, historically that had been their role. That the United States has been kind of an interloper: it showed up in East Asia, maybe [around] the Spanish-American War, or established a permanent presence after World War II, but that that really was artificial and temporary, and when it came to an end, China would naturally become the dominant power.

That idea, by the way, was controversial, even in the US intelligence community, for quite a while. If you go back to the mid 1990s and look at the statements by successive directors of Central Intelligence, I guess, it was George Tenet for much of that time, in his annual global threat assessment, there was a period right around the time of the Taiwan Strait Crisis, ’95, ’96, when those statements started to assert that China was attempting to establish itself as the preponderant power in East Asia. And then they took it back. They went back to mealy-mouthed language, where “we don't exactly know.” I don't think there's too much argument about that. Again, people may differ in what they think exactly the CCP wants in the region, how hard they're going to push to get it, what their timelines are, but I don't think there's too much debate about that idea.

In my view, it's also become clearer that Beijing wants to accelerate the erosion of American alliances, and they would like to see us basically pull back from the region or our position attenuated. I think they also – CCP leaders now have become more open in starting to describe a regional system that would include trade agreements, infrastructure, maybe some political institutions, in which China would be at the center. America's democratic allies would be either subordinated – included, but subordinated – or marginalized, and the United States would be pushed to the periphery, if not out of the region altogether.

Then the question becomes, well, what about the rest of the world? Do they have a global vision? I think for a while, it appeared that they hadn't given this all that much thought, that they had been focused on the region, and that their power had grown perhaps more rapidly than they had expected. But I think it's become apparent here too, that there is a vision, and it is starting to emerge and it has a number of components. I think one part, is a desire, to the extent possible, to divide the West, to divide the democratic countries, one from the other, and in particular, to divide the democratic countries and isolate the United States.

So all of this, I should say, is I think, for them, seeing through the lens of the competition with the US. So divide the West, continue to take advantage of the West, its markets, its technology, its capital, its educational institutions, for as long as possible, but keep it divided, and in particular, push the US away.

And then the other piece of this, which I don't think has gotten the attention that it deserves yet, is what seems to be an emerging view on the part of Chinese strategists about the importance of the developing world for their future power and position. They seem to see parts of the developing world as really central to their ability to compete effectively with the West and with us. They see it as not only a source of raw materials, which has been true for a while, but markets. They talk about how this is the part of the world that's going to experience the greatest population growth, at least before the pandemic, that it was going to be growing economically, rapidly. So it's a source of markets for Chinese goods. They've also been very interested in building infrastructure there. 5G, they're way ahead of anybody else in starting to do this in Africa, in particular.

And also, that they've seen it as a source of support for their efforts to diminish what they call so-called universal values, the standing of liberal democratic ideas, which are, at least in theory, at the base of the international system that was set up at, international institutions, at least, that were set up at the end of World War II. So they want support in pushing back against these ideas that they see as dangerous.

And in more practical ways, I think they want support from developing countries and international institutions, where they get a vote, same as everybody else, to, for example, help to set industrial standards that will advantage Chinese companies at the expense of their Western competitors. Or in the World Health Organization, as we now see, to have a friendly face at the top of that organization, who's not willing to challenge the PRC, and a crisis at a minimum, and may actually have contributed to covering up what the CCP was doing.

So Mao had a slogan during the Revolution and the Civil War, that of “surrounding the city from the countryside.” So getting the support of the peasants, the poorer part of China, and encircling the cities. I think there may be some of that in the way Chinese strategists are now thinking about the role of the developing world with respect to us and the democracies

KRISTOL: That's fascinating. So I guess, so let me be a skeptic here and say what I think intelligent skeptics would say. “Well look, they may wish all that you say. And they're not nice people, and they're running an authoritarian regime.” But I guess three different points, which you can address in whatever order. One, they're pretty cautious. So they may hope that things turn out this way, but they're not going to provoke a crisis, and we just need to have standard guards up, so to speak.

Two, we're so economically integrated with them and they with us, and they're so economically big now, almost as big as the US, I guess, economy, and that – What do you plan to do about this anyway? We're not talking about a somewhat isolated nation, like the Soviet Union or empire like the Soviet Union with its satellites. We thought its economy was bigger than it turned out to be, but even so, it wasn't deeply integrated, I think it's fair to say, with the West. And that also raises the political question of the business community and its support, or lack thereo,f for the kinds of policies you'd be calling for.

And third, so this one we'll get to a little later, is the – I mean, how far along are they technologically? We can do this one first, if you want. That it makes it even unreasonable to talk about containing them much because they are going to, they may outstrip us. I mean, we may be as dependent on them as they were – trying to catch up to them as much as they were trying to catch up to us.

So going backwards here, technology, supply chain, I guess I would summarize that issue, and then what about the apparent caution of their foreign policy?

FRIEDBERG: Well, let me take those in the order that you asked them. First, about the caution. I would say yes and no. They're not looking for a direct confrontation with us. People are always quoting Sun Tzu but in this case, I think it's applicable. I do think it reflects a mindset, this idea that winning without fighting is the highest form of generalship. Well, if they can, they'd like to get what they want without fighting. That's not unique to them, but I think it informs their approach to the competition with us.

Yes, their approach has been incremental, however, I think there's been an acceleration. I think it started, and many people now I think hold this view, that it really started to become evident after the global financial crisis, which they interpreted it as an acceleration in the decline of the West, and in particular in the United States, and opening an opportunity for them. Those tendencies towards greater assertiveness or aggressiveness clearly grew stronger under Xi Jinping in 2012, 2013, when he rises to the top positions in the party, in the state. So they've been less cautious, both in talking about what they want and in pursuing their goals.

And we perhaps can talk about why that is. I think it reflects a mix of optimism and anxiety. Optimism, that in the long run, socialism will triumph and China is going to be the dominant power in the world. But also an anxiety about their own internal problems, of which they're painfully aware, and a fear also that at some point the West, the United States, would wake up, realize that they were pursuing this incremental strategy, and start to push back harder against them. They've walked a thin line, I think, against, between trying to speed up the process by which they reach their objectives and trying not to wake us up, basically.

We may have talked before about the idea of the 20 year period of strategic opportunity, which Chinese strategists and policy makers declared in 2002. At that time, I think it did have a lot to do with 9/11 and their assessment that the United States was going to be preoccupied with other problems in other parts of the world, and that they would have a period of several decades in which to grow strong and wealthy, rapidly, without the West, the United States in particular, harassing them or trying to prevent them from doing so. But that at some point, that period would come to an end and there would be –

Chinese strategists and theorists have all these phrases, the intensification of struggle, and so on, and they became more open in talking about that too. I think they feel that that moment has now arrived, a little bit premature. Maybe it started in 2017 or maybe it started in 2020. But well, they predicted 2022, that's not too bad. What they say about it now, is “the moment will come, or perhaps the moment has come, where because of our strength and because of our success, others, and especially the United States, will seek to resist us and hold us down. It's not because of anything we're doing. It's just because of who we are and how successful we are.” So it absolves them from any responsibility for triggering this intensification.

The last thing on caution, and it's related to the second point. I think if you look at how the CCP has operated, they've believed that through influence operations of various kinds, but also just through the creation of these large interests in the advanced industrial democracies, they would have a lobby, a source of support, an anchor, for keeping relations stable and open, that would prevent the United States or other countries from acting more decisively. And they'd been right. And maybe they were going to put this to the test, I think, but even now, what is the biggest source of resistance to taking a tougher line on things like what they're doing in Hong Kong? It's the fear that we will wind up imposing costs on ourselves that perhaps exceed the value of what it is that we're trying to accomplish. So yes, cautious less so, and becoming less so, I think, all the time. And that it is, again, something that I think the pandemic is affecting. It's even further acceleration.

On the economic integration and the size of the Chinese economy, there's no doubt that their policies, the policies that were put in place by Deng Xiaoping's reform and opening up, have been extraordinarily successful. I think there's no question as well, that those have not led to full liberalization. The party has always, the state have always kept tight control over the economy because party leaders see the fundamental purpose, of economic activity. Not as generating wealth for wealth's sake or for improving the welfare of Chinese citizens, but to improve, to increase the power of the party in relation to all other actors in Chinese society, and of the Chinese nation in relation to all other nations in the world, including especially the United States. So the sort of mercantilists, the mercantilists-Leninists.

Economic integration has benefited them greatly. It's given them access to our market and the markets of other wealthy, industrialized countries. Because we've permitted it, it's given them much greater access to our technology, to our universities, to our capital. They've benefited from it enormously. Indeed, their economic success, although it rests, of course, in large measure on the entrepreneurial spirit and hard work of many individual Chinese people, but it wouldn't have happened in the way that it did without our support. And that's something too now, which is being called into question.

The fact that the pandemic has, for the time being at least, broken or greatly attenuated these economic ties, and the fact that it has revealed the potential risks of dependence on China for the production of things like masks and personal protective equipment and parts for ventilators and so on, seems to have come as a shock here. But not just here, in Europe as well. And you begin to get this re-examination, not just of supply chains for medical goods, although that's the leading edge, but really, the beginning of a rethinking of what's been essentially a laissez-faire policy on the part of Western countries, towards the evolution of global production.

So American companies, European companies, want to move productive facilities to China because it's a source of low cost labor. Fine. What's the problem? Economic theory tells us that we'll benefit in the long run. The problem is that doing that creates vulnerabilities, especially if you are very heavily dependent on a single source for things that you really need, especially that you might really need in a crisis, and maybe not just a medical emergency, and you're reliant on this big, powerful country that seems increasingly aggressive and hostile to your interests. So I think we're getting the beginning of a rethinking of the whole pattern of global economic integration.

II. Meeting the Challenge from China (40:31 – 1:32:27)

KRISTOL: I think that's awfully interesting and that would be a huge inflection point, I think, actually in post-1989, well early ’90s policy towards China, right? I mean, how would that manifest itself? What would be sort of – Apart from complaining about China, or some very minor things you could imagine in terms of let's just say medical supply, not very minor, but minor things in terms of particular supplies, and assume that we're not going to go down a real protectionist and autarkic road, is it –

I mean, have people began to think through what such a political, economic strategy would look like in practice? I mean, how would that work?

FRIEDBERG: I don't think there's been nearly enough thought given to it. So we've done things and they've done things which have now set this process in motion. I think we're running behind it, trying to figure out exactly what we want it to look like.

Some of this, initially most of it, and even now, is likely to be driven not by government policy, but by the calculations of firms, which were starting to re-examine their strategies before the pandemic. In part because of the effects of the tariffs that the United States imposed on China and vice versa, which meant that at least for as long as those were in place, it might be desirable to be able to manufacture and ship things to the United States from other countries to avoid those tariffs.

So there's beginning to be thought about it, and even deeper factors shaping it, the demographic trends in China, the end of this youth bubble that fueled their growth because it provided this massive low cost labor. The increase in wages and labor costs in China were already starting to make companies, some companies, re-examine their strategies and look for other places to produce and to export from. And the pandemic is, I think, accelerating that re-examination because it's reminded people of something which they should have always been aware of; which was all of this works great, just-in-time delivery, and again, this global distribution in the most efficient, cost effective way, it works great until there's some disruption. Whether it's a natural event or a manmade event, like a war or crisis. And now the likelihood of those events, in peoples' minds, has increased, and maybe the real probability has increased too. So they're starting to recalibrate and think about what they want to do.

In addition, you now get governments beginning to talk about implementing policies that will encourage those tendencies. And whether it's some kind of financial assistance or tax breaks to encourage companies to relocate in the home country, you have a lot of talk in the US about reshoring, and I think there's a question about how much of that is actually going to happen. Or maybe, and I think this is, in the longer run, the direction in which we probably will be going, taking a somewhat broader view, and from the perspective of the United States saying, "Well, maybe it would be ideal if everything was manufactured here, but we know that's not efficient. But we would certainly prefer to import some of the things we need from plants in Mexico, or maybe Thailand, or maybe India, or possibly someplace in Eastern Europe, than have to be totally dependent on China."

You could imagine a combination of trade policies and domestic economic policies that would try to direct the flow, the process of this redistribution that's now underway, in ways that made sense from a national perspective, economically and strategically. There is a question about how difficult that's going to be, and I don't know the answer to that.

But there's no doubt that because of its size, China has accumulated big advantages just in scale. The quantity of stuff that they're able to manufacture is unmatched by any other country. Their infrastructure is good. Their workforce is pretty well-educated and trained. And there's no single place in the world right now that has all of those characteristics. Whether it's Vietnam or Mexico or Indonesia or India. Over time, they will develop, but it's not so easy. It's one thing to talk about it, it's another thing actually to do it.

Now, that's in the wide range of manufacturing industries. There are some where I think countries' governments are going to conclude that they are simply going to have to pay a higher price for certain things in order to have that security of not being totally dependent. So people have realized, for example, that Western countries, not just the US, have become heavily dependent on China to manufacture a lot of pharmaceutical products. Some of them are pretty run-of-the-mill, Tylenol; some of them are drugs for cancer treatment and so on. Again, this is a realization that's hit in Europe, too. So if the answer is we are going to have to pay more for that stuff to produce it closer to home, I think governments and taxpayers may be willing to do that because of the experience that we've just gone through.

That leads then to the technology issue, which was the third part. Because whatever happens in this whole, this giant array of products – consumer products, and things that are manufactured in various places all around the world, and a lot of pieces of them manufactured or put together in China – what's happening in the technology sector between the United States and China is certainly a degree of separation or decoupling. And that process is accelerating. I think the COVID pandemic hasn't caused that, but in certain respects, it's made it easier for the administration to move faster in this direction than it might have otherwise.

The thing to note here, is that this is a process that we didn't start. That actually the Chinese government started it by putting restrictions on procurement of American-made IT equipment, by having limitations on the ability of American or other foreign companies to invest in broad swaths of their industrial base, by their efforts to procure or acquire technology by any means necessary, including theft, extraction of intellectual property from Western companies in exchange for getting access to their market and so on. So they've been trying to build up their technological capacity, and to reduce their dependence on us for some time. And a lot of what we're doing now is in response to that; we're mirroring some of the things that they've been doing for some time.

So we've put additional restrictions on the ability of Chinese companies to invest, particularly in high tech industries in the United States. We've also put limitations on the ability of private entities, or the US government to import certain products that are manufactured in China. Particularly for example, IT equipment: Huawei, ZTE. Ten years ago, it might've seemed like they could have been a part of building some new communications infrastructure in the US. They've now been excluded. And that has expanded; a few weeks ago the government issued new regulations restricting the procurement of power generation equipment by utilities – public in most cases, but not owned by the federal government – from both China and Russia. And also required that equipment that had been purchased in the past be removed from the power generating networks in a certain period of time because of concerns about security risks.

And then the last thing that we'd been doing is imposing new restrictions on the ability of American companies to export certain high technology products or services to China. And that may be the single most important thing. And that too is an area where there have been pretty dramatic developments just in the last week or so. US government has, the Commerce Department has announced new and tighter restrictions on the ability, not just about the companies in the United States to export certain products to Huawei, but of companies located in other countries that use American software or technology to manufacture, it's mostly integrated circuits or semiconductors, to limit their ability to manufacture those things and sell them to Huawei. So it's a further tightening on the ability of this very important Chinese company to get the cutting edge semiconductors that they need for their next generation products; and in particular for the development of 5G.

So that's a constriction on flows of technology from the United States to China that's quite significant. And it's significant because China is not yet the technological equal of the United States. Certainly not in a variety of important sectors, semiconductors being one. They're trying very hard, and they're gaining ground quickly in some sectors, but they still lag behind. And in semiconductors in particular, they're still literally dependent on American processes, technology to produce these semiconductors that they need. They can't do it themselves yet. They would like to very much, but it's not something you can do just by brute force, just by spending a lot more money on it.

So they are still vulnerable, and they've been aware of it for some time, which is why they were trying to reduce their dependence on us. And now we're starting to exploit that dependence for strategic purposes.

KRISTOL: It seems like Huawei – maybe you could say word more about that – is a kind of important center of gravity of this fight. It was already a big issue for the last couple of years, I would say. People in Congress especially talked about it. But it does seem like that, both practically and symbolically, is a very important question. At one point it looked like they might dominate the 5G systems around the world really. Maybe we would be alone in not having them either providing key components, or even kind of running it so far as I can tell, I'm not really expert on the technology side of that. So maybe say a word about that.

And also just generally, I think you lay out, you sketch out something that's sort of a sophisticated in-between path from, let's call it totally open globalization on the one hand, to kind of protectionism on the other. Is it practical for the US to lead in that? Or are multinational companies open to playing a role there? I guess one forgets that in the Soviet Union, I said earlier, while they were small and it was easier to cut them off, but we did, it was a pretty sophisticated, and often thankless effort. You and I know people who were involved in it, in government, I think to – what was it called? COCOM or something?

FRIEDBERG: Yes.

KRISTOL: We had a pretty complicated system of trying to restrict their access to technology. And I think the business community didn't like it, and it was controversial. And there were a lot of people laboring away to slow down the Soviet Union's access to things. And people made the same arguments they'll make today which is, "Oh, come on! In the modern world. This isn't the old days. These things are tiny, it's intelligence, it's scientists. It's not physical. You can't cut things off anymore."

And I don't know how much difference it ended up making with the Soviet Union. I think we did actually slow down their ability in quite important ways. But China is a lot bigger, a lot more advanced presumably, or a lot more competitive, a lot more integrated. So what about that kind of sophisticated sort of, “That sounds nice, but it can't really work in this modern globalized world of 2020?”

FRIEDBERG: Right. Well, those are again, three enormous questions. I'm not sure I'm capable of answering any one of them, but I'll take a shot.

Huawei, I agree, this is both symbolically important and practically important. It's symbolically important because it's regarded rightly as a very successful Chinese company, sort of a flagship national champion. Ostensibly private, although I think it's become pretty clear that that term doesn't really have the meaning that we assume that it does when dealing with advanced industrial democracies, but very successful. So it's a slap in the face, and the Chinese certainly see it that way.

It's also important for practical reasons. This is a remarkable story, and someone should write a book about it. It may take a few years, I guess for it to fully play out – but how it was that Huawei got as far as it did towards being able, in fact, to build this new communications infrastructure for a very large part of the world, including many democratic countries? They may still be able to do it in the developing world, and maybe in some democracies. But it's almost like they almost got to the finishing line and then somebody tripped them up, but they were very close.

And how it was, they got to be so close? Why it was that the United States and other countries were not more aware than they seem to have been of the risks involved of allowing a Chinese company to have this role is a story that has yet to be told, and will be very interesting one. But be that as it may –

KRISTOL: And the risks, I suppose, just to maybe simplify them, I'm sure quite a lot – Unlike buying, I don't know, agricultural goods when you use them up, and then maybe don't buy the next tranche, you buy it from another country, here you're in effect, setting up an infrastructure that they would have access to, presumably in terms of our own communications and technological – all kinds of internal things we do through our communication system. Is that the right way to say it? I mean, they're not just selling a good, they're setting up a system, which they would have visibility into, and potential control over, or at least the ability to disrupt it I suppose?

FRIEDBERG: Yes, it's a system that would connect the so-called Internet of Things. It's not just cell phones or computers, it's the system that you're going to have in your refrigerator that tells you when – or it puts an order to refill whatever, that allows doctors to do remote surgery, that allows self-driving cars. I mean, it really is the backbone for the development of new industries, and the creation of new systems of communication and coordination that will be central to advanced countries that deploy this.

What's interesting about this debate is the way it's unfolded, and it's not done yet. In Britain, for example, there may be a reexamination of this. Decisions have been made in the US and Australia, it's up for grabs in other places. But for a long time, the discussion of the role of Huawei was cast in a way that put the burden of proof on skeptics or critics, who said, "There's a risk involved in doing this."

And that allowed the supporters of permitting Huawei to have this role to say, "Well where's your proof? You can't show that they broke into – They used equipment that they built earlier for this purpose." Although there was plenty of proof that Huawei in particular had stolen intellectual property and done all kinds of unsavory things, the burden of proof has now shifted the other way. And that's a real face change.

And again, I think it's been accelerated by the pandemic, or encouraged by the pandemic in places where it hadn't happened before. So that now the people who advocate this have to explain why it is that it's safe in fact, to allow a company which although it's nominally private, everyone now acknowledges as at least in theory, susceptible to the control of the CCP. The CCP has passed new rules and regulations that require Chinese companies to cooperate with the authorities on issues of national security. So the burden of proof has shifted because the perception of China has shifted.

And I think the understanding of the nature of Chinese entities with which we're interacting in the commercial sphere has begun to evolve and become more realistic. So yes, Huawei is huge. 5G is very important.

I think the Chinese hope had been that they would be able to essentially steal a march on us, and get an advantage in the developing of this technology. They looked at the previous generation of communications, the so-called 4G, which enabled smartphones, which the United States dominated, and from which American companies then benefited enormously; not just equipment manufacturers, but the developers of the software and the applications, and so on. And they said, "Well, we got beaten then, but we're going to beat you next time." And they'd been working away at this, including developing equipment, but also to try to influence the setting of standards, trying to get in on the ground floor and offer systems to other countries at very attractive prices, which they're able to do in part because they get subsidies from the Chinese government.

And also, because they're early they're not facing a lot of competition from other Western countries. There are only a few Western countries that are really in this business. So they were hoping that they could kind of lock this up and leave the United States to develop a different version of 5G, which for complicated reasons would use different frequencies, and probably not work as well, or be as portable. And in the end, I think the ideal outcome from the CCP perspective was the United States is on its island with its version of this, and we control the communications, or build the communications infrastructure of a large part of the rest of the world.

They're still hoping to do that, but they have to be able to manufacture certain physical equipment in order to do that. And in order to manufacture that equipment, they still have to have access to things that are made with the American equipment and American knowledge and the IP that we control.So that's an Achilles heel. And I think the administration has gone directly at that. They've been trying to discourage other governments from allowing Huawei into their networks, or to build their networks. And they've had kind of mixed and limited success with that at least up until now. And I think they're going to still try. But with these export controls, they're going right at the source, and they're limiting Huawei's ability actually to deliver on what they're promising to others.

In addition, I think there's going to be a reconsideration on the part of other governments in the democracies of the wisdom of doing this in light of COVID. Not directly related in any way, but this shift towards a greater suspicion of China, and a greater awareness of the risks of dependence on China is I think going to produce changes in other domains, including this one.

So there've been reports that the British government, which has been debating 5G for some time, and looked like it was going to allow Huawei to have some part of the construction of their IT network, that there may be a reversal of that decision. I don't know whether that's accurate, or whether it's going to happen. According to the reports I read, the German government has been sort of looking at the British and saying, "Well, if the British think it's okay, we're going to go ahead and do it." And they may reconsider.

What you have in each of these countries is commercial interests, companies for example, the service providers, that want be able to offer these services and are lobbying hard for Huawei in effect. It's not just Huawei lobbying for itself. But now you begin to get not only opposition from a relatively small sector concerned about national security, but potentially from a much broader swath of the political spectrum, and from the public too, because of this new mistrust of China.

So Huawei is really important, and it may be the canary in the mineshaft; and it has importance that exceeds its symbolic significance, as great as that is.

As far as the kind of broader question of export controls, you're right during the Cold War, there was this very elaborate system. It was always a source of contention. There were American companies that weren't happy with it. There were allied companies that wanted to get around it, and it was a different world because there were these literal physical barriers between us and the Soviets. There was no internet, it wasn't so easy just to transfer knowledge.

And they were quite effective in holding back Soviet development of technologies that we advanced quite rapidly in the 1980s. And I think that played a role in the end of the Cold War. Immediately after that, there was a lot of pressure really to abandon those controls, or to greatly reduce them, and they have been reduced.

But now I think this whole question of whether and if, so how you can limit, or slow, the spread of technology is back on the table. Part of the answer to this, I think, is not to try to develop some new, big bureaucratic system that would mimic COCOM. I think it would take forever. We wouldn't get agreement from everyone. And by the time we got around to it, the Chinese would have acquired all the technology they want.

It's probably going to involve focusing on a few select, very important areas where a relatively small number of companies and countries actually have the leading position. And where those companies may have a self interest in protecting their technology because they see what the Chinese have done when they've acquired technology in other sectors; eventually they've put out of business the companies that thought they were going to continue to stay ahead of them.

High-end semiconductors may be an illustration of that. So it's American, I think Taiwanese, South Korean, a company in the Netherlands that manufactures some of this equipment that makes these very small, dense semiconductors. And it may be possible to get agreement at that level. And there may be other areas like in aerospace, some parts of the aerospace industry, the Chinese have been trying very hard to build their own commercial airliners. They seem to have trouble with that. I think it has partly to do with the engines.

The question is whether others are going to go along. There is no doubt that there's an impulse to do this in the current administration. There's also a lot of concern about it on the part of U.S. companies, and complaints about it. This is true in the semiconductor area, the administration has kind of pushed ahead. But in many sectors, whatever we do is not going to be sufficient in and of itself to effectively slow Chinese acquisition of technology. We're going to have to have cooperation from at least a handful of our more advanced allies. And I don't know whether we're going to be able to get that. It's one of the ways in which our recent treatment of our allies may come back to bite us, because they don't at this point have very warm feelings towards the United States, or at least towards the current administration. But I think that's going to be a major issue going forward.

And there's always this, it's almost an expression of faith: “Knowledge will always flow freely, and scientists will always cooperate. And you can't control the flow of technology. And you can't stop China from moving forward.” All that's true in a sense, but if we're in a strategic competition with China, that resembles in some ways the one that we were in with the Soviet Union, but also has this economic dimension, it's not a question of absolutely defeating the other. It's a question of staying ahead and maintaining an edge which is strategically and commercially significant.

And to do that, you have to run faster yourself, but you probably also want to do things to slow the rate at which technologies that you develop wind up in the hands of your principle competitor. You certainly want to limit their ability to do that via nefarious means – cybersecurity, IP theft.

But you probably also need to do it to limit their access through what are, for the moment, still legal avenues. And this is one of the consequences of our decision to treat China like a normal trading partner, which it's clearly not. And as that presumption breaks down, I think we're going to be willing to do some things that we weren't willing to do only a few years ago. In fact, we've started to do it.

You asked about blocks, globalization. I don't think – we're not going to national autarky, everybody isn't going to manufacture everything they need in their own country. The pandemic isn't going to last forever. Ships will sail, jet planes will fly, people will travel, supply chains will be reconstructed. But I don't think it's going to look the same as it appeared that it was going to be only a few years ago.

So you're not going to have kind of full globalization, full integration. I mean, we didn't even have that before. And you're not going to have national autarky at the other end. The question is what lies in between? And I think what could lie in between are economic blocks. So groupings of countries that have essentially free trade, and flows of investment, and information, and people among themselves, but do impose some barriers to those flows with others.

And the question is what those blocks look like? Are they going to be organized on a geographic basis? So might you have a China-centered block in East Asia? A US-centered block in the Western hemisphere? And a European block built around the EU? That's sort of what some people were expecting at the end of the Cold War except they thought it would be centered on Japan, not on China.

The other possibility is you could get blocks that are organized more along ideological lines. So, and I think in fact this is what we should be seeking, you could get a reconstruction of something which resembles the western liberal economic system that grew up during the Cold War. That includes, for the most part, democratic countries in the Western hemisphere, in Asia, and in Europe, and maybe now in some other places, that are all countries that share certain values, as well as some interests, in which all really do believe in the principles on which this open economy was supposed to be based, and which don't completely exclude China, but which impose some limitations on China's access.

In a sense, we were sort of headed this way with the idea of TPP, which I think was a good idea, at least on strategic grounds. And people talked about a trans-Atlantic economic partnership, and some people even talked about the joining together of TPP, EU, USMCA as it's now called – that seems a long way off right now, partly because of the attitudes of the current administration here.

But if you add up the GDPs of the countries in those three bubbles, it's more than 60% of global output, as compared to China, only 15%. So there's a lot of economic weight, and therefore power, or potential power, in that grouping. And it includes almost all democracies. There are a few exceptions. I think that's the direction in which we actually should be going, whether we will or not, I don't know. But I think it makes sense from a strategic point of view.

KRISTOL: Yeah, that's awfully interesting. And I guess we would know maybe – if we had this conversation, and we should, another one a year from now – in terms of Huawei, and then in terms of your broader vision of a kind of alliance of democracies that has an economic side not just a political side – are we beginning to move in that direction?

And I suppose if there's a Biden administration, how much have they bought into really a tougher line on China? Or if this a second Trump term, how much have they moved in the direction you'd be recommending, I suppose, in terms of alliances? As opposed to a kind of unilateral trade war, which seems not very productive and unfocused and maybe hurts as much as it helps in terms of the stuff we really should care about.

But I suppose that we would know reasonably – I mean we wouldn't "know;" we could have a drift away and then go back – but it would be interesting to see where we are, especially on Huawei, I suppose, a year from now.

But meanwhile we do have a Hong Kong crisis. We have some interesting stuff happening with respect to Taiwan. Say a word about other things that could happen I suppose. And then what you make of both what seems to be a real crackdown in Hong Kong, after a couple of decades of letting things sort of go as they were supposed to, I suppose, I'm not sure of that entirely.

And then what about Taiwan, where people have always been concerned something would happen, but nothing that dramatic, I suppose again, has happened for a while?

FRIEDBERG: Well, as I said at the outset, I think one way of characterizing Chinese policy since the start of the current crisis is "full speed ahead." You know, "step on the gas even harder." And do some of the things that you clearly want to do, maybe do them faster and take advantage of the crisis if you can.

And I think we see that in a whole array of domains in their ideological competition with us and their attempts to divide Europe and so on, but you definitely see it on Hong Kong. Of course there's this agreement back in 1997, that there would be 50 years from the handover by Britain – I guess the initial agreement was actually 1984, but the handover in 1997 – 50 years in which Hong Kong would preserve its own system of law and government that would be so-called “One Country, Two Systems.” And that autonomy for Hong Kong would be preserved and protected.

And that has slowly been breaking down and the slow breakdown has accelerated. Again, it accelerated with the arrival of Xi Jinping. There were demonstrations in 2014, about the absence of direct elections to allow people in Hong Kong full franchise. There were demonstrations last year in 2019 about an attempt by Beijing to get the Hong Kong government to adopt an extradition bill that would have allowed the PRC basically to demand the return or the transfer of people that they wanted for various offenses, many of them political. And there were massive demonstrations of course, starting last year against those.

And that process had gone on, and was continuing, and was a source of pretty obvious frustration to the PRC. It may be an embarrassment to Xi Jinping. This is one of the things that people speculate about.

I think what they've done is to take advantage of this moment when among other things it's just very difficult or dangerous to organize mass demonstrations. So last year, by some estimates, there were several million people out in the streets, massive crowds of people of course packed tightly together, Hong Kong is not that big a place. You couldn't do that now. And even if you wanted to, and probably most people don't want to –

Although there have been some demonstrations in the last few days in response to the latest development, which is essentially a move by the PRC to extend its laws, particularly so-called security laws into Hong Kong, and to allow the CCP authorities, not just to request the extradition of people who might be in Hong Kong, but to accuse people in Hong Kong of treason, sedition, destabilization, they have a variety of terms that they don't define very clearly. But it's pretty obvious that that's aimed at people who have been leading this movement and people who might be participating in it, and it's a way of just shutting that down, they hope.

It also, this new regulation, would allow Chinese forces to be actively involved in “maintaining stability,” as they would say, in Hong Kong. So it's a major step towards the CCP exerting full control over Hong Kong.

It's opportunistic. I think it's also, it may be coming now in part because they feel the rest of the world is preoccupied with the pandemic and with other things and isn't really in a position to do very much. It may reflect a certain arrogance on their part, and a belief that just as it happened after Tiananmen, even if some countries were to sanction them, it wouldn't last. And now of course their economic position is so much stronger than it was. So I think they expect a kind of huffing and puffing, but maybe not much reaction from everybody else.

The question is what do they assess that we are likely to do? So one interpretation of their decision to go forward with this now is that they've concluded, the leadership has concluded, that the current administration is doing whatever it can to harm them, and there isn't all that much more that they're going to do or could do, although there are a few things they might do. And therefore the gloves are off and “we're just going to go ahead and do this. And the Americans are trying to hurt us in every possible way they can. And we're just going to settle this problem once and for all.”

The big question there is whether the United States will actually, or the Congress will demand that the United States revoke Hong Kong's special status under US law, the US trade law. And this goes back to 1992, the US-Hong Kong Policy Act, which allows companies in Hong Kong, and it allows American companies to treat Hong Kong as an independent democratic country with a fully functioning legal system and so on. And that's been very beneficial to American companies. It's been beneficial to China because Hong Kong has been a kind of an avenue for the movement of capital and goods. And it's been beneficial for Hong Kong because it's allowed it to maintain this special role.

The Congress has threatened or pressed the administration to threaten to revoke special status, if in fact, Hong Kong's autonomy was significantly eroded by the PRC. And it's not clear whether we'll do that. I think the Trump administration probably doesn't want to do that. They haven't been enthusiastic about these bills pushing for a tougher stance.

And if they did it, it would be a major step towards even more decoupling. And it would have big consequences for American companies, for China, again, for people of Hong Kong. It's kind of a – I don't know if it's reversible, but it's a major step.

And whether the CCP has judged that in the end we won't be willing to do it, or whether they've assessed that in the end it doesn't matter, or it's going to happen eventually anyway, and they might as well take the blow now, I don't know. I guess I would suspect it's the first, they think based on the noises that the Trump administration has made, at least until recently, they didn't really think that we were going to do this.

KRISTOL: Yeah. I mean the Trump administration hawkishness has not been a pro-democracy, pro-human rights ,or even pro-Hong Kong really hawkishness during the previous demonstrations. So they may think that they can push more on this than they might on other things where Trump would be hypersensitive. Whether that's a correct reading of the whole American political system, I guess is an important question.

But you think Hong Kong is important? I mean, just in terms of things to focus on, for those of us who aren't following this every day and every hour and we aren't experts, it's one of the key things to look at over the next few months?

FRIEDBERG: Yes. I think it's important. Both because it's a tragedy – there's no happy outcome to this story. One way or another, the CCP is going to crush an independent Hong Kong. And there are a lot of people who've taken a lot of risks to try to maintain Hong Kong's independence and its legal system. And those people are going to leave if they can, or they're going to be in prison, some of them; or they're just going to have to go about their lives and give up on this idea that Hong Kong is a special place. It's just going to be another Chinese city. And that really is a tragedy.

But it's important, I think as a symbol also of what the CCP is all about and what their intentions are. It's important among other things, because it has an impact on people on Taiwan because the mainland has offered Taiwan, also this idea of "One Country, Two Systems." And there's been skepticism about that for quite some time; but any possibility that Taiwan would willingly agree to unification with the mainland under its current regime, I think is gone. And one of the reasons it's gone is because people see how the CCP is treating Hong Kong.

Last and not unmportant, it's significant because it could be a further accelerant to a deterioration in relations between the United States and the PRC. So if they go ahead with this, if we go ahead, as we threatened to do by revoking Hong Kong special status, it's a further big step away from any kind of normal relationship with them, commercial as well as political, and a step towards an even more intense competition.

KRISTOL: That's something to really keep an eye on. And Taiwan? Anything bubbling there? Or does that seem moderately stable for the next little while at least?

FRIEDBERG: Well, the Taiwan government, the president was reelected and she's someone that the mainland doesn't like. They think of her as an independence advocate – although I think that's not really accurate – and they've been trying to increase their pressure on Taiwan.

Of course, they've been doing this over a long period of time, but for a while, I think people in the mainland believed that they had support, certainly from the opposition to the current ruling party, the Kuomintang, and within some portions of the Taiwanese population, maybe not for unification, but for steady improvements in relations that would lead eventually, the CCP might hope, to something resembling unification.

And that again seems really to be gone. They've been stepping up their military pressure, flying planes, cruising ships close to Hong Kong [sic]. So there's an implicit and not very subtle threat in all that.

There are also some noises that are emanating from the Chinese system, which are not easy to interpret, but in the last month there've been a number of articles by some well-known sort of think tank academic types, people on the periphery of the system, but people who have been thought to have had some role in policymaking in the past, saying in effect, “now's not the time to use force against Taiwan.” Which some people have interpreted as a reaction to an ongoing internal debate about whether to do that or not. I don't know whether there is such a debate. It could be that that we should read it at face value. And that's what it is.

It may also be a form of signaling; saying, “We are capable, if you push us too far, of using force and solving this once and for all just like we're doing with Hong Kong.” I think the chances of that right now are pretty limited because I don't think the PRC is yet in a position where it's confident it could do that cleanly. And it would have to worry that it might produce a mess and might draw in the United States, but they're certainly threatening that.

One of the things about the way the CCP behaves is that they become more aggressive when they feel like they're under pressure. They're aggressive anyway. So it's not like being nice to them would make them passive. But they're doing things – So they've done this in Hong Kong, or they're threatening to do it; stepping up some pressure on Taiwan. Some people believe they're also stepping up their activities in the South China Sea, where they've been pursuing these maritime disputes with other countries. And they've also reopened a border dispute with India at the same time and that's just in the last week or so.

And I think all that is meant to signal the rest of the world, and maybe us in particular, “You better be careful if you push this too far, who knows what's going to happen.” It's a way of trying to wave us off, trying to deter us from sticking with a tougher policy.

I think we're going to see more of that. There's going to be articles and people talking to counterparts in other countries about the danger of war, the temperature is going to go up. And again, you have to take that seriously. You can't entirely dismiss it. But I think it is also part of their strategy for creating the space that will enable them to keep advancing towards their goals.

They have to be uncertain, also, about what would happen if there's a new administration. I think they know what they're getting with the Trump administration, or maybe they're not sure about how it would look if he were reelected, but they must entertain some hope that a Biden administration would be, as they see it, more reasonable or more conventional in its dealings with them. So I don't think they want to destroy that possibility if it exists.

KRISTOL: Before this conversation, I was thinking, we did our last one a little under a year ago. We’re now speaking right after Memorial Day in 2020. We should do one in another year if things are moving fast. And now they’re moving so fast, from just this conversation, it strikes me, that maybe we should do our next conversation six months after the election, when we really have a sense, is it Trump reelected? A sense? [Laughs] When we *know* whether it's Trump reelected, or Biden elected, or some bizarre third outcome, I suppose? Which would be A, a lot will have happened, and B, it would be an interesting moment for you to give advice to them and to whoever's in charge, and also to Congress – which we'll see how things have developed over these several months. So maybe we'll hold that off until November, if that's okay? But I think we've got a sense of where you would want policy to go over the next few months.

I guess my biggest question – maybe this is a good thing to close on – is just listening to this conversation and really trying to think about it as we've talked, it feels to me like you're, I don't want to put words in your mouth. How much is the US-China confrontation, or competition, likely to be the decisive fact about international relations over the next years or even decades? I mean, obviously a million other things can or will happen, and some of that could be quite destructive in the Middle East or with Russia and so forth.

But it does sound like you think that US-China will be maybe as central as US-Soviet was. A lot of things happened that weren't directly connected to the US-Soviet competition. Huge wars broke out: Iraq and Iran. And Israel and its neighbors. And they weren't really directly Cold War driven or related, I would say. And a lot of other things happened in world history between the late forties, 1940s and 1989. But it was sort of the central drama. Do you think that's kind of now the case?

FRIEDBERG: I do. And I think that's been evident for a while. As you say, there are lots of other that are going to happen, but there isn't – certainly no geopolitical relationship or development that's going to be more important than what happens between the United States and China. And I think a lot of things are going to take shape around that, or in reaction to it.

Of course there are things that can emerge from the natural world, pandemics, and you do have some people saying, well, look, the pandemic proves that we can't place all our attention on geopolitics. That in fact, in the 21st century, great powers have to cooperate to deal with shared threats like communicable diseases or climate change and so on.

I don't want to say that that would be undesirable. It certainly would be desirable. But I don't think it's going to happen. Or not to a considerable degree, because I think the intensity of this rivalry is increasing.

I find myself thinking of the final scene in *Dr. Strangelove*, where everybody's in the bunker, in the War Room and the Soviet ambassador and General Buck Turgidson are wrestling with one another because the general has discovered that the Soviet ambassador is trying to take pictures of the big board. So even as the apocalypse approaches and the end of the world is nigh, the Cold War is still being fought out. And of course the president comes over and says, "Gentlemen, you can't fight here. This is the War Room." So maybe we're wrestling with each other while these planetary catastrophes are headed our way, but that isn't going to stop us wrestling. And I think this is the central competition.

It's also, for reasons that I've suggested, I think it's become increasingly clear that China intends, if it can, to modify the world, to change the international system in ways that are fundamentally inimical to our interests and to our values.

So it isn't entirely up to us. I mean, it's maybe *not* up to us, really. We could choose not to respond I suppose, but I don't think we're going to. There's a major challenge. They see it that way. They're conducting themselves now in a way that makes clear that they believe that. And the question still not fully resolved is how exactly we're going to respond. I don't think there's now an issue of whether we will respond. It's more a question of how.

KRISTOL: For me, this has been a terrific conversation. I trust for – I was going to say "our viewers." I'm used to saying "our viewers." Our listeners. But let's plan on reconvening in six months and hopefully in person and on video. But it's not so terrible to do it on audio, here remotely. But I do want to thank you. This has been very stimulating. Aaron Friedberg, thank you for joining me today.

And thank you for joining us on CONVERSATIONS.