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BILL KRISTOL:

Hi, I'm Bill Kristol. Welcome back to *Conversations* where I'm very pleased to be joined again by my friend Aaron Friedberg, professor of politics at Princeton. We've had, this is our fifth conversation, amazingly, on China— US-China relations, but more broadly on China and world politics. And I've got to say, I looked through the transcripts and they stand up very well. We had one right after our withdrawal from Afghanistan and discussed the implications of that. What lessons the Chinese might be learning, and then one about a little under a year ago after the Russian invasion of Ukraine and talked about how that might play out with respect to China and as I say, both stand up well. Aaron is the author of several important books, most recently in 2022, *Getting China Wrong*, which is not a confessional autobiography, but rather an account of his colleagues in the China watching business. A very fair account, I would say, of how people tended to get China wrong. So, Aaron, thanks for joining me again.

AARON FRIEDBERG:

Thanks very much for having me back.

BILL KRISTOL:

So, let's get right into it and maybe let's begin with Ukraine. It’s such a dominant story in the world, don't you... I think maybe the most important event in international politics, since the end of the Cold War, I was just back from Europe, it certainly felt that way there. But let's talk about China with respect to that because it's a little more distant from China and China's played a bit of a role, but how have they behaved? Have you been surprised by their behavior? What lessons do you think they're learning? What is the effect of the war in Ukraine on China itself, and then we can get to US-China policy and so forth.

AARON FRIEDBERG:

Well, I think the Chinese have sought to walk a line between their support for Russia, which in the end is not going to change. They're not going to abandon Putin despite the hopes of some people in the West when the war began, that somehow, we could peel the Chinese away and appeal to their better angels and persuade them that they should be on our side and opposed to this kind of aggression. That's not going to work, Russia is essential as an ally to China and they're not going to let Russia or Putin go. At the same time, at least to now, to this point, the CCP leadership has been careful about not appearing to do things that might justify further harsh measures from the United States or allies of secondary sanctions if China was to overtly supply Russia with military equipment, for example. I should say, and maybe we can talk about this, there is now some discussion about whether that may be about to change.

The US has let it be known that we have some information that suggests that possibly the Chinese leaders are thinking about providing Russia with military equipment, which would be a major, and from our perspective, escalatory step that we're trying to deter, but it hasn't happened yet. But even short of that, the Chinese have found ways to help keep Russia afloat. They've increased their imports, particularly of energy from Russia, and they've also increased exports of a variety of goods and cooling— so-called dual use items like semiconductors that could be used in military equipment. Maybe some so-called nonlethal kinds of assistance, navigation equipment and so on. So, they've walked a line, they've been careful. The other thing to say...

BILL KRISTOL:

And what are the considerations on each side for them? Because on the one hand you look at what was the Putin-Xi meeting, which was at the Olympics, what? Just about a couple of weeks before the invasion? And they had some phrase, I can't remember. They were all in together, right?

AARON FRIEDBERG:

Right.

BILL KRISTOL:

Was that...

AARON FRIEDBERG:

“Unlimited partnership.”

BILL KRISTOL:

Yeah.

AARON FRIEDBERG:

Something like that.

BILL KRISTOL:

And they haven't really quite behaved that way, I think, on the one hand and you think, "Why not?" Are they worried about the price they would pay here or in Europe or generally? And then on the flip side is why not go all the way and curry favor with the West and just leave Putin alone? It's not their war. They don't like Putin presumably that much. So, say a little bit about that. Yeah.

AARON FRIEDBERG:

Well, on that side of it, I think some people argue in fact that Xi Jinping does have a personal connection to Putin, whether it's because they're the two dictators or because he has this residual respect for Russia, Soviet period that Putin in some sense shares. So, there may be an aspect of that, but of course, Xi is pretty cold-blooded. I don't think it's sentimental, but from a Chinese perspective, to have another authoritarian dictator defeated if only indirectly by the United States and its allies and possibly even put in a position where his regime is overthrown, that'd be the worst-case scenario. That's a nightmare. The Chinese can't tolerate that. Also, just from a geopolitical point of view, having Russia in the game is of great assistance to China in its long-term competition with the United States and the West. It provides it a secure rear area, it's inner frontier that they don't have to worry about. Secure supplies over land of energy, of grain and so on and also Russia, as a power, keeps some portion of America's energies and attention and of the West's energies and attention, more broadly, focused away from Asia and away from the Pacific. And I think that, from Xi Jinping's perspective, is a positive thing and he would like to keep that because he's afraid that if somehow that were to be removed, then the US would be free to shift all of its energy and attention to him.

BILL KRISTOL:

That's very interesting. Very, very helpful on that side of the equation, much clearer than most of the explanations I've seen. What about the flip side of the equation? Why not do more? Then there's reports now that our intelligence thinks they may be ready to do more. I take it we're trying to deter them from doing more, some people I know are surprised they haven't. They've done some sanctions busting, I suppose, and helping of Russia, but not everything. Do you agree? Not a lot of what they could have done. It's a wider relative restraint on the flip side of the equation.

AARON FRIEDBERG:

The things that they haven't done yet would be to overtly supply large quantities of arms and ammunition. And the two things that people are talking about as possible shifts in their policy, although there's no evidence of this that I'm aware of yet, would be providing Russia with artillery, ammunition and maybe weapons. Because they're using these at a tremendous rate and possibly also specifically military drones. Apparently, they've sold some civilian drones to the Russians, but they've been careful. And I believe the reason is that they don't want to run afoul of the United States and of our European allies. They don't want to find themselves the targets of, as I mentioned, secondary sanctions that we might conceivably impose. We haven't done that, although we've targeted particular Chinese companies that we've accused of trafficking and some of this dual use material with Russia, but they're worried about secondary sanctions.

And I think one of the things, at least thus far that they must have taken out of how the West has dealt with Russia is, when sufficiently provoked, the United States and its allies are capable of imposing pretty serious sanctions on what we perceive to be an aggressive power, even at the risk of imposing some costs on ourselves. The Chinese are never completely convinced of that. I don't know if they're convinced that we're going to stick with it, but they wouldn't want to be subject to that if they could possibly avoid it. The other thing to say there, and it's related is I don't think the CCP leadership at this point has any hopes that it can somehow persuade the United States to change course dramatically in its dealings with them. In other words, they don't think that we're going to soften considerably in our dealings with them.

They believe the current Biden administration has continued and in certain senses even gone further in some respects than the Trump administration did. There was no reset of relations when a new administration came in. So, I don't think they have much hope of that, but I do think they still entertain the thought that they may be able to split our alliances and in particular that they may be able to drive a wedge between us and our allies in Europe, some rumblings of that on some trade and technology issues. The war and China's posture on the war, it's refusal to outright condemn Putin and oppose him in active ways has accelerated the solidification of a much tougher view in Europe of China. And the Europeans are now willing to at least contemplate doing things in dealing with China, which we'd hope that they would, but they've been reluctant to. And if they were to take this next step and really actively support Russia in the war, I think they would be concerned that any hope of weakening our alliance, dividing us from the Europeans would evaporate. The one last—

BILL KRISTOL:

Yeah, just to say, I think on that, that's very important. I'm just back from Europe's meetings and some government officials who dealt with China directly and members of legislatures and so forth, and they're very struck by that. That China has sort of given up on the US for the foreseeable future. They still would like to damp down certain things and confuse us in certain ways and prevent what they would regard as the worst outcome, but Europe is very much in the balance. I think they are a little surprised perhaps, and I want to hear you about this and the general unity against Russia, against Putin on behalf of Ukraine. I think the Europeans to their credit, are telling the Chinese that, "Look, we're not where the Americans are on you, and we want to keep our trade relations and so forth. But if you overtly help Putin in a big way, in a war changing way, very hard for us to treat that as business as usual", which is they're still, for now, trying to maintain some of that with China. Is that your sense?

AARON FRIEDBERG:

Yes. I don't think they want to, and it's, of course, generalizing because Europe has many different actors. They all have national policies, but as a whole, they have tried not to be seen to be simply doing whatever the United States wants them to do. And that's of course, for many reasons, but on China as well as on other issues, they'd like to pursue a somewhat independent policy, certainly on economic issues. The French have talked a lot about this. The Germans at times have talked about it, so they don't want to be completely in the corner with the United States. At the same time, they're being pushed in that direction further and further by Russia's actions and by the recognition of their continuing dependence on the United States for backing up their security. And then also, as I said, by the revelation, which shouldn't have been a revelation, that the Chinese cast in their lot with the Russians and consider themselves to be joined at the hip with the Russians.

And that's been an unpleasant surprise for some. But it's caused, it's accelerated I think, a reconsideration of European policy towards China in an interesting way. Leaders in both Asia and in Europe, in democratic countries, have started in the last year or so to talk in ways that are quite similar to the way in which many people in the United States talk about the world at the moment as being divided between authoritarians and democratic powers. And clearly, they see themselves on the side of the democracies. And increasingly, I think many see Russia and China as more similar than different and certainly very different from the democracies. So, they're inclined more to lump them together because of the character of their regimes and the Chinese really don't like that. But I think it's the truth. I think it's something that many Americans have felt for some time, but increasingly I think people in Europe take a similar view. This is a problem having to do with the nature of these regimes and they're more similar than different.

BILL KRISTOL:

No, that's really striking. I was struck when I was in Europe that they're less concerned about Taiwan qua Taiwan than we are, I think. But they are concerned about China writ large, they're not idiots. They know it's a massive thing in the next 10, 20, 30 years, excuse me, in international politics. And they don't quite have the dependency some of them had on Russia, I think. Do you think also, I'm just curious, did the Chinese look at the degree to which some of the major European nations and Germany in particular have managed in one year to pretty much sever themselves from an energy dependence that was pretty large a year ago?

And a year and a half ago, they were going ahead with Nord Stream Two. That's an under — in my opinion — appreciated thing in the US, believing about Europe. But leaving that aside, do they look at that and think, "We have all these deep penetrations and ties and obviously the large streak of European public and certainly political leadership wants to continue a economic engagement, but they can do a little more, they could pivot a little more quickly than we thought." Do you get the sense that the Chinese are thinking that?

AARON FRIEDBERG:

I think so. Although, I believe their reading of the implications of that is probably mixed. On the one hand, what is one of the major lessons of the last year? It is that excessive dependence for critical materials, whether it's energy or rare earth minerals or some kind of manufactured product, excessive dependence on unreliable suppliers or suppliers who may, in the end, be hostile to you for strategic and ideological reasons is extremely risky— A. And B, that you would be well advised to limit that dependence. And as you said, the Europeans have managed to do that much more quickly than I would've expected. This is something we've been nagging them about for years and telling them they shouldn't allow themselves to be so dependent on Russian energy and now they've started to reduce that dependence. I think this experience has made people in Europe and also I think in the United States, begin to focus even more on the nature of the dependence that we have on China for a variety of different manufactured goods, precursor chemicals, this kind of thing.

It's been apparent for a while. I think our sensitivity to this, and the Europeans too, grew in part because of the COVID pandemic, realizing we couldn't make masks and we relied on China for a lot of the precursor chemicals that go into drugs and this kind of thing. But we haven't done all that much yet to mitigate that dependence and I think the experience of the Ukraine War is giving added impetus to efforts to reduce that dependence. Whether it's by increasing domestic production or so-called "friend-suring," relying more on friends and allies. The difficulty from our perspective, and maybe the saving grace from the Chinese perspective is that the nature of our dependence on China is so much more complicated, and it's across a variety of different sectors. It's a huge volume of materials that we import. It's going to be very hard for us to reduce that dependence.

Maybe in certain selective areas we'll do it because we're willing to pay the price, and that's part of the issue. You would have to pay more to source it from somewhere else, but I'm not sure they're convinced that we or our allies are really prepared, absent some huge catastrophe, to take further steps to reduce that dependence. I think we should, I think there's pressure to do that here. There's starting to be pressuring in Europe, but if I was sitting in Beijing, I might say, "Well, they talk a good game, but look how much they depend on us for these products. Look how much they depend on our market for their own goods. We're not Russia. We're a much bigger player, and these countries are not going to be able to reduce their dependence on us." Of course, it remains to be seen, but it's mixed, I think. The lessons are mixed.

BILL KRISTOL:

Let's talk then about our own policies, and Europe's as well, and our Asian allies as well. When we had our first conversation in 2019, you were a little heartened by some of what Trump had done, even though in a very, somewhat ham-handed way, a little heartened by the fact that on these issues, Democrats were not even opposing Trump much on some of the China stuff. When we talked a year ago, you were struck by how much the Biden administration had continued and revised, but let's just call them a tough policies towards China generally, and there was bipartisan support. Just where do we stand today, in terms of first, the US and then more broadly our democratic allies? Our own understanding and view of China, and then how intelligent are... If the policies are more hard lined, are they intelligently more hard lined or just randomly more hard lined and so forth?

AARON FRIEDBERG:

Well, there's no doubt that the center of gravity, if you like, of discussion of US policy towards China, at least in Washington, in political circles, has shifted markedly, for lack of a better term, in a hard-line direction. And that's been very striking over, I would say, the last five years, first. And secondly, the extent to which that shift appears to be bipartisan. You mentioned that Trump did various things that others hadn't done. There was not as much objection to some of these things as you might have expected. The trade and technology measures, the world didn't end the way people had said that it might if we opposed export control restrictions on Huawei and so on. And now, the Biden administration has continued and even gone further in some of those policies, and that reflects, I think, this new emergent consensus. But what is that consensus, exactly? What does it consist of? I think to the extent that there is agreement, it's on the fact that China is a challenge and even a threat and across every conceivable domain, military, economic, technological, political, warfare and so on. You don't get much argument about that, at least from people in Washington, maybe not so much from the China expert community, and maybe talk about that.

One of the things that was striking, for example, about the response to the balloon episode was that the debate was not really, "Should we shoot it down? Are we overreacting?" You had people saying that on the outside, but in Washington it was just a question of when. "Should we have shot it down before it even took off from the ground, or when it went over Alaska?" There was a uniform, or nearly uniform, feeling that this was a challenge and we needed to respond, and you find that across a range of areas.

So greater recognition of the existence of a challenge or threat, there is not yet, I think, a workable consensus on exactly what the response or responses should be. And in that sense, think your question suggested this, we are kind of popping off in a variety of different directions, and the administration is doing certain things and Congress is proposing things right and left, all of which are intended in some way to hit back at China or to counter things that it's doing that are perceived to be aggressive. But from where I sit, there is not yet a coherent and well understood and broadly agreed upon strategy for dealing with China. There's not really even a full agreement on exactly what the nature of the threat is. There is a threat. What's it all about? How severe is it, and what should be our policies to deal with it?

So, the range of discussion has grown narrower, but that doesn't mean that we've reached a point where everybody agrees on what the strategy should be. We're still in the early stages of this. You're not supposed to make these analogies to the Cold War, but it's inescapable. I think we're in the early stages as we were maybe in the late '40s, early '50s, recognizing there's a threat, there's a problem, not yet fully converging on how to deal with it. So that's in the US, and there are divisions. Maybe we can talk about some of those.

There is a question, I think, about whether that consensus is going to be sustainable. There are people, I think, who want to take advantage politically of the China issue and would like to turn it into a partisan kind of cudgel to beat the other side over the head with. Right now that seems to be more Republicans than Democrats, and we're seeing a little bit of that already. So, is that going to grow and might this consensus break down? It's still kind of fragile. We're further along in that process than our allies certainly in Europe are, but I think they're also moving in the same direction.

BILL KRISTOL:

And in Asia?

AARON FRIEDBERG:

In Asia, I think they're further along. The Japanese, the Australians, Taiwanese are starting to come along and there are some differences, Korea. But, no, I think several of the countries there have been, in certain respects, out ahead of us in their appreciation of the severity of this challenge.

BILL KRISTOL:

And which parts of the challenge do you think we have the better grasp on it or doing more on, or which are we sort of further behind on? I guess, defense, economics, technology, technological dependence, maybe? We probably shouldn't discuss Taiwan itself, which is kind of its own issue. Are you happier or think that we've made more progress in some areas and less than others, or is it kind of haphazard?

AARON FRIEDBERG:

We certainly have made more progress in some areas than others. I think, overall, what I would say about the current administration is, and over the last two years, in general, we're moving in the right direction. We're not going fast enough, and the speed with which we're moving is different in different areas. So, in the military domain, I do think there's much more widespread appreciation of the seriousness of the challenge to our position in the region and to our ability to support our friends and allies that's posed by Chinese continuing military buildup. And I think there's a recognition that we need to do more if we're going to maintain a stable balance or a balance that deters aggression.

From there, there's some disagreement about what exactly should be the priority. I think the biggest concern I have on that front is whether we are in fact going to increase defense spending, as I think we're inevitably going to have to do and probably by a considerable amount, in order both to bolster our position in Europe and also strengthen our position in the Pacific. And we haven't gotten fully into that debate yet, but I think we're moving in that direction.

So, there's recognition of the threat and the need to do something about it, differences over how exactly to do it, and this issue of resources is sort of still in the background and our willingness to pay for it. On the economic front, let's say the technology issue, there's much more concern than there was, certainly, about issues of technology theft, force technology, transfer and the need to deal with that. It took a long time to persuade people how serious that problem was. There was a lot of resistance on the part of business and others actually to acknowledging it and to doing something about it. There, too, there's I think general recognition of the problem, although they're not full agreement on how serious it is or how to deal with it.

The discussion on technology, though, I think has progressed pretty markedly in the last, say, two years. It's now no longer a sort of backward-looking, "What were they stealing from us, and how should we punish them for what they did?" It's more forward-looking and it's also not just about technology that's relevant for military purposes, but much more broadly, the extent to which China may now be forging ahead in emerging technologies like artificial intelligence, which will have relevance across all domains. So, we're in the process of shifting our perception of China in the economic domain from a kind of normal trading partner, and we're still sort of half in that mode, to thinking of it as a full spectrum competitor, a problem not just in the military domain but in the economic and technological domains as well. And the Biden administration has taken large steps in that direction in the last 18 months, the export control restrictions on high-end semiconductors and semiconductor manufacturing equipment and so on. That really is not justified simply by a concern over the applicability of this technology or that to weapons. It's everything, and that's a big change.

The other change in the way the administration has framed the problem, although they haven't been quite as explicit about this as I think they're going to have to be eventually, is to say, "We're not just concerned with preventing them from getting this or that." We need to slow them down. We need to maintain the greatest possible margin of advantage that we can in an array of technologies. That's a kind of revolutionary idea. If you said that to people even a couple years ago, and I can testify to this, because having tried to say this to people, many of them, their heads exploded. "What do you mean we can't treat them as a competitor in this way?" But that's really shifted.

I guess I would say on the overall trade relationship, I don't think we've figured out how to deal with that. It's so big and has so many elements that the idea of somehow cutting this cord and decoupling completely, I think, is a non-starter. At the same time, there are a whole variety of problems that grow out of these different dependencies that we discussed, and dealing with them is going to require government intervention to change the way markets are functioning. And then there's this just big problem of the political leverage that China has as a result of the importance of their economy to us and our allies. That continues to be a problem for us, I think, and we haven't figured out how to deal with it.

The last issue, just to mention briefly is what, for lack of a better term, I'd call the ideological issue or the regime issue. We've gone through a period when it was kind of impolite to talk about the character of the CCP regime, and they were in the process of changing and then well, even if they don't change, it doesn't really matter, to now accepting, I think, more broadly that the character of the regime is the root cause of the problem that we have with China, as it is with Russia. But then what are the implications of that for policy? If you can't wave a wand and change the nature of their regime, how do you deal with that? And, again, we're further along in acknowledging the existence of the problem. We have not yet, I think, converged on a way of dealing with it.

BILL KRISTOL:

No, that's very helpful. A couple of follow-ups of questions on the economic side and trade side, technology side too. Corporate America, I feel like they've moved some from their... certainly 10 years ago, maybe five years ago, just kind of, "Oh, come on. We're all-in on constructive engagement," and basically turning a blind eye to everything that might point the other way to more of a mixed sense. Are they lobbying hard against some of this stuff? Are they just stepping back and hoping it doesn't go too far in the direction they don't like? Or do they not care because some of the China investments and trade haven't worked out too well?

AARON FRIEDBERG:

It certainly has changed. I think there was a more unified body of thought in favor of engagement, not at any cost, but because it wasn't perceived to have costs, it was all upside, and that's fragmented and broken down. And you have some industries and some companies which no longer see their prospects in China, and they are therefore less inclined to support or to oppose a harder line positions on China, but it does vary. I mean, you have companies that still have large interests there and don't quite know what to do about them. Apple has this huge investment in China as a manufacturing platform for many of its products, I guess, particularly the iPhone, an acknowledgement that that's kind of a problem, partly because of the prospect of worsening relations with China, but also, I think, in the last couple of years because of the sense that conditions in China are going to become less favorable to foreign businesses as the party state tightens its control.

And so what do we do about that? The thing that I noticed is people may be kind of lying low and keeping their heads down. You don't see prominent business leaders, for the most part, condemning the Biden administration for taking an excessively tough line on China. They may lobby behind the scenes for less stringent export control restrictions, or they may be opposed to the proposed regulation on outward bound foreign direct investment to China. They lobby for that or for changes in those regulations. But at least for the moment, I think that there's an awareness that the political wins have shifted and people don't want to be seen to be taking a position that could be characterized as being somehow pro-China, but the economic relationship remains. It's very complicated, and some people are still making a lot of money and don't want to lose those possibilities.

BILL KRISTOL:

Yeah. I'm struck by that. I mean, I'm struck by the uncertainty, I would say, in the business world compared to, certainly, five years ago, where there was much more certainty. Come on, are you seriously suggesting we should reconsider some of this? I mean, this is the future. Get with it. You don't hear that as much. Maybe they still think it, a lot of them. I don't know.

AARON FRIEDBERG:

There's a big change there. The assumption that China was going to just keep on growing seven, eight, nine, who knows, 10%, that's out the window. And now the question is, how rapidly are they going slow down and how low is the growth rate going to go? The notion that this is the great sort of El Dorado, where everybody's going to make a lot of money, I don't think that that's now widely believed. Plus, you have this backdrop of political uncertainty. All the arrangements that we had, the so-called globalization as it grew up over the 30 years or so after the end of the Cold War, rested on certain political assumptions that kind of disappeared, at least from our perception, not from the Chinese perception, that everybody's going to do what's sort of economically rational and decisions are going to be made on the basis of judgments about cost and profit, and politics just doesn't enter into it.

Politics has come kind of roaring back, both in the form of concerns about domestic developments inside China, and of course, a lot of this focuses on Xi Jinping and his increasing concentration of power in his own hands, but then also geopolitics, the recognition that relations between nations can break down for strategic reasons and that that will have enormously disruptive economic consequences, but the fact of those disruptions may not prevent the breakdown. I think people, at least in the West and the United States, had kind of tuned out the politics and just sort of focused on the economics for 20 or 30 years, and that made a certain amount of sense for a while. It no longer does, and I think people are more aware of that. What to do about it, though, is less clear.

BILL KRISTOL:

So, let's talk about the actual situation in China, which, maybe that will help clarify what we have to do or not. But, obviously, it's symbiotic, so to speak, our understanding and what's actually happening over there. And I guess just to put it simply, I mean, we should talk both about maybe what's happening in China and then China's foreign policy, how much those have changed over the last year or how much we can judge, at least directionally, where they're going. I mean, we're on the spectrum of, "Look, it's basically a stable kind of conservative, cautious, unpleasant regime, but there's no evidence it's going to do anything rash, either abroad, and then not much evidence that it's rickety internally." That would be maybe one extreme, and the other would be, "It's sailing off into Putin-esque governance at home with Xi having so much power and possibly Putin-esque behavior abroad." Where's the truth on that between those two caricatures, I guess?

AARON FRIEDBERG:

What's happened in China, it's happening over the last 10 years, it's happened more visibly maybe over the last couple of years, is that there is a greater and greater concentration of power in the hands of the party over all other actors in Chinese society, including the state. The party dominates the state, but also all elements of society, including business. And Xi Jinping has been quite explicit about this, that it's necessary to tighten the party's grip on society and on the economy in order to preserve stability and to prevent hostile forces from destabilizing and weakening China, and he's acted on that and continues to act on it, and it's manifest in a variety of ways, one of which is the fact that he is clearly now the maximum leader. Any notion that there was anything resembling a collective leadership among equals is gone. I think it's been gone, really, since he came in.

But at the 20th party Congress, he effectively removed from all the high-ranking positions, not that there were any enemies of his, but people who even had alternative sources of power themselves or came from other parts of the system that weren't his gang. Those people are out. He's put people in all these positions who are loyal to him, dependent on him, and in many cases, whose qualifications to hold the positions that they now hold seem to have more to do with their political loyalty than with their previous experience or their obvious expertise. So, he's put emphasis on control. The other thing, though, that's been going on is—

BILL KRISTOL:

And that 20th party Congress was just a few months ago. Right?

AARON FRIEDBERG:

Yeah, October 2022.

BILL KRISTOL:

So since as we talked of looking forward at it in our previous conversation and wondered if what you just described happened would happen, and it did happen.

AARON FRIEDBERG:

Yes, it did, and I think it was predictable. So, a third term as general secretary, he did not identify anyone as a possible successor, which, Chinese leaders have done in the past, which many people think means he intends to rule indefinitely. Because if you have a successor, they can become a kind of focal point for opposition to you if you're perceived to have screwed up, and he's not going to let that happen. So, I think the smart money would bet that we've got him for quite a while. Until his health fails, he's not going to... These guys don't generally retire peacefully, especially if you've thrown as many of your enemies in jail as he has. He's got to stay on the tiger. And I think he intends to, partly because he sees himself as the crucial figure.

The environment that Beijing, that Xi Jinping himself faces, has in many respects become more challenging over the last couple of years. And I guess we'll talk about the external part, but internally, there's COVID, COVID lockdowns, increasing dissatisfaction with those lockdowns, a sudden reversal of policy, abandonment of “Zero COVID,” letting the disease just sort of rip through the country. We don't know for sure, but it's probably been over a million people who have died of COVID just in the last month or so. So, they made a decision that their attempts to stamp it out were not going to succeed indefinitely, and they were willing to pay the human cost and the cost of some further temporary economic disruption to get through that and to get on with business.

But even more important, I think, are the deeper sort of underlying challenges that China faces in trying to continue down the path of economic growth. And these are not new, but they've gotten, I think, more intense. They still have this massive problem with their property sector, which has been a major driver of growth. They have an enormous overhang of debt. They can't just keep pumping more and more money into building more and more apartment buildings to sustain growth.

They have now a dwindling working age population, and they're going to be experiencing an absolute decline in the size of their population. And that big working age population has been a big element in their success over the last several decades. So that's no longer going to be there. They have all these persistent and unresolved societal problems, aging population, how do you take care of people, pollution, things that they haven't dealt with adequately. So all of that.

And now they also face a less welcoming external environment. So less access to the US market. We put tariffs on. We're not letting them get access to technology that they feel they need as much as they did in the past. Other countries, democratic countries, are moving in a direction of possibly imposing restrictions of their own on China's access to their market. So the external environment is also less conducive.

At the party congress, among other things, two things that I think may be significant, one is a change in the formulation that they use to describe the external environment or the world generally. For 20 years, from 2002, they talked about China being in a period of strategic opportunity, which I think meant after 9/11 and after their entry into the WTO, they figured they were going up, we were preoccupied, they could grow uninhibited.

Now they talk about a period in which opportunities and risks and dangers are mixed. Xi, in one of his long speeches, used the term security multiple times, talked much less about growth for its own sake. I think they're battening down the hatches and not only tightening domestic control, but trying to shift their economic policies to make them less vulnerable to things happening in the outside world, including the possibility of sanctions, export controls, and so on.

So they're trying to boost domestic consumption and rely more on that than on exports. They're trying to move closer to so-called self-reliance in key technologies, diminish their dependence on us for those technologies. Those are not policies that you pursue for purely or even primarily economic reasons. They're policies that have a strategic and political motivation, rather than a purely economic motivation. So people in the West who have been saying for years, they have to liberalize, they have to rely more on markets, even some of those people are now kind of throwing up their hands.

And in the past, there's been an inclination for those people to say, well, this is just stupid and it's irrational. But in fact, it never was stupid and irrational. It just was aimed at optimizing different values than the ones that we assumed economic policy makers would be concerned with. Not just enhancing welfare, but enhancing security. And now they seem to be emphasizing security even at the price of slower increases in welfare. And we're in a new era, as Xi Jinping likes to say. And it's not a promising one. You do that because you're preparing for the possibility of conflict with your enemies.

BILL KRISTOL:

And the foreign policy implications of that could be, I guess conceivably, a bit of a, not picking unnecessary fights around the world, kind of caution, 'nation building begins at home,' their version of that. No need to, you know, we've got enough problems, let's just keep things going. We talked about that a little bit with respect to even the way they're dealing with Russia and their worry about too much of a backlash if they are too pro Putin.

On the other hand, I guess the foreign policy implications could also be a tougher stance abroad and even a lashing out and an attempt to deal, I don't know if it's, well, for various reasons, and you should talk about what they might be, to go, if you think that's plausible, to go in a more aggressive direction. And then I guess Taiwan is the ultimate sort of footnote to this discussion, which we should get to.

AARON FRIEDBERG:

Okay. Well, so I think it's a mix, as you said. I do think their initial impulse or the conclusion to which they seem to have come after a couple of years of wolf warrior diplomacy and very aggressive stance was that they needed a breather. And it's kind of ironic that Western commentators seize on any little indication that they want to talk, or they want to meet as an indication of a change in direction. They've recognized that the previous posture was counterproductive, so now they're going to move towards a more peaceful stance.

I think to the extent that they do that, it's purely tactical. It doesn't represent a strategic shift. It's a reflection of the fact that they do feel under pressure internally and externally. They would like to alleviate some of that pressure to buy themselves more time. So that's what's behind the so-called charm offensive that's been evident since the latter part of 2022.

So, they got rid of a bunch of these diplomats who were associated with the idea of wolf warrior diplomacy, not because those guys had done anything wrong, they were doing what they were told to do, but they had sort of outlived their usefulness, at least for a while. So, they started to take a somewhat softer line, as I said, even with us, let's meet, let's talk, especially with our allies, especially with our allies in Europe.

But they have not been willing to make any meaningful changes or concessions. It's been intended to buy themselves time. And unfortunately for them, for a variety of reasons, that does not seem to be working, at least so far, not working with the US. The balloon may have blown that up. It doesn't seem to be working well with the European—

BILL KRISTOL:

Incidentally, if I can interrupt, this is terrific. What was the truth about the balloon? Do we have any idea?

AARON FRIEDBERG:

I personally don't. My best guess is that this was part of a program that they seemed to have undertaken in the last few years of using balloons for intelligence collection purposes. And they do apparently have some utility. People scoff at this and say, oh, well, they have satellites, but apparently there are things you can do with balloons that you can't do as easily with satellites. So, it's not totally crazy.

They have flown these things up and down along the coasts of some of their major opponents, including Japan. They apparently have flown them over Taiwan. So, I'm very confident that that thing we shot down was an intelligence collection balloon. Was it intentionally dispatched across the United States? Could it conceivably have been blown off course or failed in some way? I don't know enough to have a judgment on that. My first impulse is to think that it was deliberate and purposeful, although the timing of it seems to have been inauspicious, certainly given what happened.

But I think it's part of a larger campaign, a very aggressive campaign in which they're engaged to collect intelligence by any means necessary, and certainly willing if necessary to violate the sovereignty of other countries. To do that to the United States would be pretty audacious. And if they did it on purpose, I think they got more than they bargained for in terms of the response. Among other things, it's made it very difficult. I think the Biden administration, as of the end of last year, was inclined to, let's, yes, okay, we've been reaching out, saying we want to meet, and now the Chinese seem interested. They want to pursue that, maybe in part because they're hopeful that something will come of it, but I think they also just want to be seen by our allies to be willing to talk. They don't want to appear to be the source of the problem.

But of course, the balloon incident just has made that, in terms of our domestic politics, extremely difficult for the administration to do so. So, if they did it on purpose, the Chinese made a mistake. Having said that—

BILL KRISTOL:

Unless they wanted somehow to in a way deter the Blinken trip because it, I don't know, it kind of puts them domestically in an odd position. I don't know. That seems a little too clever by half.

AARON FRIEDBERG:

Yeah, I don't think so. And I certainly don't believe, as some people suggested, that this is sort of rogue PLA officers launching something to scuttle diplomacy. I don't think anybody in his right mind in the Chinese system is going to do that, certainly under Xi Jinping. So no, I think they had an interest in this trip. They would've been happy to have Blinken coming to Beijing. The visuals of that are favorable from their point of view. So, I don't think they deliberately sabotaged it.

BILL KRISTOL:

But they're committed enough to that intelligence gathering that they weren't willing either to, maybe they canceled it, so to speak, or to pull back the weeks before a summit. That wouldn't have been a crazy thing to do. I don't know, maybe it just has a certain autopilot character to it. They certainly weren't willing to apologize or to say it was a mistake, which they could have. I mean, we did after the U-2, right? I think, didn't we? I think.

AARON FRIEDBERG:

Eventually, afterwards.

BILL KRISTOL:

Maybe it took a while, right?

AARON FRIEDBERG:

Eisenhower was caught in a lie because he originally thought the plane had been destroyed and there was no evidence. So, he got up and said it was a weather plane, not knowing the Soviets actually had the pieces of it and knew that it was a spy plane. So yeah, at times they have done things that are provocative on the eve of or during visits by foreign dignitaries. It may be part of a strategy to keep their opponents off balance.

Could they have been doing this in this case? It seems pretty risky. Did they have reason to think that we might not detect it? That's another question, and I don't know enough to be sure, but it seems like these things, as big as they look, actually have quite small radar signatures. And maybe they've penetrated in the past and we didn't—

BILL KRISTOL:

We were sort of set up to find fast moving things, not slow moving things and so forth. Yeah.

AARON FRIEDBERG:

Right. So maybe they thought they could do it and get away with it. I mean, it is also conceivable that it was something that went off course and they didn't intend for it. I think we will know that partly by whatever communications we intercepted between the balloon and China, partly also by an analysis of the weather patterns or whatever. I mean, did this thing follow just as an unmoored balloon would've moved or didn't it? So, I think we know, or will know the answers to those questions, but I assume in dealing with the CCP, the current regime, assume malign intent and you're usually right.

BILL KRISTOL:

Anyway, so they were pursuing a somewhat kinder, gentler foreign policy for a few months after, well, I guess after the party congress really, right?

AARON FRIEDBERG:

Yes.

BILL KRISTOL:

And maybe a little before that. And so where do we stand now on that and implications for the future on Taiwan, especially where, I don't know, people who seem to know something are being pretty forward-leaning and saying there really could be a war. I mean, people who are not in the alarmist camp, I would say, and are more professional military and intelligence types. So, I don't know, what's your sense of that?

AARON FRIEDBERG:

Look, I think overall the direction of their policy, their assumptions about the way the world is evolving, are unchanged. They believe they're headed towards a much more difficult environment. They believe the possibility of conflict is rising. They of course don't hold themselves responsible for that. They see us as being aggressive and provocative and see themselves as having to act defensively in the face of that. None of that has changed.

So, charm offensive, try to buy time. As far as, well, maybe before we jump to Taiwan, just one other thing to say, because we haven't talked about it at all. So, we've talked about their policies towards us and their view of us. We've talked a bit about our allies and our allies' policies towards them and their view of our allies. What we haven't talked about is the whole rest of the world, the so-called Global South.

And one of the things that I think people in this country are becoming more aware of is the apparent importance in Chinese thinking, the thinking of Chinese strategists, of the Global South to their larger competition with the United States and the West. That's a whole subject maybe we won't get into today. But among other things, Beijing has stepped on the gas even harder in their efforts to cultivate support in the developing world. People have noticed that a lot of countries might have been willing to agree to a resolution that condemned Russia for invading, but they weren't going to sign on to sanctions. They've tried to back away from appearing to support the US and NATO.

And I think some people in the West have been surprised by that. And that's caused, I think, more attention to what's going on there, and a greater recognition of the extent to which China, and to a lesser degree Russia, have been able to capitalize on pretty strong anti-Western sentiment in parts of the developing world to strengthen their own position, to cultivate their influence and access.

We've been worried about this for a while because of the Belt and Road Initiative, but I think people in the Biden administration are now starting to really focus on this and get worried about it. And they've had meetings with African leaders, and we're well behind in figuring out how we want to respond to what China, to a lesser extent Russia, are doing in the developing world. One of the things that's going to come out of this war is an intensification of this struggle for influence and access in the Global South. And China has had kind of a free rein for a while because we haven't been paying very much attention. And now we're going to start.

BILL KRISTOL:

That's interesting. That's interesting. Well, that is of course a new Cold War. I mean, one of the characteristics of the Cold War was that it was global. We fought, literally we fought in places that were pretty far away from both us and Russia, Soviet Union. And we also competed for influence all over the place.

AARON FRIEDBERG:

I think what's happening, if you stand back from it, is the axis of authoritarians between China and Russia has been further consolidated by the war. There is movement towards a more coherent and cohesive alliance of democracies, for lack of a better term, backed and led by us, but consisting of our friends and allies both in Europe and in Asia. And that's nascent, and there are reasons why it may not come to fruition, but it's a lot more solid now than it was before this war began.

And then the third thing that's happening is the intensification of competition between those blocks, basically in the developing world. And people say, well, developing countries don't want to be pawns, and maybe there should be a non-aligned movement and so on. I don't think there's going to be a non-aligned movement. There are going to be some developing countries that are going to play a significant and at least partially independent role, like China. But overall, I think there's going to be more—

BILL KRISTOL:

Like India, you mean.

AARON FRIEDBERG:

Like India, I'm sorry. Overall, there's going to be more competition for accessing influence. So that's just a footnote.

BILL KRISTOL:

That's interesting. That's interesting.

AARON FRIEDBERG:

Taiwan, there seems to be, I don't know what the intelligence shows. I'm not privy to any of it. There does seem to be a significant ratcheting up of the concern expressed publicly by US political leaders, intelligence officials, and military officers about the prospect of conflict over Taiwan. In one sense, I don't think this is really something new. What has really changed? It's a continuation of a trend that's been evident for the better part of the last decade, which is, and maybe more, towards a recognition that China has now lost any possibility of peacefully resolving its issues with Taiwan in a way that would be satisfactory from Beijing's perspective. For years they hope that more economic connections and one country, two systems, somehow, they could lure Taiwan back into the fold. That's dead, partly because of what happened in Hong Kong, partly because of Xi Jinping in the general trend in China. And also, what's happened in Taiwan, where more and more people identify as Taiwanese and fewer and fewer think of themselves as part of China. Their democracy continues to grow and is successful, so they're not going to be able to do it peacefully.

And the question is, are they just going to give up on it? I don't think they can. But if they don't give up on it, how are they going to handle it? And if they are going to try to force it through coercive measures, do they think they can do that short of all-out war or do they think it eventually will require a full scale military engagement? I think we're down to that end of the spectrum now. And the reason that US officials seem to be as concerned as they are has partly to do with the timelines that the Chinese leadership has set for the development of their military overall and the development of military options for dealing with the Taiwan issue. And apparently some of this has to do with 2007 as the date at which they will achieve a certain degree of military modernization. And that's what started the discussion. Some military officers in the US saying we have to be prepared for war—

BILL KRISTOL:

2027, I think you may have said 2007.

AARON FRIEDBERG:

I'm sorry, 2027.

BILL KRISTOL:

I'm always making these. Yeah, 2027. Yeah, that year seems to be floating around, right?

AARON FRIEDBERG:

Right. But now you've also got this bidding war where people are trying to say, "No, it's not 27, it's 25." And one high ranking US officials said, "No, it could be this year." So, there's a little bit of, I don't want to call it hysteria, but this concern is well-founded in my view in the larger sense. But there is a way in which I think our discussion of the Taiwan issue may have become too narrowly focused on some of these military questions. And whether or not Beijing decides to use force against Taiwan is not going to depend solely on their assessment of the ballots and military capabilities so that if tomorrow they feel like they've got just enough missiles to suppress Taiwan's defenses, then they're going to go to war. If they do this or if they come to a moment when they're contemplating whether to do it, their decision is going to depend on an assessment of a whole array of factors of which the military ones are maybe not even the most important.

They're going to be asking themselves in Beijing, how cohesive is the Democratic alliance? How strong is the US support for Taiwan? To what extent would US allies in the region come to our assistance? To what extent might our European allies do things, maybe not military things, but to support us and to oppose China if it tried to coerce or to conquer Taiwan. They're looking at all that. How effective could sanctions and embargoes be if they were imposed with force and speed as we did on Russia? All of that is going to be factored into the equation. And I guess my hunch is that their assessments of our political resolve and cohesion may ultimately be more important even than the military considerations, or once they reach a certain level of military capability, the judgment about whether to go or not to go is going to depend much more on these softer factors and their assessment of them than it is just on how many missiles and how many ships and so on.

And I think it's important for us to keep that in mind in part because we should be thinking not only about how do we bolster our defenses so that they don't think the military balance has shifted far in their favor, but also how do we induce uncertainty on their part or maybe certainty about the likelihood of very harsh measures that could be very dangerous for them. If they do this, it's an enormous gamble. There's no way that you can think of it as anything else.

There's no assurance of success, there's no way of anticipating all the second and third and fourth order consequences. It's a huge, huge gamble for them to take. And I think they would have to feel either that they were very confident of their ability to ride out whatever the effects might be, or that they had no choice. They had somehow reached a point where not acting was more dangerous to them than acting. And I think they’re still a good ways from that. So, I think we have time to work on this. I don't mean to be complacent about it, but we should look at the broader picture and the things we can do to deter them by threatening to use or increasing our capacity to use a variety of different instruments.

BILL KRISTOL:

Which in part brings us back to where we started because I had this conversation in Europe with someone who follows China closely. I said, "What's the most important thing you think we could all do?" He said, "Stick with Ukraine, win the war in Ukraine, make Putin's gamble really, really, really not pay off as they see the analogy and the lesson." So, I was going to ask more broadly as we conclude what to look for over the next months and year, maybe in terms of US actions and other actions around the world that Chinese actions that might tip us off about where things are going. But I suppose Ukraine really matters, right?

AARON FRIEDBERG:

I think it does, and they're watching it closely. If Western resolve crumbles or if the Western alliance begins to break apart, that's going to make Beijing more confident that it can deal with whatever the consequences of their acting against Taiwan might be. They may be hoping that in the next American presidential election, a candidate will be elected who will be much less supportive of Ukraine and perhaps they'll take some comfort from that. So yes, it's important. If we want to persuade them of our resolve and our capacity, our toughness, our willingness to take some pain ourselves, we have to stay the course with Ukraine even if it gets more costly and more dangerous. And I hope we will not only because of deterring China, but obviously because of concerns about what happens in Ukraine. So yeah, that's extremely important. By the way, I think the Chinese preference about Ukraine would be that it would settle into a frozen conflict where the war would not exactly end.

There wouldn't be peace. Certainly, Putin wouldn't lose, but the two sides would be locked in an ongoing conflict that would be even more intense than what followed 2014, and we would therefore be even more preoccupied with what was happening in Europe and less able to deal with them and to focus on them. I think that's what they're hoping for. The fact that they're now talking about diplomacy and floating— there's not really a plan, but their ideas for resolving the dispute peacefully, there's nothing to the substance, but the fact that they're moving that piece on the board now I think suggests that they may be willing to get somewhat more involved in trying to move in that direction. Maybe they'll start talking to Zelensky, which they haven't done. But again, the objective in my view would not be to have a peaceful, agreeable solution, but to drive this thing into the mud.

On the other side of that equation, the fact that they seem now to be contemplating military equipment, supplying military equipment to Russia suggests to me that in Beijing, they're concerned that the Russians might actually be losing and could actually lose in catastrophic ways. I don't think that they will do that and run the risks associated with doing that unless they thought it was necessary to keep Putin afloat. So that's interesting if that's going on. Things to watch, I guess one would be that: Is China actually going to go ahead and supply arms to Russia, which they could say is their sovereign right if we're supporting these other guys and they've got a friend and who are we to say? But it would intensify the competition. It would force responses from us and from our allies. If people think we're not yet in a Cold War, if that happens, that will remove all of doubt.

The fact that we're leaking this information suggests that we're really concerned about it, we're trying to deter it. And so that's something to watch. I think we'll know more about that over the next couple of months. I guess I'd also be looking at the success or more likely the failure of Chinese efforts to divide us from our European allies and to divide the Europeans one from the other. I think a leading indicator of the strength of our global democratic coalition is going to be the extent to which our European allies can converge on a tougher policy towards China to match their tougher policy towards Russia. And they're moving in that direction, but they haven't gone as far as they need to go. I guess another thing to watch would be China's economic performance opening up. They seem to be hopeful that they can get back to some more reasonable level of growth, but they have all these underlying problems that we mentioned.

They're not out of the woods by any means. And so, I'd be interested in the near term in seeing how successful they are in getting things geared up again. I guess another thing, and this is medium to longer term, but how far are the United States and its allies willing to go actually to put some distance between themselves and China in the economic domain? We're right in the middle of a debate about this in a whole array of areas. More expert control regulations, more monitoring of foreign direct investment.

We're just at the early stages of doing this. I think we're going to go further. The semiconductors were the leader in this, but there's going to be more, how far are we going to go and to what extent are we going to get the cooperation of our allies? And what we've seen on the semiconductor issue in particular is, and that's crystallized this and reminded of the fact that as important as we are in many domains, the effectiveness of our efforts to constrict China's access to emerging technologies is going to depend on cooperation from at least a handful of our key friends and allies, Japan and Taiwan and the Dutch and so on.

The handful may be bigger in other domains, but we can't do it entirely on our own. And the fact that we seem to be making progress towards that is an encouraging sign in my view. And so, I'd watched that space very carefully as well.

BILL KRISTOL:

No, that's very interesting. And I guess I would add, picking up on something you said earlier that how the US looks politically, domestically, all these congressional hearings, proposed legislation, does the country look six or 12 months from now serious about dealing with the China threat? And most of the flaky ideas on both the [inaudible 1:10:28 two duffer??] side, but also on the performative, gestural hawkish side? Have they fallen away and we actually have pretty good bipartisan consensus on pretty serious policies? Or does it look like it's all over the lot? That would be—

AARON FRIEDBERG:

Yes, absolutely. And you can always tell what the CCP leaders are really worried about by the phrases they use and the things they condemn. And one of the things that they've condemned for a long time, and they're now saying it every other sentence, is the Cold War mentality. You have a Cold War mentality. You must not have a Cold War mentality. Well, they talk about that because they're afraid that if we do develop a Cold War mentality, they're in real trouble. Because one of the things that's going to mean is there will be a workable consensus around a coherent set of policies for competing very vigorously with them, and we're moving towards that, and they would very much like to see that derailed. And if it can be derailed by the craziness of the left or the right, that's terrific.

And if members of Congress start accusing each other of treason or of racism, which may be true in some cases, but as a way of obscuring the discussion of how to deal with China, that's all to the good. From China's perspective, they would like to breathe life into that and see us divided over this question of how best to deal with them. And they'll try to encourage those things to the extent they can. If on the other hand, they see coming out of this new select committee sense that we're all in this together, we have our differences over this or that issue, but there's a broad bipartisan consensus on the severity of this problem and now on an emerging consensus on how to deal with it in different domains despite all of the partisan divisions in American society right now, that's a very concerning indicator from Beijing's perspective because it means that we are once again developing a Cold War mentality. And the sooner the better, as far as I'm concerned.

BILL KRISTOL:

Yeah, no, the Cold War for all of its difficulties and challenges and they were real, and the mistakes and prices we paid of various kinds. You written a lot about this, but at the end of the day, we had no direct conflict with the Soviet Union really for 40 years, for the Cold War post, and we won it. And Soviet Union collapsed. It's not the worst outcome ever in world history in terms of a foreign policy, right?

AARON FRIEDBERG:

Right. Yes.

BILL KRISTOL:

And that the latter part, especially democracy, was promoted several parts of the world and so forth and defended and then promoted.

AARON FRIEDBERG:

Right.

BILL KRISTOL:

Yeah. You can't say that we want a new Cold War, but I don't know there.

AARON FRIEDBERG:

No.

BILL KRISTOL:

It's not the worst alternative on the other hand.

AARON FRIEDBERG:

No, no, that's true. And the other thing you have to, of course, remember is it took a long time to get to that outcome, and there were a lot of bumpy and scary moments along the way. We can't just aim at stabilizing this relationship no matter what the cost. If we wanted to do that, we'd withdraw our support from Taiwan and close down our alliances and bases in East Asia. So, stability is not the only objective. The avoidance of conflict, of course, is extremely important, but we have to be willing to take some risks and pay some costs in order to continue to deter conflict and to compete successfully with China over the long run. I think we're much closer to being at that point now than we were a couple of years ago, maybe even than we were when we first started talking about this in 2019. We've moved a long way.

BILL KRISTOL:

That's a good note on which to end, but we do need to reconvene in six or 12 months to see where we are because it is a very fluid and certainly the last few years fast moving situation, but unpredictable, obviously. Aaron, thank you so much for joining me again today. Aaron Friedberg, professor of Politics of Princeton. This is just for the record March 2nd, 2023 because things are moving so fast that God knows what will happen next week, and I just want to make sure people know when this conversation has taken place. So, thank you, Aaron, and thank you all for joining us on *Conversations*.