

THE BROOKINGS INSTITUTION
SAUL/ZILKHA ROOM

MEETING CHINA HALFWAY;
HOW TO DEFUSE THE EMERGING U.S.-CHINA RIVALRY

Washington, D.C.
Tuesday, May 12, 2015

PARTICIPANTS:

Introduction and Moderator:

JONATHAN D. POLLACK
Senior Fellow, John L. Thornton China Center
The Brookings Institution

Keynote Remarks:

LYLE GOLDSTEIN
Associate Professor, China Maritime Studies Institute
U.S. Naval War College

Commentaries:

J. STAPLETON ROY
U.S. Ambassador (1991-95)
Founding Director, Kissinger Institute on China and the United States
Woodrow Wilson International Center for Scholars

REAR ADMIRAL MICHAEL McDEVITT (Ret.)
Former Commandant, National War College
Senior Fellow, Center for Naval Analyses

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P R O C E E D I N G S

MR. POLLACK: Good morning. I'm Jonathan Pollack, Senior Fellow in the John L. Thornton China Center and the Center for East Asia Policy Studies, and I'd like to welcome everyone here today to what is I'm sure going to be a very very lively exchange of views. And for those of you who are sufficiently provoked, I'm not Lyle's agent, but there are copies of his brand new book available for purchase as well.

Let me just open the remarks just very very briefly with a couple of observations about Lyle. Lyle and I, truth in advertising, when I was a professor at the Naval War College and Department Head there, Lyle was the first person I hired, and he joined the War College in 2001, as I recall. Am I right Lyle? Do I have the date correct? Yeah, just after finishing his Ph.D. and he came to the War College animated by convictions that in order to analyze China, you had to really study and read about China. And that's what he's been doing ever since, and his book of course is part of this.

Lyle was the Founding Director of the China Maritime Studies Institute in Newport, which now has established its reputation through a regular string of primary source publications about different dimensions of Chinese Maritime power, and it's a credit to him and to the college that this has been sustained and has taken on a role that is significant and important in the wider world of debate about China.

The animating impulses I think, both of that Center and of the book that we'll be discussed today, is that you need to read and take seriously what the China themselves produce in any number of different institutes and locales. And this is just fundamental to the work that Lyle and others there try to undertake.

"Meeting China Halfway" -- interesting title. For those who are looking for a cursory or light read, or a modest tweak on the status quo, you can leave now, because that's not what this book is about. The book clearly is designed to provoke, I

suppose, in the best sense of the term. But it is not a simple comfortable tweaking of the world as we see it, but rather, Lyle raises any number of possibilities in what could be, depending on what choices that the United States and China make, the kinds of futures we could confront.

Let me also just note that Lyle was awarded, in 2012, the Department of Navy, Superior Civilian Service medal, so he may not be in uniform, but he has a medal. And in any event, Lyle, we're delighted you could be here today, and we look forward to your remarks. It will be followed of course by comments from two very very distinguished participants this morning, Stape Roy, former Ambassador to China, and Mike McDevitt, former Commandant of the National War College, and of course, for many many years, at the Center for Naval Analyses. So without further ado, Lyle, the floor is yours.

MR. GOLDSTEIN: Greetings. Da ja hao. I'm so glad to be here. As a matter of fact, I was an intern at Brookings going on two decades ago, so it's a particular thrill. And thanks to Brookings, and thanks to Jonathan in particular, for helping set up this great event. I should say at the outset, these are my views, and I think anybody who's taken a cursory glance at the book will know that.

I do want to say that it is, not only having worked here, but knowing Brookings as it is today, one of the probably the leader in China studies as far as I can gather in the country, so it's such an honor to be here among so many friends and really, the best China specialists around. In particular I do want to highlight that this ground breaking study by Ken Lieberthal and Wang Jisi that came out in 2011 on strategic mistrust, that this -- I was just starting to write the book when that came out and I feel that that really kind of fired me up, let's say, to continue with the process and go forward, and indeed, as part of that discussion, on strategic mistrust, they called explicitly for sort of creative approaches, new approaches, innovative thinking, not just the same old same

old. So really, that's what I've been trying to do with this book.

Now if you're wondering a little bit, what is it I do with most of my day, it's looking at graphics like this. And in fact if I had to say immediately what my expertise is, it really is in the Chinese Navy, Chinese Naval development, Chinese undersea warfare in particular. This is a ship that is now in the water. We have, I think China Daily said there were three out now. It has some interesting and important capabilities, for example, it will deploy the, it seems, the YJ18 missile, which is a supersonic missile. Perhaps I'll talk about the YJ18 later. Perhaps a propulsor and certainly seems to have vertical launch capabilities, which is a dramatic step forward for Chinese nuclear attack submarines. So that's how I spend most of my day. And it was a bit of a -- to look at the bigger picture, enter into the much larger debate about China and about how the United States should respond to China's rise, has been kind of a different sort of a challenge for me and I'm pleased to join this debate. These books I recommend as the kind of bookmarks. I brought them along with me, so anybody who has not looked at these books, I urge you to do so. I should point out that on the left, you see my Ph.D. advisor, Aaron Friedberg, and it may be somewhat surprising to you that in my book actually, I take, I'm quite critical of this book. It is a very fine book, a very strong argument but I disagree with much of it. And I hope many of you are familiar with Hugh White's book. I understand he talked about his book here as well, but that book was also a major inspiration. I urge you to read them both and read them carefully. I think I've read both of them several times. Okay, so what is Goldstein's value added? And you know, I think there are a couple of things that I am trying to add to this debate.

Now there are a lot of China books out there, an awful lot. I think when you walk by the bookstore, every time you'll see a different China book. In fact, I just was walking through the bookstore at Union Station and picked up Secretary Paulson's new

book, "Dealing with China". It's probably a better title than my title, very nice, very elegant, very crisp. But I want to say that, and I do urge you to look at this book as well. There are a lot of really interesting insights here, as you would expect from the former Treasury Secretary. But I think that this book, like many books on China, comes to kind of, when it comes to making recommendations, they tend to be pretty, let's say vague and anodyne. Here -- "avoid surprises but be alert for breakthroughs". Okay. "Act in ways that reflect Chinese realities." Again, it's really -- there are a lot of books like that, and again, I really strongly recommend you do pick up this book because there's a lot, you know -- he's met with Xi Jinping many times, so there's a lot of insight in there. But the recommendations I think fall short, as with many books.

So I was looking to add some specificity and to really grapple with the most difficult issues. Also I have used a lot of Chinese sources in this book. Please look at the notes and you'll see really hundreds of Chinese sources. To get to those Chinese sources, I called through thousands, maybe more than 10,000, probably tens of thousands of documents to find what I wanted to talk about. So that's probably another, I think another reason maybe to pick this book up.

But I discuss my proposals in, as you can see, in the context of these cooperation spirals, which gets to my bottom line. And when my daughter -- I was telling my daughter about this talk, she said, Dad, make sure to give your bottom line. And my bottom line is that the U.S. China relationship, I think we are now in an escalation spiral. And that escalation spiral is functioning across all kinds of different realms simultaneously, which makes it particularly dangerous. So how to stop escalation spiral? And my answer is, with a cooperation spiral. And you can see some of these principles that I think need to undergird these cooperation spirals that I advocate for.

But now what I'd like to do is spend just a couple of minutes, and I've got

my eye on the time here, because I think we want to hear from our honored guests. I want to give them plenty of time, so I'm going to keep my eye on the clock. But I thought I would kind of elaborate a little bit more on this escalation spiral that I'm seeing. And then I'll move from there into some of these cooperation spirals.

China's military is making very dramatic strides forward, and I don't want to spend much of the presentation and I'm thinking many of the people in the room are following this closely, but in the Q&A I'm happy to elaborate further. And of course, we might want to think of China as a land power and kind of strong and dominant in that sphere but much less so in air and naval spheres, but increasingly, that's also up for question. You can see a kind of Chinese Top Gun culture is beginning to emerge as well.

Now the debate in Washington and generally in the United States I think is characterized, I would suggest, but more and more kind of hawkish discussion, many voices including some of my own institution, calling for harsher steps to confront China. Really these are very easy to find. I'm just giving you kind of snapshots, and some of these, I think it's fair to say that it's become even normal to discuss how the United States would fight China, very explicitly. And I think that's disturbing. I don't think it was that way 10 years ago but now this is the new normal. And I think we should all be disturbed by that new normal.

Well let's look at some Chinese sources and disturbingly I find the same. I think the tone has become much more hawkish. Now I show you Caijing, which maybe you call it the Chinese Economist. And here, even in Caijing, which is mostly read by bankers and people not that concerned with you know, security issues and so forth, but the tone from -- here's from a Vice Director of the Bank of China, saying that tensions are intensifying on a daily basis and very worried about TPP for example. Here is an

interesting article by a Chinese Air Force general who talks about how, the article actually is about the economic tensions, but what I find so disturbing about this is that you see a real crossover between economic tensions, which are very widely felt both in the United States, but also, as you can see, in China. But this crossover between economic and security issues, I think is really very disturbing. I think you can read these quotes pretty well from where you're sitting.

But let's look at how the people in the Chinese military are looking at this and here's, you know, I find this very disturbing, kind of rhetoric. This admiral was number two in the Chinese navy for a long time, and you can see in this interview in 2010, where he talks about for example, well, the top quote is quite disturbing I think too. But I'll just highlight this second quote where he says that China should build non-peaceful means to resolve the maritime dispute. He's talking about the South China Sea. And I spent a lot of time watching Chinese TV, mostly late at night, because I can't get it in my office. There's the fire walls. But when you watch it, it's pretty disturbing stuff. And it's gotten more and more hawkish. This is around the time of the Scarborough Shoal. But you can see, 中国不怕事, you know, China doesn't fear an incident, and even does not, may not hesitate to resort to force, okay? Disturbing.

And here's also, I think, somewhat disturbing, although this article had some balance to it, but article by a Zhang Jie. In the piece, the title of this piece, you may not know it -- Huangyan Moshi. Huangyan is how they refer to Scarborough Shoal and so they're saying there's a model that came out of that Scarborough Shoal incident, a model for how Chinese foreign policy should react to future maritime crises. And some of the aspects of that model would that it would rely more heavily on the military instrument and that China previously has made concessions but should not do so in the future because these concessions were taken advantage of. Sounds kind of familiar, right? It

sounds a little bit like what people are saying in the west often.

This article from 2014, and here's one of China's most prestigious international relations journals and I found it quite disturbing because you don't see this very much in the Chinese debate, but here saying that, and this is a Beida professor saying, "in fact, China has superiority already in the near seas." Not 10 years from now, not 20 years from now, today, okay? I mean, there are some caveats in this and we can discuss this analysis but it's quite disturbing I think.

Here's another I think rather disturbing piece by a very famous strategist in China. Some people call him China's Mohan His name is Zhang Wenmu. I don't want to say he represents a middle of the road opinion, but his work is widely circulated and here's Professor Zhang saying, "you know, if Putin can do this, we can do this." And I think that is, that view has gained some currency in China.

A couple of more things here as I round this out -- this is not in the book. This is just from the other day. I think our Seven Fleet Commander in Japan saying, "don't you think that Japan should patrol the South China Sea?" and you can see this lights it up in China. They find that statement very interesting. Here is a discussion again; this is from last week, reviewing Secretary Carter's visit, talking about possibly as many as eight bases for the U.S. in Philippines. Interesting, that discussion didn't show up in the New York Times and the Washington Post, but the Chinese were discussing it quite a bit.

A couple more things here. Here's some discussion on that missile I mentioned before, the YJ-18 and many of us still view that as a, if you will, possible kind of new game changer among several game changers. But this missile is supersonic and we don't have a similar missile in our inventory. That's disturbing. And I think you know, in some degree anyway. Of course, the military balance is endlessly complex and we

can go through various parts of it, but in some parameters, China has exceeded our capability. And indeed, China's watching our capabilities very carefully. Here's a brief discussion, but I could show you many examples of this, where they are looking at our submarine force and see some declining numbers here. And I think that's quite disturbing, if you're looking at the military balance.

You know, to spin this out a little further though, China looks at Iran for example. This article, and by the way, there's a whole chapter in the book on the Middle East. And one of the disturbing things here is, here's a Chinese strategist saying, "well, the Iranians can't do too much damage to the U.S. Navy but they could if they had those supersonic anti-ship cruise missiles." So this observation again, quite disturbing.

And here's just a quick piece I looked at. I talked about this in the book where Chinese defense analyst saying, "boy, some people in South America don't really like the United States. Perhaps this is the place to sell a lot of weapons." And in fact, I think they just are selling a frigate now to Argentina, which I think is going to raise eyebrows in London, among other places. But you know this is a trend probably.

All right, well, when you look around at all these disturbing things, I think we can easily miss the fact that China has done some, I think has done many good things in the global environment here, and one of them for sure is providing peace keeping soldiers to many dangerous missions, including Lebanon for example. But what do you know for example about -- China has the most advanced peace keeping facility, peace keeping training facility in the world. And that's not a small contribution. I call that a major contribution. It's near Beijing actually. But I think we can find many other examples, the counter-piracy effort for example.

Here's the Chief of China's navy, Wu Shengli, visiting our college, Naval War College, and I happened to be at the Shan Shans Forum actually, so I missed him. I

was sad not to meet him, but I'm proud that my institution, among many, is trying to reach out the China to create more links. I just want to share with you though; there are more dovish voices in China as well. They have their hawks and they have their doves, just like we do.

Here is a piece, a very interesting piece that took, you probably know Professor Fravel at MIT, his fine work, showing that China has actually compromised on almost all of the territorial disputes on its periphery and the record and is actually very impressive. And this shows the Chinese scholars have looked at Fravel and actually are using Fravel's argument and turning it back against the Chinese hawks. It's actually a fascinating kind of article in that way.

And here's a piece by, many of you probably know him, Professor Shi Yin hong. This article I know is widely circulated and has a -- here, Professor Shi is kind of criticizing his Chinese colleagues saying in fact, you know, the island dispute is really not the sum total of China Japan relations. So of course, the bottom quote is interesting too, but he's clearly trying to tamp down the hawks on the China Japan question. So there really are doves out here. Here's on the Middle East, looking, this actually, graphic shows that this Chinese scholar is trying to line up and actually arguing that U.S. and Chinese interests in the Middle East are actually very closely aligned and it's actually, there are few exceptions where they're not in close alignment, but it's a fascinating piece.

And that's not hard to find that kind of study in China. There are many who are seeking very actively for U.S. China cooperation on a larger scale. And here's a great piece by Chinese scholar Wang Yizhou where -- he's at Beida, so this is a brilliant and fascinating piece -- where he says, China's got to do a lot more, that China is a 跛足巨人, it's a lame colossus, it's going astride the world and mucking everything up. So he's very critical. He's saying China's got to do better. It's got to provide more public

goods. And this word public goods actually (speaking in Chinese – 公共产品), you see it everywhere in the Chinese foreign policy debate. So this is all really encouraging I think.

So I'm showing you both sides. We're both in an escalation spiral, but also, we can -- there are reasonable voices in China that we should extend a hand to in my view. So how to extend a hand? And now, let me in this part of the brief, show you some of my ideas. Now you see this picture from China. You don't have to go very deep into China to find places like this -- coal, and places where you can barely breathe. Indeed the pollution problem is there, but the climate change issue, many people who look at U.S. China relations and in general the kind of contemporary international relations, would argue that this is actually the most important issue and I think I don't dispute that. In fact, and so I took some time in my book, not just to talk about arguments over rocks, but also to talk about these big issues.

And here's the first example and I'm thinking about passing out Advil in my talks or something, because this is a lot to absorb in one slide. But let's just focus on that red oval for a minute, and you can see, here is the top of the -- usually I have kind of simpler steps at the bottom and the harder steps come toward the top. It's not always that way, but generally it's that way. And I have 10 of these in the book and this one focuses on environment and climate change. And as you can see, the ultimate compromise that I'm advocating comes down to, that the U.S. would embrace a per capita emissions standard. And that's a bit far from our present position but you could see some inclinations in that direction, from Washington already. So I don't think it's too farfetched. And then, that China might, in exchange, accept intrusive verification, and I think we'd have to take that step to call ourselves honest in dealing with the climate change issue, right? Otherwise it's just sort of nice talk that can't be enforced at all.

Okay, I'd love to come back to some of these slides. In fact, I'm

prepared to come back to any of the issues, including some I'm not going to talk about, for example, the Korean peninsula, Taiwan issue. I have a spiral for the developing world and a spiral that talks about the economic situation, the trade relationship between the countries too. So I'm happy to address all of those. But I'm only going to talk about a few of these spirals, but this is the one on everybody's mind, right? This is the one that was on the front page of the New York Times the other day. Those rifts building up, and what to do there? This is very complicated and I hope in the Q&A, I think we'll spend some time on this, certainly, it's worthwhile. I titled that chapter, the "New Fulda Gap", purposely saying, is this becoming, you know, kind of the crucible where the balance of power is decided.

What I argue here is that, you know, I advocate for a number of steps and I'd like to talk about some of the other steps, but again, we'll just focus on two of the steps here. And that is if China's clarification of that U shaped line in the South China Sea that so many people object to, if some kind of clarification of that could be made, I think that the United States could alter its position somewhat. Presently we are advocating strongly for a multi-lateral solution. I don't think that's realistic at all, partly based, I mentioned Professor Fravell's work, but China has a very good record in deciding disputes on a bilateral basis. And I think we should, given that positive record, we should reflect on Fravel's findings there and go and push for bilateral solutions. I think that's much more realistic. So I'd like to talk about this more, because the idea of the spiral is that it all interacts, but time doesn't quite permit a full explanation of everything now. In the spirit of taking on the hardest issues here, and I strongly believe that for, if we're to see a peaceful development of the Asia Pacific region, we need to think very hard about the China Japan U.S. triangle in particular.

As you can see, I'm one who thinks that the history issue cannot be put

aside. I urge everyone here to take a close look at Rana Mitter's book, you know, because we may say, well, the Chinese have one version; the Japanese have one version, okay. If you believe that, I don't, but if you do, take a look at Mitter's book. You can see what he considers to be. Actually I think there's some problems with that book, that could to deeper into sources, but it's probably the best thing we have to sort this out, and we may think, you know, you come away from that with a, let's say, a clearer view of history. Anybody, by the way, who hasn't seen this movie, again, it's not a Chinese film; it's not a Japanese film. This is put together by, in Germany, and if you don't know who John Rabba is, maybe it will come up in the Q&A. I'll be happy to tell the story, but you know, anybody thinking about this strategic triangle had better be familiar with these works and they help to explain the way forward. And the way forward is not to put history aside but to make history part of the solution. And here I am, arguing that Japan needs to take some major steps here, not to kind of reiterate a couple of sentences that have been said in the past. That's not going to cut it, not even close. It's got to be, I think, a Prime Minister visit, to Nanjing. As a Jewish person who lived in Germany, I think I have a little bit of insight into what an apology should look like. I would be happy to explain further. But I think in order for this to work, China also of course has to make some, take some major steps and at the end of this compromise for example, I would like to see Japan with a seat in the United Nations Security Council. I think we can get there. I think that would be positive for Japan and for global security. And working through a spiral like this, I think it might be possible to get to a much better place than we are today.

And here's the last spiral I'll present, which will focus on the larger strategic relationship, military relations if you will, between the U.S. and China, and you know, here I present -- and this is just a very typical example of the cover of (speaking in Chinese – 国防报) where it says, you know, right up at the top, giant headline, the U.S.

and Japan are cooperating to contain China's submarines. And here, right below, this is an unrelated picture, but this graphic, future Chinese bomber. This may be aspirational by the way, but the missiles there are not aspirational and I think are a threat that's out there today and very worrisome. So I'm just showing you this graphic to give you an idea that this -- the escalation spiral underway is very acute now at this stage, in my view.

Okay, well here are some of the bigger issues to be addressed and this is the spiral from the concluding chapter. And as the final step here, where I'm at, and I'd love to go through some of the other steps too, because I think they're important, to getting to there, but when you get to there, I think, this will entail amending the legislation. I think it's the FY2000 Defense Authorization Act that says that we cannot substantively cooperate with China's military. It forbids all but the simplest kind of forms of security cooperation. I think we need to alter that as part of this process. And ask in return that China really has to come make strides forward in military budgeting transparency, which I think is the heart of the matter. I have a lot of my spirals address Chinese transparency. But that I think is kind of the Holy Grail. And if we could get there, I think China would be in a better place and U.S. China relations certainly would. It would really help to control and prevent escalation I think.

Now I'm low on time, so I'm going to be very quick here, but as you may suspect, I'm a critic of the rebalance. I'm trying to ask some tough questions about it. I think I'm not the only one asking some tough questions. I think maybe I don't want to put Ken on the spot here, but I remember, I think it was in January 2013, where Ken Lieberthal called to rebalance the rebalance. I think things are getting worse. So I'm asking some questions. Are we creating what we're trying to avoid? I'm just focusing on what I underlined here. But I would like to address any of these in the Q&A. Is the global balance of power really at stake when we're talking about these reefs? I think they're

charitably -- they're not islands, but I think they're mostly reefs. We can talk about that, but I think, to me, everybody needs to calm down a little bit when we're talking about reefs and rocks.

What about the opportunity costs? I mean, to me, we could have gotten a lot further on some really nasty questions, like North Korea, and many others, if we had -- we have to realize there are opportunity costs for trying to confront China in a very head to head way. And then, you know, I don't see anywhere in the rebalance, that kind of a mechanism that will control escalation in the U.S. China rivalry, and that's where I think we're really floundering right now, in going from you know, as it were, it seems almost like crisis to crisis now.

Okay, and this will just be my parting shot. But I do end the book actually on this point and again, I'm sorry to bring so many books to you. I wish I had read this book a few, when I started out as a China specialist. Anybody wants to look at it, please come up. But Richard McKenna was a sailor; in fact, he was an enlisted man, not an officer. He served for 22 years in the fleet. He spent 10 years in the Yangtze Patrol. I think it's essential for Americans to grapple with this history. You know, the U.S., as McKenna portrays it, the United States Navy was patrolling the Yangtze River well into the deeper parts of China, for about 100 years after 1850. That's a long time, okay? I think that Americans need to grapple with that history, need to realize that China comes to this situation we find ourselves in with a big chip on its shoulder, a big chip. Just try to imagine for one second, I often tell this to visiting admirals in the Naval War College. Could you imagine if it was the Chinese Navy that was actually patrolling the Mississippi River for almost 100 years after 1850? Just try to imagine that world for a minute, okay? And in that, I think if we try that mental experiment I think you might start to come to a better understanding of where we need to go, with this very difficult

relationship. So I'm actually hoping that this book will start to become a keystone for students, American students who are starting to think about China and indeed, the challenges raised by the relationship.

So let me end it there, and thank you very much for coming today and for your attention. I'll look forward to the debate and discussion. (applause)

MR. ROY: Thank you. Good morning. I think Lyle's given you all a fairly good idea of what his book is all about. It's an important book and a refreshing book. It's important because it's dealing with, in many ways, the number one foreign policy challenge facing the United States, which is how to manage growing strategic rivalry with China. It's a topic of particular interest to me. I spent my four and half decades in diplomacy heavily focused on relations with the Soviet Union and with China. So I'm familiar with the problem of dealing with hostile countries and watching a process of actually turning hostile relationships into cooperative relationships. We're not dealing with something impossible. But on the other hand, we've all been busily studying Greek, because when we talk about this rivalry, people talk about Thucydides traps and things like that, and we have to go back and read the history of the Peloponnesian War.

I want to make one point at the beginning. I think in many ways the presentation here distorted the book, because we saw an awful lot of ships and submarines and this that and the other thing. And in fact, this is a fairly small part of the book. As you saw at the end, he looks at ten different areas of the U.S. China relationship and tries to come up with a methodology for improving relations. I think the premise of the book is accurate. You can quibble over whether we should talk about accommodation, appeasement, meeting China halfway -- there are lots of different ways to refer to it. But the fact is, common sense says, that if a country rises by legitimate methods, that is increasing the size of its economy, improving the welfare of its people, it

gains influence, it gains power, and exiting powers have to somehow accommodate that or you end up in conflictual situations. And that is a potential dynamic in the U.S. China relationship.

But I'd like to make a point. To think of this in conflict terms, distorts our understanding of the issue. We experienced a very dangerous cold war with the Soviet Union and never ended up in direct conflict. And the key reason was, because both of us had the capability of inflicting unacceptable damage on the homeland of the other country. And frankly, our military were desperately eager to use nuclear weapons and prove that they were simply ordinary weapons, simply more destructive, but they wanted to build them into our basic strategies. They never could solve the problem of how do you manage escalation. And China has that capability. We have bigger nuclear forces, but China has a retaliatory capability against the United States. So I think the issue is more likely to be proxy wars, low intensity conflict if you will. The idea of all of these new Chinese capabilities attacking our carriers, destroying our Navy -- China can't do that without having all the major cities of China going up in smoke. And so therefore it's just not going to happen.

But the question is, how do we deal with the problem? And that's an important question. It's refreshing because Professor Goldstein has essentially tried a new approach, looking substantively at the question of how do you create this new type of relationship between China and the United States, that can bring this growing rivalry under control. And he's looked at these 10 distinct areas and tried to actually set out what are the types of steps that could be taken.

Well, the review of the issues in the book that he provides is refreshing for another reason. He has drawn heavily on Chinese language sources. And quite frankly, you simply cannot have a full understanding of the United States if you don't read

English, and of China if you can't read Chinese language sources. You have to be able to see a whole breadth of ideas that are being debated in the other country, to have an understanding of how they come at it, because neither one of us is a unitary actor. We each have big debates over how we should approach the relationship, and there are people who put a high priority on maintaining a peaceful relationship with the United States and there are the sabers rapiers on both sides, who think that we have to be tough and force these people to understand that they can't push us around. And that debate goes on in both countries at different levels of intensity and is wildly misinterpreted frequently in our public commentary on it, because people only draw on little bits and pieces of it.

So I think the drawing on Chinese sources is useful and I found the summary preceding each of these examples of ascending spirals that are part of the book, was a useful way of getting a sort of quick view of important issues -- Taiwan, Korea, India, third world. He runs through the whole range of it -- the history of hostility in U.S. China relations. In looking at the spirals, I could quibble with every one of them. But I think that's missing the point. These should be viewed as ways of trying to think through, is there a process in each of these distinct areas, which can possibly move things in the right direction.

Now curiously, even in far more difficult circumstances, there has been such a process. I arrived in the Soviet Union on my assignment to the U.S. Embassy in Moscow in early 1969, just a few months after the Soviet invasion in Czechoslovakia. And I left three and a half years later with Russian school children waving American flags because President Nixon made his May 1972 visit to the Soviet Union and launched the détente process. And the key element in that of course was his visit to Beijing in February, 1972, and it turned out that all of our top Soviet specialists at the time,

fortunately I was a mid-level Soviet specialist, were all completely wrong in understanding the dynamic that our breakthrough to China produced. They said you shouldn't do the breakthrough to China because it would damage our relations with Russia. And in fact, it did exactly the opposite. It gave the Russians a strong incentive to want to improve relations with the United States because of their concern about the improving relationship with China. And that shows that A, it's possible to change difficult relationships, but often, even the best people don't fully understand the process.

Now this is where I would issue a criticism of the book. It reads as though it were written by a political scientist. And my career was in diplomacy, where you are dealing with the practical problems of how you deal with troublesome relationships, and not sitting back and talking theory. I've heard Secretaries of State and former Secretaries of State say repeatedly that political science is essentially irrelevant to diplomacy because no one in diplomacy pays any attention to the political scientists, because they're all dealing with these theoretical concepts. Well I think that's an oversimplification. But my experience has been that if political science is not rooted in concrete examples, then it becomes irrelevant to the people that have to deal with the real world. But if it's rooted in concrete examples drawn from history, and it tries to see concepts that repeat themselves in history, it can actually add something to the debate.

Now this is a long enough book so that you can't just pick it up and finish it over breakfast. But it would be better if it were even longer. In other words, if we're going to talk about rising spirals of cooperation, you need to document in a variety of areas, how that was actually done in historical real terms. And I've been part of that process, both with the Soviet Union and with China, but it's not done in terms of a theoretical guide. For example, in the case of the Soviet Union, the goal was to avoid a devastating nuclear war. That's the reason we wanted détente with the Soviet Union and

that's the reason the Soviet Union wanted détente with us.

With China, the guiding strategy was trying to deal with the Soviet threat that was a threat to both of our countries and that was sufficient to overcome the historical hostility between the two sides. Within that umbrella of a strategic goal, we were able then, largely by trial and error, recognizing a potential possibility, to begin constructing patterns of cooperation in specific areas, some of which bore fruit in important ways, and many of which were forgotten. I remember the hoop la la for example back in the early 1970's when we had a summit meeting with the Soviet Union and it produced an agreement on prevention of nuclear war. No one has ever heard of that treaty any more. It produced twelve principles of U.S. Soviet relations which are totally irrelevant to managing our relations with Russia. So in other words, a lot of things were done to try to improve the relationship. Many of them were kind of feckless and not particularly productive. But in other cases, they were extremely productive, both with China, and in the case of the Soviet Union. So this is what we're talking about in the spiral of cooperation, but we need historical examples to show, rather than simply coming up with a concept.

For example, some of the examples in the book, China has to define its position in the South China Sea. The reason China hasn't defined its position is because there's a dispute inside China over what the nine dash line means, and to resolve that dispute may take decades. Or it may take a few years. We don't know how long it will take. And that's why it's a little awkward to come up with an artificial construct. But the thought process behind this I think, is a youthful way of trying to come to grips with the issue. So I see a lot of intellectual merit in this book, in terms of trying to develop an intellectual framework for thinking about this very difficult strategic problem.

And as a final remark, let me just mention that at the core of it is the

military rivalry. In the post-World War II period, we fought two land wars in Asia, one in Korea, one in Vietnam. Neither produced victory. The Vietnam War produced exactly the outcome we hadn't wanted, which was a unified communist Vietnam. And in Korea, the best we could come to, we repelled North Korean aggression against the south, but we were unsuccessful to produce anything except a cease fire, which still remains in effect. So these were not what you would call victorious wars of the sort that we historically would want to fight. But in the air and naval area, we have had unchallenged superiority in the Western Pacific, in the entire period since World War II, and China is beginning to challenge that superiority in both the naval and air sense. And China needs improved capabilities in these areas, because in the past, China couldn't defend its homeland against stronger outside powers, and China now is strong enough so it finds that unacceptable.

Well we find it unacceptable to have our superiority eroded in significant ways that make our ability to manage conflict more difficult. That's where your problem is. How do you accommodate those conflicting interests? And you have to -- you can't do it in one stroke. And if we look at history, bad examples. Remember the Washington Naval Conference? All sorts of agreements, treaties, designed to say how many ships you can have, how many aircraft you can have et cetera. That's not a particularly promising way to approach it. My argument is this is a problem of grand strategy. You have to deal with the military competition within the context of trying to deal with the political relationship, the economic relationship, the people to people relationship. We -- our assessment of China's military capabilities in 1971, 1972, reversed itself almost overnight and those capabilities, instead of being part of the communist threat to the United States, all of a sudden the Chinese capabilities became part of our capabilities against the Soviet threat. So in other words, capabilities don't simply determine what

you're intentions are. You have to change the other side's view of your intentions, and this is not an impossible task.

Why is it so important? My final word. I think that the reason why we really have to focus on it, and why books like this are important is, we misunderstand our economic strength. I would argue as a government practitioner in the past, that the strength of an economy in terms of its relevance to national security and your foreign affairs function, rests on how many public goods the economy is capable of generating so that you can carry out a major power diplomacy, relationship to the world, which involves both a military and a non-military component. At the moment, our economy is very weak in that respect. I don't judge an economy by whether it enables the rich to become richer. I judge it by whether it can fund a foreign policy and a military budget that is compatible with our interests and our ability to work in the world.

China with a smaller economy is generating more public goods to back up its current diplomatic initiatives that we are capable of doing. We're desperately trying to keep our military budgets level, but sequestration is making that difficult and it's artificial in the way it's being done, but supporting the military budget has starved all of the other components of our government, almost to the shutdown level. The State Department has difficulty sending diplomats to international conferences because it doesn't have the travel budget. That's not the sign of a strong economy.

Remember, the United States went in the World War II totally unprepared, because of domestic, political and economic factors, not because we lacked the capability to be stronger. Britain went into World War II similarly, totally unprepared because of domestic, political and economic factors. So yes, the potential comes into play if you get into a terrible war, that if you had been properly prepared for, you might have been able to prevent in the first place. So we at the moment, have an economy that

is not enabling us to deal in a comprehensive way, which is the challenge this book is designed to address. So it's important to be thinking about these issues in a comprehensive way, and understand that if China is able to keep growing its economy and we continue unable to have a national budget passed by our congress, we are essentially victims of a weak economy, not of a strong economy. Thank you. (applause)

MR. MCDEVITT: I agree with what Stape said. (laughter) Thank you. No, I'm delighted to be here and thank Jonathan for inviting me to make a comment. I am also not a political scientist. I'm a historian and a practitioner of both trying to execute and figure out how to make policy actually work as well as observing it now since I've left the Navy.

Now Lyle is the latest to make a very impressive public statement about the worry about the future of U.S. China relations. And I too share his worry that Ken Lieberthal first, the terminology in our discourse, about this deficit of strategic trust. But on the other hand, I'm not nearly as worried as Lyle is, for one reason, for the reason Stape mentioned. I think that nuclear weapons and the threat of nuclear destruction, both the United States and China, automatically puts a ceiling on how far the leadership of both countries are willing to go. I think that that actually has a dampening effect. And so despite what the Obama administration says about reducing the salience of nuclear weapons, in fact, it may be just the opposite when we look at the U.S.-Sino relationship over the long term, that the salience of nuclear weapons is going to be quite important.

Secondly, I think both the George W. Bush and Obama administrations have done quite a good job in keeping the security and geostrategic issues, if you will, in a membrane, to keep it from bursting and infecting the rest of the overall U.S. China relationship, which has actually been quite good. I wonder if China thought we were in an escalation spiral, would they be sending 250,000 of their single-childs children to

come study in the United States. So, you know, I just thing we're not there yet. But I think that the book is very much a necessary contribution to a necessary discourse about the overall relationship. And I can assure you it's neither vague nor anodyne, as Secretary Paulson's recommendation. It's quite specific.

And the key issue in the U.S. China relationship, I think, boils down to the fact, in the Western Pacific, it's not global warming and it's not the Middle East, and it's not Africa or South America. Those are all important, but they're all peripheral issues. The key difference is, China's core interests and ours, with regard to Japan, and to Taiwan and to maritime interests, overlap. If you had a Venn diagram, those would be overlapping interests. The trouble is, those interests are diametrically opposed. And those are the things that we have to figure out a way to reconcile. So I think that the important parts of this book that need to be looked at are the cooperative spirals that Lyle suggests with regard to those key areas and in the Western Pacific. And he takes, I think, some very interesting swings at trying to do this.

Now I'm going to make some critical comments, and I must say I do this with a great deal of trepidation. When I read the blurbs on Lyle's book, he came up with a whole who's who list of all of the people who are praising this book to the heights. And quite frankly, had I read just chapter one and the final chapter, which are brilliant, I would have said "sign me up boss". But I have to say to Lyle, aside from your final chapter, gratuitous swipe at aircraft carriers, come on. (laughter)

This is truly a book in which the devil is in the details. First, let me make a couple of comments on the details. I think, while the cooperative spiral is really a clever device for helping you think through things, as it's laid out in the book, it almost seemed like it was a trap. And that Lyle was forced to come up with five or six credible steps along the way, and I thought some of those were labored. They were trying too hard to

come up with something plausible. And the ones that he did come up with are explained in a very cursory fashion. And I would argue they're opinionated. It's not analysis, it's opinion. And there are a whole slew of what I would term heroic assumptions. So there needs to be more time spent fleshing out areas of central importance in Asia -- the Taiwan spiral, the Japan, the Korean and the maritime example -- some examples. When you read the Taiwan spiral, the people of Taiwan and Taipei's views don't appear. One of the recommendations is to in fact have the U.S. twist Taipei's arm and say I insist that you get into negotiations with the mainland. How in the world are we going to do that, when you think about it practically? How can we make the next president of Taiwan, or whoever, twist their arm enough so that they feel that they must go to Beijing and engage in a negotiation on the eventual status when which there's only one answer that will satisfy the mainland? So unless, when you put that out there, it seems to me you have to explain how you might get from here to there.

Not to mention the political blow back in Washington. Is this even possible, given the political dynamics that we can see in the United States for the foreseeable future? I think not. Now there was one that I have to bring up only because it kind of struck me. I didn't understand it I guess. It's part of the Taiwan cooperative spiral is to cancel the move of 8000 Marines from Okinawa to Guam to make -- in other words, that was to assuage China. And I'm not sure why China would be happy to see the 8000 Marines staying only 400 miles away from China as opposed to 2500 miles away in Guam.

So, and finally, on the Taiwan issue, it was some very optimistic viewpoint that the economic, societal and cultural ties that have been developed over the past eight years, and the present really good relationship between the mainland and Taipei, are going to be adequate to buffer the problem of a potential DPP success in

2016 in the elections. I'm not so optimistic as Lyle is, because unless the DPP can figure out a way to sign up to the 1992 consensus over one China, Xi Jinping has made it perfectly clear that all of these good things may just stop, at least that's the way I read some of his latest statements. And so, and the DPP so far has not been willing to show any compromise on the 1992 consensus. So we have -- I don't think we're heading toward a situation as optimistic. I hope he's right, but I don't think it is.

The Japan cooperation spiral -- you saw he had it up there. Can you imagine trying to convince any Prime Minister of Japan to visit the Nanjing Massacre Museum? Think about that for a second. How would we do that? How would we do that? I think it's incumbent, if you're going to suggest that as a recommendation to at least spell out how the processes might play out so in fact the U.S. would be persuasive enough or have enough leverage with Tokyo to actually make that happen. The one part about the Japan spiral that bothered me a little bit was the last one that didn't show on this view graph, was that, what he called re-evaluating the alliance. And I think he was a bit coy on this, because he used the analogy of Norway and Turkey -- our relationship with Norway and Turkey, because they live in the shadow of a great power, as China will. And which also has, in the case of Turkey, a very modest U.S. presence. In the case of Norway, no U.S. presence except some Marine Corps pre-position moldering away in a cave somewhere in northern Norway. Now of course, all of those two countries are related to the United States because of their N.A.T.O. alliance, not because of a bilateral relationship, so I'm not sure. But if this was a quiet way of saying removing the U.S. military presence or dramatically downgrading U.S. military presence in Japan, you ought to say that I think. If I misread that, it's my error. But we need to understand that I have a hard time believing that China would ever sign up to agree for Japan to become a normal nation and revise its constitution in a way that allowed it to have a normal military and use

its defense forces appropriately, in other words, changing Article IX of the Japanese constitution. So although that's a recommendation, we need to talk about how in the world that might come about.

Korea -- some great ideas, in fact several of them. I remember talking about back in the 1990's, not me specifically but I'm hearing people talk about them, the idea of China assuming security responsibility for North Korea's security, reinvigorating the 1961 treaty and actually putting Chinese troops into North Korea to act as a trip wire. Now, can you see the Chinese being willing to do that? And what would you need to do to convince them to do that? And how in the world would China convince Pyongyang to do that, to agree to that? And so, it's an interesting idea, but these are the sorts of things that one needs to spend a little time thinking about.

Finally on the South China Sea, it's, I don't think it's the Fulda Gap. I'm not sure if everybody here understands the Fulda Gap analogy but during the Cold War, that was where supposedly the Soviets invading West Germany, the big fight would take place in a wide open plain called the Fulda Gap, because it was good tank country. I don't see that, the South China Sea, in that regard. In fact, I think the administration has done a good job of keeping the South China Sea in perspective, which drives a lot of people in this town absolutely nuts, because we're not forceful enough. But in fact, the administration has recognized that this center of gravity of the Sino-U.S. relationship is not the South China Sea.

So, my final comment is, I worry that many people reading this are going to say gosh, this looks like a G2 playbook. The China and the U.S. are going to sit there and pull all these puppet strings and shape and have all of these other countries around in Asia and around the world doing what they want to do so that they can improve their relationship. I know that's a caricature of the intent, but nonetheless when you read it

and you look at all of the specific recommendations that are made; it's hard to escape that conclusion.

So this is a really thought provoking book. This is a book that demands further analysis. It demands further elaborate chapters or further discussions or series of conferences, focusing on some of these key issues that we talk about to try to get a grip on how would we get from here to there, or in fact, are these just ideas that have no possibility in the real world of actually being put into place. And so that, I think is the next step that needs to be done, and so as I said, in this book as provocative as it is, I do think that the devil is in the details. Thank you. (applause)

MR. POLLACK: Well if you were all looking for tame, anodyne conversation -- anodyne is the word of the month -- stings. This is not what we just had. And I'm very heartened and I want to thank both of our commentators. I should tell you that Stape and Michael were my first choices to be the commentators here and I was very pleased to see when they both accepted. A lot of issues on the table. I'm caught in a bit of a quandary because we don't have boundless amounts of time, and very important issues have been raised. Lyle, if you want to make a few quick reactions to what has been said; I would then proceed directly from there to questions from the audience, rather than sustaining the discussion amongst the four of us.

MR. GOLDSTEIN: Right, just some quick reactions. Right away, want to thank Ambassador and the Admiral both for really penetrating remarks, and I feel like I should offer them each a large container of Advil or something for having to plug through my -- it is a dense book. Maybe I'll urge people not to try to read it in one sitting, you know, to really take it maybe chapter by chapter and as the Admiral suggested, in a way, and the more important chapters are toward the end.

So maybe just a couple of reactions to the Ambassador's remarks. I

think the critique about the historical examples of cooperation is really well taken and agree that maybe I would like to lengthen it. I find it remarkable and partly, one reason I undertook the book is how little discussion there is of cooperative possibilities. It's a bit shocking I think. So much energy is put, particularly, dare I say, in this town, toward building deterrence, making sure all the forces and weapons are in the right place and everybody knows it. That seems to occupy much more let's say, analytical effort than cooperative opportunities. So I think, if you're suggesting that we should undertake much more serious studies of how cooperation actually took place in practice in the past, I think it's a great idea. I don't think too much of that has been done. I mean, one of the problems of course is there is unfortunately, a lot of -- there are, let's say, many examples of disasters. They outnumber the instances of cooperation. It's not that easy to find good examples. I mean even just to give you an interesting example. I've looked a lot at the INCSEA Agreement and it's frequently said that INCSEA was a very important restraining step it the --

MR. POLLACK: Explain what INCSEA is.

MR. GOLDSTEIN: Oh sorry. INCSEA is the Incidents at Sea Agreement, and it was meant to kind of govern how the Soviet Navy and the U.S. Navy interacted. I believe that started to unfold I think in the 1970, 1971 timeframe and you know it was reached, a nice agreement, everything was signed. Two years later, in 1973, the U.S. Navy and the Soviet Navy were locked in one of the scariest, I've looked at the details, and it's one of the scariest interactions in the Eastern Mediterranean, that really could have quite, in a number of steps, led to the apocalypse. So I just want to suggest that I'm not playing, there's a little small ball here, but I'm really looking for big breakthroughs on the big questions, and maybe that gets to the Admiral's critique a little bit, that sure, some of these things I'm writing are kind of say, aspirational, that

they -- whoa, isn't that pie in the sky? I think a lot of people will have that reaction to the book. And that's okay. In a way, I don't think this book, I hate to say it, but I don't think it's going to have a big impact on the Washington debate. In a way I think this book could be more powerful for students today, in college, in graduate school, who look at this and think what could be in a decade. How could we rethink these problems? So thanks for those points. I would also underline the Ambassador's points about intention and capability. And that's exactly -- I didn't mean by talking about the YJ18 a lot, there's not anything on that in the book about that. I'm not trying to play scaremonger here. But China's capabilities are vastly improved. We need to realize that. But as the Ambassador said, capabilities and intentions are separate and we need to realize that. If we just look at China's intentions here, there's a lot of good news. One can go through the whole list but you know, it's quite favorable. Particularly I do study Russia, lived in Russia, and follow the Ukraine crisis with great interest and I'll tell you, that's an assertive country. That's an aggressive country. So China looks good by contrast. Now just a couple of quick remarks on what the Admiral had to say and he's right. The devil is in the details and please, go and take a look. Struggle, agree, disagree, write nasty notes, I mean, part of what I'm trying to do here is make people grapple with the hard questions. And really, my dream would be to see some students come and say, Goldstein, you're cooperation spirals are all wrong. Here's the right cooperation spiral. And so it literally is meant to provoke and to provoke a debate. I readily admit there are some far-fetched ideas. Although I will say there are lot of ideas which are kind of real easy, things that could be done tomorrow. So I think probably, by design, I think more than half the ideas are of that kind of low hanging fruit. Gosh, can we do this; can we do this simple exercise? Couldn't we begin talking about this issue? So there's quite a bit of that. Now he said you could see this as a G2 playbook. Well, G2 got a bad name pretty quick in

this city and I know it's got a bad name in Beijing. I'm okay with that. You can call it a G2 playbook. In fact I played around with some titles. Forgive me for being a little political science-y, but gosh, two countries, with very capable diplomats and so forth. If they get on the same page, they can do a lot. I'm convinced of that -- and a lot of good for the world, including for a lot of different small countries and other countries that have interests at stake. I don't think China and the U.S. are going to get together and do terrible things, in some kind of collusion that would be -- no, the opposite. I'm quite sure that the world would be a better place if we get a kind of a -- now I know it's not politically correct, so the book is not politically correct, as they say.

I would like to talk more about some of these details. This issue about Guam for example, I know that troops are slated to move from Okinawa to Guam. I was suggesting they would be, those troops would be a lot happier back in Washington State, or in 29 Palms and not, no slight on the folks in Guam, but it's a very tough place --

SPEAKER: I have no disagreement with that.

MR. GOLDSTEIN: And I think I document in the book very carefully that China has watched the Guam buildup, and by the way, the Guam buildup well preceded the pivot. This was all underway in the early 2000s and you know, I read Chinese military journals all the time and you can see, not every issue, but almost every issue some sort of, here's what they're doing now on Guam. Here's what they're building here. Here's the ships that are going to -- you know it's a very conscious sense that Guam, the buildup in Guam has been aimed at China from the beginning and I think by showing some restraint, and I'm saying ground forces. Most of my discussion about say reduction; because you say I'm a little coy on the Japan recommendation -- I'm more or less arguing that we could have a lot fewer ground forces. And we could talk about what those ground forces would be, but the game, as it were, the military situation in the Western Pacific is

about air and naval forces, for the most part, no slight on any (inaudible) or so forth, but the point is, air and naval forces can be moved around quite easily and in fact, by the way, if you follow military technology developments, they had better be moved around, because those bases are going to be destroyed, okay? So those bases are actually, I regard them, both Okinawa and Guam, they're increasingly obsolete generally. We need to -- those forces need to be mobile. So in my argument, we need to go more toward air and naval capability and those forces should move in and out of theater, so we can, and I think that will send some positive signals that if the signal would be, let's say, we are readjusting these alliance relationships.

We can talk more about Taiwan and the Nanjing visit that I'm proposing. I am the first one to say this is not something easy to accomplish but I'm deeply convinced that such steps need to be taken. But let me stop there and allow for questions. Great, thank you so much gentlemen for your thoughts.

MR. POLLACK: I will exercise uncharacteristic restraint by making no comments whatsoever. (laughter) So consider that an historic first. I saw several hands go up and the first is to the gentleman right there with one finger up -- yes, you. And could you please identify yourself, and keep it relatively brief if you can.

SPEAKER: I shall. My name is Michael Swaine. I'm a Senior Associate at the Carnegie Endowment. Is this working?

MR. GOLDSTEIN: Yes.

MR. POLLACK: Yes.

SPEAKER: Okay. And I'm I guess, I'm one of those who wrote a blurb for Lyle's book, so I would commend it very much to everybody here for the reasons that Lyle and both Mike and Stape had said. I think it's an important contribution. I think it raises issues we have to grapple with in this city in particular, that aren't being really

seriously grappled with. But I have another observation and really a question for you, Lyle. The observation is that it's important not to misunderstand that these type of escalating spirals are not about confidence building. They're not just about trust building. They're about restructuring the Asia Pacific. They're about changing the power structure in the Asia Pacific in ways that are judged to be more likely to generate stability over the long term, than a process that involves continuation of some version of the status quo. Now there are different ways to look at that problem but the first basic problem in this issue is in my view, is getting the policy world to understand that the past power distribution is not going to sustain us for the next 30 years. And by power distribution I mean the predominance of the American military in the Western Pacific. And that would stay preferred to. That is the critical issue. And if the United States government believes that that position can be sustained, and that that position is the best and really the only option for the United States in the future, it has to make that argument very convincingly and then it has to argue that these consequences are going to be better than adjusting to something else.

My question is, in your view of this from a strategic perspective, in terms of balance of power, you refer to spheres of influence and a Chinese sphere of influence. What is your notion of how the region should end up? What do you see as the power distribution in the region, and the relationship between the U.S. and China as a result of the things that you're advocating? Thanks.

MR. POLLACK: We'll take some other questions, and yes, I see (inaudible).

SPEAKER: After your book, you should read Michael's article in Foreign Affairs, and you'll be doing great --

MR. POLLACK: Identify yourself for the audience please.

SPEAKER: (inaudible), George Washington. You do very well. I just want briefly to mention an historical example, which happens to be called a gradualist way to peace, in support of what you talked about. The reference was made by Ambassador about Nixon and détente. For some of us it started with Kennedy's speech at American University, study for peace. The detailed study of what followed, it allowed us in pretty much showed step by step every gesture the United States made was met within 24 hours by the Soviet Union. It started with confidence building, but unilaterally reciprocal. It was not negotiated. The United States made a move. The Soviet Union responded. So you mix this one with this one, led to reduction tension, which then opened the way to real power negotiations. Just to give a concrete example.

MR. POLLACK: Thank you. I saw another hand up farther in -- yes, it's, yes, I see, yes, thank you.

SPEAKER: My name is Takachi Yamamoto and I am from CSI, as a visiting Fellow of Japan Chair. Of course I am from Japanese government. I should want from your book, some kind of machine to work, some kind of a cooperative spiral for Japan and in China. And what I want to ask you is two questions. This is related to China's insisting new type of military relations. So how do you understand that this kind of new type of military relation, and do you think it helps work this kind of cooperate spiral? Thank you very much.

MR. POLLACK: Yes, right here toward the front. He's down here.

SPEAKER: Thanks a lot for a very informative talk. My name is Danis Magen. My question is for Mr. Goldstein.

MR. POLLACK: Do you have an affiliation?

SPEAKER: Yeah, I work for Islamic Relief. And my question is for Mr. Goldstein, but anybody can feel free to tackle it. You propose a lot of reforms such as

you know, various climate change initiatives, corporate score cards for China. And not to sound like a total hawk, but how would you suggest going about convincing China to cooperate with you on that considering the leadership President Xi Jinping has been, because he's been known to be sort of a revolutionary leader who kind of you know, is really consolidating his personal power, kind of rejecting the collective communist leadership within the Politburo, so how would you go about that, convincing China to undertake such measures?

MR. POLLACK: Lyle, why don't you address the questions that have been asked and we'll see if we have time for any more after you've answered.

MR. GOLDSTEIN: Okay, great. So well those are a series of great questions. I guess let me start from the last question. You know, I think that first of all, I think a common critique of the book, I've already seen it many times, and it's an important critique, is one that says it's ultimately; this is kind of gives China way too much. And in fact what you are asking of the U.S. or Japan in these situations is really, really bends too much to what China wants. But I would ask folks to look, again.

Look at the details and you'll see that China is asked to go over some major hurdles. Especially let's say concerning the claims, for example, I'd say that China has to clarify this U shaped line and undertake joint development. That's very far from current policy in some ways. In the East China Sea for example, I say China should agree to kind of a median line. I argue that China, in the Taiwan situation for example, needs to restrain its military forces, its build up, in a major way, not just how they position the missiles, but even how it structures its Navy. And so all these things, we would ask of China, within the context of this spiral. And I would say that part of the reason, if I had more time in the discussion, I would show you many more Chinese voices that are calling for cooperation. So again, I think anybody who spends any time over there, or reads

through the material, sees the general tendency is, there are many Chinese who still favor cooperative solutions. In fact, honestly, I think the book may get more bounce in Beijing than in Washington now, because I think Chinese way of thinking may be quite amenable to these kinds of ideas. Xi Jinping is a very powerful leader. He seems, as you suggested, and I think that could possibly help. Because building consensus on these issues is very hard.

Now this issue, my Japanese colleague also mentioned the issue of new type great power relations. Yeah, he used the term new type of military relations. That's very interesting, but the fact that this let's say moniker was suggested, it has a better ring in Chinese. In fact I like how it sounds so much in Chinese, I wanted it to be, to figure in my title, because Xi Jinping had proposed we should conceive of this new type great power relations and I guess I'm putting forward my concept for new type great power relations and it needs to look like this. But to me, it's very very encouraging that the Chinese are, and the Chinese leadership in particular, are characterizing the relationship in these terms. It's something new. That means that they recognize that often in the past; there have been these great failures. That is I think, a leap, for Chinese thinking on the issue. And I'm sad to say, but I read some very disturbing articles in the lead up to the November summit in Beijing which I think was quite successful but some of those articles were saying that the prevailing thinking in the current administration was to dismiss this term, to think it had no value, to even be very cynical and think it was some sort of trick or something like that -- to me that's very wrong headed. The U.S. should absolutely embrace this term and try to fill in, to learn from the past.

And again, the cold war was brought up as an example. We don't want to go there folks. The cold war was horrible in so many ways. Now it may seem like distant history, but we approached the apocalypse more than a dozen times, and came

very close. You know, myself, I study Russian too and I've looked, I've looked at the details of this. We don't want to go there. So we need to look for other approaches. It's not that there aren't lessons there. There absolutely are lessons from the cold war. We need to look for other approaches. And I see a lot of promise.

To speak about new type military relations, that's also very promising and there are, in my book, I argue, I've done this elsewhere. I don't go into it so much in the book, but I believe, to borrow a term from a Chinese Navy captain who I know, he said we need new type Navy to Navy relations and we do. Right now, the interactions between our two Navies are really symbolic. A couple port visits. I think we cross decked a helicopter and that's seen as a major step. Those are baby steps folks. We can do a lot more. We need to do a lot more. I mean, to include not just some exercises here and there but joint operations, absolutely. That's the direction we need to go in. So I see a great future for new type military to military relations. And by the way, I think that, one of my proposals involves, I would like to see Japan and China, the Japanese navy and the Chinese Navy working together in the Gulf of Aden. That's one of the baby -- it's not such a baby step but it's -- I'm told actually there has been some collaboration between the Chinese Navy and the Japanese Navy within the Gulf of Aden. But this is something that Washington should be, I think, putting a high priority on. Yeah, sure, they're symbolic interactions and the operations are not complex. And yet, that would be I think a very major step and you know, we should want to support that kind of thing.

I appreciate very much (inaudible) example and I think he's an expert in developing trust and cooperation. So I look forward to learning more on that count, because I really think China specialists need to think a little less about deterrents which is what we've been thinking and thinking about, and think a little bit more about building cooperation. And just to Dr. Swaine's point and if you read my introduction to the book

actually the introduction is up online but you'll see that Michael Swaine's book was a big influence on my thinking and I think, and I know, Michael has an article, I think it's in the current foreign affairs. And I agree that a point, making the simple point that preponderance is not going to cut it as a policy, is very powerful. And I think the book made that point. Maybe it was too subtle. But in 2011, and I'm glad you're saying again, and it needs to be said over and over again. You're right. My spirals follow from an assumption, frankly, that preponderance is not cutting it.

Now I try to show you some of the military reasons why I'm convinced that preponderance is not cutting it. But your question was about spheres of influence, and here, you know, I do stray into some very controversial territory. I mean, most Americans certainly reject spheres of influence as a kind of organizing principle. But I view spheres of influence frankly as immutable, that is that they exist. You can't wish them away. You can't say, well, we don't like this anymore. It's just a simple, again, forgive me for being a political scientist, but it's a simple fact of geography. We have very close and enduring ties with Central America and Mexico and so forth, because we're next to these countries and have huge trading relationships and so forth. You can't somehow wish that away, or change that with a sort of simple policy initiative.

So I believe China already has a sphere of influence over many of its neighbors. And I don't, honestly, I don't regard that as a negative phenomenon. I think in many ways, those relationships have been promising. I spent some time in Central Asia as a graduate student and so forth and I think some of those countries are benefitting very much from being neighbors with China. Sure, there are issues. There are always issues between neighbors. And there are going to be nasty issues. But a Chinese sphere of influence, you know, one can debate its extent. Of course that sphere will never encompass Japan. I mean that's easily stated. But other certain countries, Laos

and so forth, of course, China will have huge influence. And again, most of that influence is positive. Some of it is negative. Does anybody in this room think that all American influence on Mexico is positive? I think nobody would suggest that. So in other words, there are mixed relationship within these spheres of influence and, but, if you look overall, sure, there are plenty of examples of China kind of let's say, even engaging in some kind of bullying behavior or there's a lot of examples of environmental degradation that has resulted from Chinese initiative. But for every one of those examples, I think we can come up with many examples where China has actually done quite a bit, for those countries. It's not hard to find some of these examples. One thinks of the situation in that deployment of those paramilitaries to the Upper Mekong for example.

So in that sense, in the spheres of influence, I'm modestly optimistic. Again, the devil is in the details. Where do you draw these lines? And actually, part of my book one of the most important parts I think, gets to this question of, what about red lines? It's a difficult discussion to have. But I think it's a very critical one, and I do have some thoughts on that. We can go there if you want, but I do think red lines are useful.

MR. POLLACK: Mike, did you want to make a quick comment or two, and then --

MR. MCDEVITT: Yes, two quick points. First, instead of spheres of influence, I do think about balance of power. And with the exception, from 1950 until perhaps 10 years ago, a true balance of power did exist in East Asia. The continental powers, the Soviet Union and then Russia and China, were dominant on the continent. In the maritime powers the United States and its allies were dominant in the maritime sphere. What's happened of course is China is going to sea. And so that has upset this 50 odd years of balance of power, and now we have to figure out a new way, a new balance of power, that recognizes China's legitimate maritime interests.

And finally, I can't resist, Lyle, with all this talk about spirals, it seems to me that if you'd just let the air out of the ball a few times, (laughter) those spirals would go a lot further, particularly for a Patriot country and before Rhode Island. (laughter)

I'm sure that's -- well, it's not true. We lost the audience.

MR. Pollack: Yes, that maybe lost a lot of the audience, but it's a great observation.

MR. GOLDSTEIN: Now it's going to get controversial. (laughter)

MR. POLLACK: Unfortunately we're going to have to call this to a halt. I want to thank Lyle, not only for writing this book, but for, in a very very articulate way, defending what he's written and putting forward some concepts that dare I say do need airing out, and take us, I think, just the quality of this discussion, reminds me that too often our discussions on these issues are a little too tame. This has not been tame, nor is the book tame. And for that, you deserve a lot of credit. So please join me in thanking the panelists.

(Applause)

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Expires: November 30, 2016