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U.S.-CHINA DIPLOMACY:
40 YEARS OF WHAT'S WORKED AND WHAT HASN'T

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Introduction:

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Panel Discussion:

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P R O C E E D I N G S

MR. HASS: Good morning. Welcome to Brookings.

My name is Ryan Hass. I'm a fellow here at the China Center and the Center for East Asia Policy Studies, and it's my pleasure to welcome you all this morning. And also to have the opportunity to collaborate with Georgetown University's Initiative for U.S.-China Dialogue on Global Issues to bring you this event.

This event will offer a practitioner's perspective on what has and has not worked in American diplomatic engagement with China over the past 40 years. The goal is to extract key lessons from previous policymakers to help inform our way forward for dealing with China. Frankly, I don't think there's been a more important time for this conversation than now. The U.S.-China relationship is undergoing a seismic shift, and while we certainly feel the shift taking place here, it is a shift that's actually taking place in both the United States and China.

Old assumptions and expectations of the relationship are being discarded, even as new understandings about it have not yet been formed. And while it is attractive to associate the shift with the personalities of both leaders, what is actually happening is both much deeper, much broader, and much more complex than just the personalities of the leaders.

So to help us make sense of the moment we find ourselves in, and also to distill key lessons from the past 40 years that can inform the next 40, we have an all-star panel this morning. This group knows both the insights and the oversights of U.S. diplomacy towards China over the past 40 years. They all have worked at the highest levels of government, logging countless hours in the White House Situation Room along the way. They bring a diversity of backgrounds to this stage, spanning intelligence, trade, diplomacy, and defense.

James Green will first introduce the U.S.-China Dialogue Podcast, a series that he has launched to capture the wisdom and reflections of past practitioners. He then will orchestrate the panel discussion. James formerly was minister counselor for Trade in the U.S. Embassy Beijing. He also served on the Secretary of State's Policy Planning Staff and as China director of the White House National Security Council. James also has extensive experience in the private sector on China-related issues.

We are saddened to report that Wendy Cutler has had to withdraw from this event at the last moment due to a family medical issue, but we are both pleased and extremely gratified that Amy Celico has agreed on short notice to join the discussion. Amy is a principal at the Albright Stonebridge Group, where she leads the firm's Asia team in Washington, D.C. She previously served as senior director for China Affairs at the Office of the U.S. Trade Representative, a position that led her involvement in major bilateral events, such as the Strategic Economic Dialogue and the U.S.-China Joint Commission on Commerce and Trade. She also has served in the Department of Commerce and the Department of State, including at our consulate in Shanghai.

Dennis Wilder is managing director for the Initiative for U.S.-China Dialogue on Global Issues at Georgetown University, where he also serves as a professor of practice. Previously, he had a distinguished career at the Central Intelligence Agency. He also served for four years in President George W. Bush's White House, including as special assistant to the President and senior director for Asian Affairs.

Dave Shear is a senior advisor at McLarty Associates. Previously, he served as assistant secretary of Defense where he also performed the duties of principal deputy undersecretary. Prior to that he had a distinguished diplomatic career that spanned Asia, including as U.S. ambassador to Vietnam and deputy assistant secretary of state for China, Taiwan, and Mongolian Affairs.

We also invite several of our distinguished guests in the audience to offer their perspectives on questions at hand this morning should they wish to do so. And in terms of order of operations, we will start with the panel discussion and then we will open it up to you all for audience questions and answers. We will conclude this event at 11:30.

So with that as table setting, I hand it to you, James, to take it away.

MR. GREEN: Thank you, Ryan. And thanks to colleagues here at Brookings.

When I was at graduate school across the street at SAIS in the early '90s, which seems like the (inaudible) era for some of us in terms of both Washington and U.S.-China relations, Brookings was kind of "the" place for figuring out what was happening in Washington, and China studies under Harry Harding at the time was really the centerpiece here. And so Georgetown is just so happy to be cooperating with you guys, Ryan, on this event. So thank you very much.

I just wanted to introduce the podcast project, what we tried to do with it, and some of the lessons learned, and then have some of the folks who were interviewed for the project talk about things that they learned in dealing with China over the last 40 years.

What I tried to do with the project was interview officials at different levels of the U.S. Government from the assistant secretary up to kind of cabinet secretary level to figure out how do you interact with China and how do you advance U.S. interests and global interests?

And through this I tried to match up different administrations, different areas of expertise. A number of the folks frankly here at Brookings, people like Bob Einhorn and Todd Stern. So kind of China, Asianists, as well as kind of functional specialists to get an idea of, you know, how do we work across the Pacific? And I tried to look at a couple of different pivot events. The EP3 incident, the Tiananmen Square crackdown, global financial

crisis, trade, and try to see, you know, what lessons can we learn?

One of the reasons why I wanted to do this project was I have been involved in U.S.-China relations for about two plus decades. The U.S. Government has (inaudible). And I felt like there was this sense that somehow those of us who had been working on China have gotten China all wrong and we didn't know what we were doing. And there was this kind of optimism of, gee, we were going to change China to reflect our image of the way China should be. And again, from the inside I never felt like that was really what we were doing. And so I wanted to kind of correct that record.

And my experience was folks like Ambassador Negroponte and Ambassador Keith and Ambassador Roy and folks here on this stage were really looking for, okay, what U.S. interests can we advance, and where do areas overlap with China and where don't they, and what areas can we push on?

One of the other reasons I wanted to work on this project was I felt like the word "talk" has become a four-letter word, t-a-l-k, with China, and that somehow if you're sitting down with China we're going to lose our shirts. That the Chinese have become in some ways these enormous, masterful negotiators. And my experience in dealing both on trade issues and other issues is, sure, there are some very good Chinese officials, there are some who are not quite as good. Similar with the U.S. And so how do we break down kind of what is happening at this moment in U.S.-China relations, and what can we learn from the past?

One of the other things I wanted to do with this project was I felt like I've had the opportunity to work in a range of different agencies and do a bunch of different things, and I've had access to a number of the folks here, and so, sure, other people could have done this but I thought, yeah, I've had a good chance to work with these folks and let's get their voices out there. Also, frankly, the technology is now around where you can bring a

recorder in and talk to people and record it and polish it and produce it as a podcast. And so for those of you who are interested, the first three are up, including Ambassador Negroponte and the next 20 will be following about one a week on the Georgetown University website, as well as on Apple podcasts and other places where people get podcasts so people can listen to them.

Thank you, Dennis.

And finally, I think it was Socrates who said, "Know thyself." The U.S. Government churns over a fair amount every four years, sometimes more rapidly than that. And at a time when no one writes cables anymore and there's no kind of archival sense of here's what we should do and not do, I felt like we have a very young panel here on stage, but some of the folks I interviewed were on the older age of the spectrum. And I thought this is a time to capture their insights while they're around and to enable them to share with us what happened in normalization of relations with China or what happened during the Tiananmen Square crackdown, because we should know those things. Certainly, in the Chinese system, and Ambassador Negroponte, I'm going to mention your amazing photo with Jong Lai. In the Chinese system, they have very long memories and they know how these things work. And so we, as Americans, should be aware of what our own history is.

So you've heard about the kind of process of the podcast and why we wanted to go ahead and do it. I would just mention two things that I think critics might say, well, why are you doing this? One is, you know, I only spoke to 20-something people. That's not everyone. You could say it's not representative. It's not representative at all, of course. You know, we chose people to try to be as best we could to represent different eras and different issues, but it's not everyone who was involved in U.S.-China relations. And I should say at the outset I only picked people who had served in the U.S. Government. There are great people in the academic world and the business world who have had experience

dealing with China. I don't mean to imply that these are the only smart people in China. These are the people who have had experience dealing at a government to government level with the Chinese.

And the other one that I thought long and hard about was, you know, was this project essentially a vanity project? Was I going around saying, yes, we did a great job, excellent effort, folks, because people really worked hard. This was something that I think produced a fair amount of results for the United States and for China. Is this objective enough? And I think reflecting on it that we actually achieved a fair amount in talking to the Chinese Government and moving China in a number of different areas to embrace international norms. But something we can debate here today.

I'm going to quote Winston Lord who is former ambassador and head of Policy Planning and had a lot of different jobs. He had said when I chatted with him, and his podcast will hopefully come out in the next month or so, he said, "Look, engagement is a mechanism. It's not a strategy." You know, talking to China was a way to get to other goals that the United States had globally.

A couple of points about things that I found interesting about the background of people in this discussion and then a couple of truisms that I found and then we'll get to the discussion if you all will indulge me.

One is a fair number of the people I spoke to, including two that are here today, had a missionary background in dealing with China. Their parents were missionaries or had some reason for being in Asia. And I think for some they saw this -- might see this as well, this is a naïve view of how to interact with a foreign power. Missionaries have a sense that they're bringing the Word of God to the Chinese people or to people in Asia, and you know, that's not a very realistic way to do things. And actually, I would say in talking to folks, people who are in Asia because their parents were missionaries and grew up in Asia that

way I think had a very realistic view of kind of what's possible in foreign cultures and in dealing with other countries including with China. And so I think that made them quite realistic about the foibles and limits of dealing with other countries and other cultures.

Two, a fair number of the folks I spoke to, including Ambassador Negroponte, were very involved in U.S. policies during the Vietnam War. And I think that gave them a realistic view of here's how to deal with an enemy state. Here's how to deal with a Communist country that the United States was literally fighting on the battlefield, and a realistic sense of this is how you can make progress with a country that doesn't necessarily share the same views of the United States but you can still do things with.

And then finally, a fair number of people particularly on the older set worked with the Soviet Union. Certainly, Win Lord and (inaudible), absolutely. And I think that gave them a real sixth sense similar to working on Vietnam of this is how you deal with a country that's not necessarily friendly to the United States but a way that you need to make progress to advance U.S. interests. And I would just say as a side note, for a fair number of the trade people they had experience dealing with Japan in the 1980s. And that gave them, I think, an appreciation of this is what happened when you have an economy that's not like the United States and how to make progress on it.

Finally, my kind of pithy five or six, here's what I learned after talking to these 20-plus officials of dealing with China. One is the U.S., it seems to work better when the U.S. prioritizes. If you look at some interactions at the presidential level and at the ministerial level, we often have very long outcome statements, pages and pages and pages. I think from what I found talking to former officials, the more you can prioritize with the Chinese Government and say here's our top one or two things, the more that helps the Chinese system focus and really make progress on it.

Two, having leadership buy in. The Chinese system is a top-down system.

Our system also helps to have leadership buy in if you really want to move something forward.

Three, know your brief. Chinese officials, when they're dealing with the United States are extremely well prepared. They often put their best people forward in dealing with the United States. And so if our side isn't ready to step up and know the issues then we're going to be on the losing end of that negotiation.

There's a mix of public and private messaging that seems to work. Some things you can do in private. Some things in public and getting that balance right is helpful. Ambassador Roy had an excellent point when he would speak with me about finding the right negotiating partner. You can make a lot more progress when you have someone on the other side of the table who wants to be pragmatic.

And finally, building coalitions both inside the Chinese system and then in the region for advancing interests is helpful.

Those are my kind of pithy conclusions that I came to talk to these 20 officials. I'll ask some of our panelists to comment on that.

Maybe I could just start by -- before we get to the current day, ask Ambassador Dave Shear to talk a little bit about his time in China in the mid and late 1980s, working during the Tiananmen Square protests and crackdown as a way to say what he thinks the Chinese leadership learned from that and also what the U.S. learned as well.

Thanks, Dave.

MR. SHEAR: Thanks, James.

It's important to note that on this day 40 years ago the Tiananmen demonstrations really got going. On April 22, 1989, the Communist leadership held a memorial ceremony for former Party General Secretary Hu Yaobang. Fifty to 100,000 students gathered in Tiananmen Square during that memorial ceremony and three student

leaders mounted the steps of the Great Hall of the People, knelt and presented a petition to the Communist leadership demanding greater political freedoms, greater political reforms. And they, if I recall correctly, they were ignored. And it was after that memorial ceremony on April 22nd that the demonstrations really got going.

I think our experience, diplomatic experience surrounding Tiananmen Square had a number of characteristics. One was that it, along with the collapse of the Soviet Union, marked the end of the Cold War cooperation between China and the United States. We lost a strategic reason for cooperating as closely as we had with China strategically, and we lost a values reason in the wake of the Tiananmen Massacre, which of course, led everyone to question the future of human rights in China. Quite justifiably.

The Tiananmen, I think, demonstrated how effectively an embassy can operate in a crisis. Our new ambassador who had arrived only in April, I believe, in 1989, Jim Lilley was a great leader. He was great under pressure, and he was very good at ensuring that both Washington and Beijing knew what was going on and knew what he thought should be done.

Second, the embassy as a whole had to do a number of things to get through this crisis. First, we had to monitor the leadership and the PLA, and in that regard, the Embassy Defense Attaché Office did a great job in figuring out which PLA units were where and what they were doing and helped us follow the action prior to the massacre.

Second, we had to follow the action on the ground in the square, and I followed two or three marches all the way from Beijing University to the square. I'd go back to the embassy and type up a long literary report on the demonstration, go home, turn on CNN and watch Mike Jenoi reporting on the same thing. So we switched our focus on reporting very early during the marches.

We had to report and interpret what was happening to Washington. We did

that via cable and by open lines to Washington. And multiple sit reps, situation reports per day. We had to advocate to the Chinese Government. Jim Lilley was very clear, and the president was very clear with the Chinese that harming the demonstrators in Tiananmen Square and elsewhere would have serious consequences for U.S.-China relations. They were very clear in the run up to the massacre and they were clear after it as well.

We had to ensure the safety of American citizens, and it's not widely reported in books about the Tiananmen Massacre, but the embassy organized convoys of cars to go out past blockades, PLA blockades in the city to gather American citizens and get them to the airport. And we had to take care of our families. Of course, one of the most -- very widely known incidents in the aftermath of the massacre was the shooting up of the International Diplomatic Compound in Beijing.

The massacre I think demonstrates how hard it is to engage the Chinese diplomatically on a core interest of theirs, and of course, this core interest was the survival of the Communist Party.

President Bush, President George H. W. Bush, had long experience with China. Had served in Beijing. Took this relationship very seriously and sent two secret missions with National Security Advisor Scowcroft and Deputy Secretary of State Larry Eagleburger to China. One in July of '89, one in December of '89, (a) to stabilize the relationship; (b) to try and moderate Chinese behavior with regard to human rights. I think they may have had some success at moderating the relationship. I don't think they had any success at all at moderating Chinse treatment of the incident and treatment of the demonstrators.

What the Chinese learned, I think, was suppress expression of public discontent with the regime as soon as possible.

A second lesson was don't follow Gorbachev in implementing political

reform before you implement economic reform, and these Chinese still very much are lagging on political reform. And it's important to remember that Gorbachev visited Beijing on May 15th in the middle of the demonstrations. It was a significant embarrassment for the Chinese Communist leadership because they couldn't meet -- they couldn't go out to meet Gorbachev -- they had to meet Gorbachev at the airport. They couldn't do the welcome ceremony in Tiananmen Square because it was full of demonstrators.

And third, the Chinese began to put together a political succession system which they hoped would avoid incidents like Tiananmen in the future. Tiananmen demonstrations went on as long as they did because there was a struggle in the leadership and they couldn't make up their minds what to do. So succession, getting succession right was very important for Dung's immediate successors. It's not clear how important that is for Xi Jinping. I'll stop there.

MR. GREEN: Dennis, I know you were on the Washington end of it during Tiananmen. Welcome. Do you have anything to add on that? And then when you're ready to talk some about Taiwan policy when you served at the White House in the Bush administration.

MR. WILDER: Thanks, James.

First of all, James really is the man who made this whole project work. About three years ago I guess it was, in Beijing, James said to me, I'd really like to do this. And he said, I need a funder. And fortunately, we were able to do that. And I'm happy to say that we've decided to ask James to do a second year. So one of the things I ask this audience is who do you want us to interview? And if you know people who we should interview, can you help us get them to agree to be interviewed? I would like to get more cabinet members. I'd like to, frankly, get some Chinese leaders. Maybe some Taiwan leaders to be interviewed in this project.

So we're looking to continue to do this work. Well, I'm not looking to do it. James is going to be doing the work. I just provide the resources to him. But we're really happy that this project has worked out as well as it has.

So in the 1990s, we used to say there were three Ts in U.S.-China relations, and I guess we're going to do them today. So it was Tiananmen, Taiwan, and Trade.

On Tiananmen, just a couple of quick points. One is I don't think you know how -- some of you who are younger may not know just how tense those moments were. I actually was sitting back here in Washington as the deputy chief of the Taiwan Strait Taskforce at CIA. I was developing evacuation plans for Americans from Beijing. Now, think about that. Where are you going to go? How are you going to evacuate from Beijing? And we were actually working with the Pentagon on notions of convoying people down to the coast. And I can tell you, American senators and congressmen were on our case.

I went to the Hill one morning and 62 senators were sitting in seats like this and the only question they wanted me to answer was, where is my kid from Des Moines, Iowa? Because he was at school in Shian and we haven't heard from him. And while the CIA may be good at some things, we're not that good. And we're not that good at tracking students in China. We didn't know where all the people were. We didn't know if anybody was in trouble.

And so moments of crisis like that are incredibly worrisome because you've got people like David, who quite rightly were out on the streets of Beijing. Could have been shot by gunfire. At one point during the aftermath, the diplomatic compound was shot up and American diplomats' apartments were shot up. Had they been in those apartments, fortunately, someone gave us a bit of warning and actually, the diplomats, most of them had gotten out of their apartments. But it was a close call. And these things, when they unravel, can go very quickly into very bad places.

Speaking of unraveling, let's talk Taiwan for a minute.

Perhaps to me the most difficult issue I ever have dealt with in U.S.-China negotiating is the Taiwan issue. During the Bush administration, I spent hours. And when I say hours, I mean days, in the Metropolitan Club dealing with the Taiwan side and in the basement of (inaudible) dealing with the Chinese side. And I would bounce between these two locations talking to each side and trying to reassure each side.

I think that what I learned from that experience was that you've got to stick to a line and you've got to make it clear to both sides in that situation that you mean what you say and that the president of the United States is behind that line.

I think some of you will remember in December of 2003, President Bush met with Premier Wen Jiabao of China at the White House in the Oval Office. And on that occasion, the president said very clearly, "The United States Government policy is One China based on the three communiques in the Taiwan Relations Act." But the most important thing he said is, "We oppose any unilateral decision by either China or Taiwan to change the status quo."

Why was this successful? It was successful because we never deviated. It was a TIFA for you who know the Chinese way. It was a formulation. And the Chinese side loves formulations. They loved principled positions. We Americans aren't real big on principled positions. I don't know what that says about us. But the Chinese are. And this was a principled American position.

I remember over and over again the Chinese would come to see the president and Chen Shui-bian would do something else that would upset them. And they'd say, "What's your policy?" And the president would say, "I've told you my policy. You can come here and ask me 100 times and you're going to get the same answer. This answer is not going to change. So do you want to hear it again?" And the Chinese say, "Yes, we want

to hear it again." And he'd say, "Okay." And he'd pull out the notecard that I made for him, and on that notecard was the exact wording, the exact phrasing that he used.

Rich Armitage used to joke that we probably should just record it and when the Chinese said A, we'd press the button and we'd repeat it. But to the Chinese system, and the Chinese are going to have to explain to me why this is so meaningful. It is meaningful. And it was meaningful in some ways because they have to go back to the Politburo. Whoever the leader is who visits, everything that is said in the Oval Office is recorded and given to the rest of the Politburo and Politburo Standing Committee to read. And so they need to have that on the record out of the mouth of the President of the United States so that they can show that they got him to reiterate the principled position.

In this regard, I think that to me, George W. Bush did epitomize what is needed in U.S.-China relations, and that is being very clear, precise, and painfully honest. Bush never yielded to Chinese pressure to compromise the autonomy of Taiwan. But he also never yielded to those who wanted him to somehow move down this road, very dangerous road toward Taiwan independence.

I remember my first briefing of George Bush. I went with John McLaughlin, deputy director of CIA, when he was governor of the State of Texas still. He had just been nominated. Some people in this audience actually helped me put my briefing together on that occasion. And we went to Texas. We went to Waco. We went out to the ranch. And we sat down with President Bush and he asked me about Taiwan. He asked me about Taiwan policy. And I said to the president, "You know, Mr. President, really, this is a 'kick the can down the road' policy." And he said, "Well, that's not elegant. That's not even interesting." I said, "You're right. It's neither interesting nor elegant, but it's the only policy you can take. You have to just keep this issue from boiling over."

So did it solve the problem in Taiwan? Absolutely not. Did it keep 23 million

in Taiwan free and making their own decisions? It did.

So my message to leaders on this issue is don't mess with success. Keep that policy. Keep that status quo assurance and deterrence of Beijing, assurance and deterrence of Taiwan independence forces. This is where we need to be. This is what has worked.

MR. GREEN: Thank you, Dennis.

So on to the third T, trade. Amy, you've had a lot of experience dealing with the meddlesome trade issues that certainly are capturing the headlines now. You had experience with China's obsession with the WTO in 2001 and then what the U.S. should do afterwards. I wonder if you could talk a little bit about the Joint Commission on Commerce and Trade and how in your time working at USTR in Commerce these trade market access issues were dealt with.

MS. CELICO: Well, certainly, the final T was an area of opportunity for the United States and not this issue of significant contention. And I think that meant it required a lot of creativity to take advantage of the fact that China and the United States wanted WTO accession to happen. But didn't mean it was going to be easy dealing with a rising economy being so very different from every other prior member of the WTO. And you and I, James, were in China together. I was in Shanghai when you were in Beijing in the late '90s, early 2000s, when you know, in this, thinking back on it, very heady time of cooperation where as an economic officer I was working with the Shanghai People's Congress and the Jong Shu Judiciary on what were the steps China had to take in order to comply with the TRIPS Agreement in WTO?

And so it was this very positive, although, of course, the negotiations were contentions themselves but the goal was so positive. We saw so much for the United States that we would get from WTO accession. Then fast-forward after, of course, it was achieved

and the issue of compliance started to be an issue of negativity in the relationship almost immediately. I think the U.S. Government gave China like I think we do with most trade agreements, a time for it to come into compliance with a new agreement. When you're negotiating the agreement, of course there's significant high-level attention to the deal, but then I think Wendy Cutler talked about this. Once the agreement is finalized, the attention goes away and then maybe the parts of the governments that are supposed to actually come into compliance with the deal that weren't part of the negotiation are less enthusiastic about changing their rules than, of course, the senior leaders who wanted this to happen.

And so within the U.S. Government, very quickly we had to answer pressure from Congress, from the business community. What did we get here? We're not seeing China actually change. How are we going to deal with that? I think the Bush administration said we're going to continue to engage at the highest level. And so in that meeting that you were just talking about, Dennis, where President Bush met Premier Wen in 2003, they said, hey, we have a mechanism for talking about trade. It's the Joint Commission on Commerce and Trade. It's been around since 1983. Why don't we elevate that mechanism so it's run now instead of just by Commerce and MOFCOM as secretaries, it's run by the vice premier responsible for trade on the Chinese side, USTR, and Commerce secretaries on the U.S. side. And let's try to actually deal with some of the issues that we're finding in WTO compliance.

One of the most contentious was IP issues. I was sitting in the Commerce Department both in Washington and Beijing, hearing from companies saying it's not getting better. We're not seeing the Chinese take any significant measures to stop rampant piracy. And now that China is in the WTO and is supposed to be complying with these TRIPS Agreements, they have to take steps.

So the JCCT negotiations every year would talk about these issues. And

while, of course, I think the JCCT was quite successful in dealing with very narrow, specific commercial issues, it was a forum where industry had a role in all of these subcommittees that were formed, and so industry was quite positive about this elevated mechanism for talking about newfound contention in the relationship amidst real opportunity for growth because the business community, of course, was going straight ahead into China and trying to be as engaged as possible there and finding these problems along the way.

So when the JCCT was starting to stall out in its effectiveness, I think within the U.S. Government there was a question of is now the time to start to look at dispute resolution mechanism at the WTO? And there were many within the U.S. Government I think who said the Chinese aren't going to like that. This legalistic view of taking these areas of contention out of cooperation, discussion, negotiation, and putting it in a judicial process for some in China will be seen as a failure of the process. And indeed, Vice Premier Yi in early negotiations talking about us taking these IP issues out of the JCCT, the newfound Strategic Economic Dialogue and actually having the U.S. file cases against China at the WTO, she said, "We don't get sued at the WTO. And that flies in the face of the cooperation that we're trying to actually have with the United States." It required a process of education on the U.S. side of saying, and I think USTR did this quite effectively. And of course, it was Ambassador Schwab at the time who said, you're looking at this wrong. Actually, we're going to take an area of contention out of our bilateral discussions about this burgeoning trade relationship, put it in Geneva, allow it to be dealt with there, so that we can continue high-level engagement on strategic issues. Secretary Poulson had started the Strategic Economic Dialogue for precisely that reason, not to replicate the JCCT but to start a higher-level dialogue. And I think, of course, as we saw the Chinese quickly embrace the WTO as a mechanism, 12 years on, maybe part of that embrace was in dragging its feet on dealing with some contentious trade issues, but at the time, I think it was a real affirmation of the

process and the U.S. Government saying we are going to stick to the principles of your accession to the WTO while at the same time we continue high-level engagement to make sure you understand we are talking about issues. Where we can't make progress, let's take that issue out of the bilateral trade discussions and allow us, for example, to start talking about a Bilateral Investment Treaty (BIT) instead of just IP disputes.

MR. GREEN: Thanks, Amy. And thank you again for filling in on the panel for Wendy Cutler. I would just say from my time, for five years in Beijing as the USTR person, notification on WTO cases became so routinized that literally I would get a message from colleagues here in Washington, you know, please tell your colleagues at the Ministry of Commerce that we're going to file a case in Geneva. And I would either text or phone, and every single time my colleagues at MOFCOM would say, okay, thanks very much. We look forward to seeing what the U.S. has to put forward in Geneva. And that was it. There was no ranker. There was some of this idea that we were insulting 1.3 billion Chinese people. It had become just a normal part of the way countries interact.

Dave, I wonder if we could kind of broaden a little bit the aperture to East Asia and regional policy and how that can affect how the U.S. works in the region and advances U.S. interests. And I know you've spent a lot of time both at State and then at the Department of Defense on those issues. If you could talk a little bit about your experience on kind of what works and what doesn't.

MR. SHEAR: Thanks, James.

Well, as assistant secretary of defense, I worked a lot on South China Sea issues at the end of the Obama administration. But before I focus on the South China Sea, I'd like to talk about -- I'd like to contrast our strategic position in Northeast Asia with our strategic position in Southeast Asia. They're very different.

Northeast Asia is a Paul Nitze theater. It's about deterrence. It's about

military confrontation across the DMZ on the Korean Peninsula. A great part of it is about that confrontation.

We have lots and lots of forward-deployed military forces in Northeast Asia. We have very strong capable allies in Japan and the ROK in Northeast Asia. And everybody knows why we would go to war, including us, including people in the region.

All of that is less the case in Southeast Asia. Southeast Asia is a George Kennan theater. We have fewer forward-deployed forces, although we deploy a lot of forces through Southeast Asia and the South China Sea temporarily. Our allies are certainly weaker and less capable in Southeast Asia. And it's less clear why we would go to war, both to us and to the people in the region.

So Southeast Asia is primarily for us a diplomatic and economic theater given the disparities between our strategic position in Northeast Asia and our strategic position in Southeast Asia.

When INDOPACOM Commander Admiral Davidson was up on the hill a week or so ago, he noted this discrepancy and urged that we balance the two regions, that we provide more resources for Southeast Asia. That's going to take time. And meanwhile, Southeast Asia is going to remain primarily a diplomatic and economic theater.

And I saw my role as assistant secretary of Defense as providing the military piece of a primarily diplomatic strategy at the end of the Obama administration. FONOPS were important. Freedom of Navigation Operations, which were so much covered by the press during those two and a half years or so were important, but they weren't the sine qua non of President Obama's strategy in the region. That was to ensure that our partners and allies in the region could hold up to Chinese pressure, much like the current administration is doing through the Indo-Pacific strategy. Very similar strategies.

So there are challenges to pursuing diplomacy and economic diplomacy in

Southeast Asia. I remember working very hard to get the EXIM Bank more involved in Vietnam when I was ambassador in Vietnam. And I got a senator, a Republican senator who will remain nameless, who was visiting Hanoi in my car on the way to the Foreign Ministry. I gave him my EXIM Bank spiel. Told him we need to pay more attention and get more EXIM resources in Vietnam and he looked at me and said EXIM Bank is corporate welfare for Boeing.

This administration has turned that around a bit with its current trade policy consonant with the Build Act passed by Congress. We're slowly beginning to provide more resources to the region, but the president has to support publicly the National Security Strategy. He has to support publicly the Indo-Pacific Strategy, and he's got to visit the region in order to make this the most credible possible strategy.

MR. GREEN: Thanks so much, Dave.

Speaking of regional or global issues, Dennis, you were at the White House during the 2008 Financial Crisis when not only Asia and this economy were seemingly going off a cliff. What did you see as kind of effective communication between the U.S. and China on avoiding a larger financial crisis at that time?

MR. WILDER: Sure. Well, let me step back a couple years before the financial crisis because it's important to see that diplomacy leading up to the crisis helped us tremendously at the moment of crisis. And what I'm going to talk about is the building of personal relationships between senior American officials and Chinese officials. This actually, this process doesn't start with Hank Poulson, although I'm going to talk about Hank. It actually starts with Bob Zoellick, John Negroponte, and others at the State Department.

Bob Zoellick decided that he needed an in-depth dialogue with his Chinese counterpart because China had started to go global. And China was involved in a lot of different areas of the world. And so we began what was called the strategic dialogue on the

Chinse side. I think we had a different name for it.

MR. GREEN: Senior dialogue.

MR. WILDER: Senior dialogue. Thank you. And the idea was that you spend time with each other. That you actually took a couple of days and really worked through the issues and went around the globe. And Bob Zoellick started it. I, as a member of the National Security Council, sat in on these meetings and it was fascinating. And then John Negroponte took it over and we actually at one point went to Dai Bingguo hometown up in the mountains in Guiyang and spent three days at a state guest house discussing the world. And I remember John's discussion of North Korea with Dai, which was fascinating because John had a particular perspective on North Korea and kind of saying, you know, there is a pretty backward place and Dai was trying to say, well, they're not as backward as you think they are. And it was a really, really great exchange.

Well, when President Bush was looking for a new secretary of Treasury in 2006, he settled on Hank Paulson. And he settled on Hank Paulson because he needed somebody to negotiate seriously with the Chinese. You may remember at that time in 2006 that Congress was very angry about currency. And the story of the moment, whether true or not, was that the Chinese currency was undervalued by, what, 30, 40, some great percentage, and that we were losing out in trade because of this.

So Hank Paulson comes in and he looks at what Zoellick and Ambassador Negroponte had been doing and he says, well, I can create that on the economic side. I've been to Beijing 70 times. Why don't I create a Strategic Economic Dialogue? So the Strategic Economic Dialogue was created.

Well, fast-forward after several rounds of the Strategic Economic Dialogue and he ended up being -- his counterpart actually ended up being Won Ji Xiang. The crisis hits in the summer of 2008. China has $1.2 trillion in treasuries. We get word that the

Russians were going to the Chinese and saying let's pull out of the American markets together. Let's really make this crisis even worse. And Paulson heard this and he got on the phone to Wong Ji Xiang and he actually had Wong Ji Xiang's personal phone number and called him and said, I can assure you that Freddie Mac and Fannie Mae are not going to go under. That we are going to do the right thing here and your money is safe.

Now, I maintain that had he not had all of those meetings, all of that personal relationship, I'm not sure what the Chinese would have done. Maybe they would have gone along with the Russians. How do we know? And so I saw that as incredibly important.

I'm not trying to strike out at the Obama administration but they lost the bubble on this one. Instead of keeping with the very serious dialogues, they went to a big dialogue, the strategic and economic dialogue, which ended up at the last meeting there were 200 Americans who went to the meeting in Beijing. It was held in big ballrooms. I really ask you, how much diplomacy can you do in a ballroom of that size and with that many people? It just wasn't the right model.

Very short point. We're back to the future. What are you seeing right now? Nine rounds of negotiation between Lighthizer, Mnuchin, and Liu He. It's a recreation of what we had in the late 2000s. It's the same thing. And they're even talking if this deal comes through about reestablishing that same process where there will be regular meetings at that subcabinet level to go through the trade issues.

Frankly, it's where we should have been. It's what we should have kept during the Obama administration and lost, and however the trade deal turns out, if that is part of the trade deal I'm very happy to see it.

MR. GREEN: Thanks, Dennis.

On trade, Amy, you were at USTR covering services when the Chinese had

a little bit of interest in maybe doing a Bilateral Investment Treaty with the United States. This was in '06-'07. And then the pace picked up much more when I was at the embassy in 2013, '14, and '15, and we made a fair amount of progress. Could you talk a little bit about the kind of beginnings of the BIT talks and also how the regional picture kind of changed on trade, the training at the Chinese U (inaudible) with the United States on these trade sort of issues?

MS. CELICO: Yeah. I'll fast-forward, actually. After -- I had left the U.S. Government when President Bush announced that the United States was going to join the precursor to TPP, the P4. And indeed I think that the thinking around that decision was very much how the international trading system was changing. First and foremost, that the Doha round at the WTO really was dead by then. The idea that there was going to be some kind of consensus space agreement to liberalize further was not going to happen. And so it was forcing countries that did want, you know, high standard trade agreements to look elsewhere. And so the United States looked at this nascent group of four countries that wanted to have in Asia, wanted to have a free trade agreement. And of course, we dove right in there and started to expand that grouping.

But also part of that was U.S.-China relations on the trade side, of course, were very positive in some ways but very contentious in others. And USTR in 2016 released a top-to-bottom review of how we should get U.S.-China trade right. That, of course, with IP infringement with this growing imbalance in the trade relationship, of course also with currency manipulations, there were concerns that what the United States thought was the opportunity that we were going to have in China wasn't going to come to fruition. And so one way we had to deal with that was also work together in China, and that will bring me back to the BIT negotiations, but outside of China, one of the recommendations of the top-to-bottom review was the United States has to rebuild economic partnerships in Asia in order

to make sure that we are gaining as much as we can in our relationships with China, as well as through enhancing opportunity for Americans.

And I think the BIT negotiations in some ways took the Chinese by surprise at first. They did appoint a very capable person, and he remained part of that process for almost a decade, actually, when China did become more serious about the BIT negotiations. But in the beginning I think that was part of the United States staying although we're about to sue you at the WTO, we do want to continue talking about issues cooperatively about liberalization. And a Bilateral Investment Treaty, one chapter of a free trade agreement is a great place to start.

I don't think the Chinese in my impression sitting in those negotiations, they just didn't know what to do with that at the time. And then, of course, the Chinese were worried about what is the United States doing against China with the TPP? And me, from the private sector watching how the TPP negotiations continued to grow, and China's reaction to it changed from being this is something that's meant to keep China out, to keep China down, to wait, maybe this is a 21st century trade agreement that would be good for China to join someday. And MOFCOM officials certainly started talking that way near the end of the Obama administration. And so I think again the U.S. Government was being quite strategic in seeing the limitations that it had on trade. And so needing new and different partnerships not just to rely on the WTO and certainly not just to rely on U.S.-China trade to continue to ensure prosperity for us.

I think one of the criticisms that I would draw from the process similar to yours is what was our priority in that? When we started to get quite serious about TPP negotiations, did we prioritize selling it at home? Obviously, not high enough. And so that led, of course, to it not going through, although I do think the original goal of it, to make sure the United States has economic partnerships to maintain a presence, an economic presence

in Asia remains as important today as it was when USTR talked about it in 2006, not as a way to contain China but as a way for the United States to continue to gain prosperity from that part of the world.

MR. GREEN: Thanks, Amy. And the top-to-bottom review was USTR Portman, is that right?

MS. CELICO: That's right. Ambassador Portman, in response to a very critical Congress, he created a top-to-bottom review of how China was going to enhance its -- how the United States was going to enhance its capabilities to deal with its trade relationship with China. At that time there was no Assistant U.S. Trade Representative for China. It was combined into Northeast Asia. And so the top-to-bottom review created an enforcement office focused solely on China. It created an AUSTR, an Assistant U.S. Trade Representative for China. It really was meant to enhance the U.S. capabilities at the working level to talk about trade issues with China, but it also talked about what should the United States be doing in Asia?

MR. GREEN: And just from sitting on the ground in Beijing, I can tell you when the TPP full text was released, my counterparts at the Ministry of Commerce had it translated into Chinese on their desk for our next round of the BIT negotiations. And they would ask us specific questions. Well, how come in your Bilateral Investment Treaty text you used this wording but in the TPP you've used this wording? So literally at the negotiating table it had the effect of focusing China towards this higher-level agreement.

Before we open up to -- thank you all for a walk down Memory Lane and very thoughtful consideration of where we are today.

Before we open up to the broader audience, I wonder if I could ask the three folks who were a part of this project to add anything if they'd like to. Maybe Ambassador Negroponte, if you have anything to add you're welcome to.

MR. NEGROPONTE: Thank you. Really a great discussion, and thanks to Georgetown for supporting this effort. And I'm delighted it's going to go on for another year, James. I think that's really great news.

Well, limiting myself -- I better limit myself given the amount of time I spent in my life working on these issues -- to the bilateral dialogue, the political dialogue. Just to mention two issues that we did have that I thought were kind of interesting.

One was I don't think we, during the Bush administration, at least, had very well worked out how to involve the Chinese military in these discussions. And you know, if you're talking about lessons learned and all of that, I mean, you really do have to figure out a consistent and reliable way to engage them in dialogue. They would show up sometimes, and usually with some very reluctant participant who didn't really want to say anything if called upon.

And also what happened was high-level direct talks between the Pentagon and the Chinese, the PLA, were very subject to sudden and abrupt cancelation because of one kind of issue or another. And I sort of think that's the last place you want to curtail your dialogue if you're moving into some kind of crisis mode. So that's something that I think needs work.

The other one where we had difficulty and frustration, and I'm not sure there's ever been any progress on that, is we sought very much to have discussions with them on their foreign aid programs and how they conducted them. And we could barely figure out where they carried those out. I think it ended up being the Ministry of Commerce. And I went over there a couple of times to talk to a vice minister. I don't know where that issue is at the moment, but I thought that's a useful area of discussion as well.

And last, just to Dennis's point about President Bush and how he scrupulously followed sort of the really important aspects of the relationship, he did it to the

point that they could accept sometimes behaviors from President Bush that they would not accept from other leaders. And I'm thinking particularly of the image of us being on Capitol Hill one day when the Dalai Lama is receiving a Congressional Gold Medal. And who's sitting on the stage right next to him holding hands with him but George W. Bush. Which I would have thought would drive most Chinese leaders crazy. But they knew his commitment to the relationship and its form to have sufficient confidence in him.

MR. WILDER: James, if I can --

MR. GREEN: Yeah.

MR. WILDER: -- I just want to tell quickly the backstory on that one.

MR. GREEN: Yeah.

MR. WILDER: Because it was actually quite fascinating.

We went to the APEC Summit in Sydney, Australia, and of course, on the margins of those you have meetings with foreign leaders. And at one point we had the meeting with Hu Jintao. Now, I will tell you that usually I knew what my president was going to say in those meetings but that day he surprised me completely. And he sat down with Hu Jintao and he said, "I'm going to tell you something you're not going to like." And of course, Hu Jintao's face turns ashen. And the president says, "We're going to give the Dali Lama the Congressional Golf Medal. I have to be there." And Hu Jintao starts to rise out of his chair in indignation, and Bush says, "Waite a minute. I told you, you weren't going to like that. But let me tell you something you are going to like. I will be at the Beijing Olympics in 2008. My advisors tell me I shouldn't go. My advisors tell me this is the wrong decision, but I'm going to be there because I want to cheer on American athletes and because I respect the Chinese people." He shut Hu Jintao down at that moment, and actually, we got very little pushback. A remarkable ceremony when you think about it today on Capitol Hill. But that was the genius. And you know, George Bush learned this from George H. W. Bush.

George Bush, you know, always claimed he didn't talk to his father about any of these issues. That's nonsense. They were on the phone constantly. And George H. W. Bush had a feel for China that was really remarkable, and he passed it on to his son.

MR. GREEN: Thanks, Dennis.

Ambassador Keith?

MR. KEITH: Well, let me add my voice of thanks to both James for turning this notion over coffee into a reality, and Dennis for making it happen. I think you've done a real public service by getting all of this on the record. And in particular, I think you've pushed back against a couple of tendencies that I might turn revisionist if I were going to be more rude about it.

But one is that the relationship as it grew deeper and broader became more complex and more difficult. In other words, kind of a backhanded way of saying it used to be easy but now it's hard. No. In 1972, in 1979, in 1982, it was pretty hard. Pretty hard to realize, and a word that you used, James, in a realistic way, American interest. And the question always was compared to what? This may be three-quarters of a loaf rather than a full loaf but it's not better for American interests in half a loaf or nothing at all. And those were debatable decisions. But that's the context in which they were made.

And I would say also to pushback against the notion or the desire, tendency, or sort of human nature, to think that this was a relationship that we could negotiate among ourselves and resolve. So the simplistic way of putting this looking back retrospectively is the notion that we weren't tough enough. And if only we were tougher that would translate into more Chinese concessions. You know, that there's a direct cause and effect relationship there rather than the more complex set of variables, all of which had to be brought into play and we're much more nuanced and profound in some ways than is captured in some of the more simplistic retrospectives that one sees now.

And then I would just finally posit a question for the panel or something for us to discuss perhaps. Looking forward it seems to me over the next two years or so the path is pretty much set. We will or we won't come to a face-saving sort of outcome on the trade side and the security side seems pretty straightforward. Looking to the new administration, and turning back to James what you introduced early on, the notion that we need to prioritize, I'd be interested in the panel's reaction to a sense on the trade side that a priority should be to regain economic leadership in the region, and still the best mechanism for that seems to be the Transpacific Partnership.

And on the security side, I think all of us here, as much time as we've successfully bought in the Taiwan Strait and on the Taiwan issue, at some point time could run out. And are we prepared for that moment? And how would we prepare a new administration to manage that issue if it were to exceed the constraints or the boundaries that we've successfully put on it for the last many decades.

MR. GREEN: Thank you.

Ambassador Roy?

MR. ROY: Thank you. I think it's been a fascinating panel, and frankly, you couldn't have had better panelists because the way that they have presented the issues I think is very helpful to understanding how you deal with U.S.-China relations.

I just wanted to pick up on one point. You referred to my missionary background as helping to give me a realistic sense of how you deal with China or with foreigners. But it's broader than that.

In our foreign policy, we essentially have a dual function. The policy process is in the hands of policymakers in Washington. And it's the job of our embassies abroad to carry out the policies. Even better than a missionary background, trying to carry out a policy and persuade foreign governments and foreign people to think the way we

would like them to think and to act the way we'd like them to act gives you a very healthy sense of what is possible and what is impossible.

The policymakers, if they are isolated from the implementation process, are thinking of what's ideally in the best interest of the United States without giving much thought to whether you can actually carry it out on the ground. But the process that has been described by our panelists shows that when you break down that dichotomy and have policy people who actually are part of the engagement strategy with the foreign country, and you have embassies that are in tune with why Washington is behaving the way it does, then you have a much more effective foreign policy team because Washington will not instruct you to do things which are beyond your reach. And embassies will faithfully represent why Washington wants to do things in particular ways. And that is particularly important because the idea -- I think Dennis touched on this effectively -- the idea that we can somehow change China's domestic political system into a form that we would like is not something that anybody who has the slightest experience in dealing with any foreign country would think would be possible.

But to understand how Washington behaves, Washington likes to justify our policies in terms of being consistent with our ideals. And so it's not accidental that we end up acting as though if we bring China into the World Trade Organization, Amy is familiar with this, that somehow that may make it more likely that China will move in a liberal democratic direction. But Amy knows that the reason we wanted China in the World Trade Organization was because our business community wanted access to the China market and we wanted all of the benefits that we would have from having China under the World Trade Organization disciplines.

So this is a very useful exposure because I think at our best in dealing with China we have policymakers in Washington who are actively engaged with their

counterparts in China and we have embassy personnel, like David, who are out there on the ground keeping Washington informed of what was going on in real time sense and with a better spin than CNN had on the same events that were being covered.

MR. GREEN: Without a doubt. Thank you, Ambassador Roy.

MR. HASS: Thank you all. This has been a master's class in the conduct of U.S. diplomacy with China.

Before we open it up to the floor, I just want to give you all an opportunity react if you'd like to any of the three comments that have been made. Including the question of prioritization.

MR. WILDER: I guess on Jim's question on Taiwan, it's a great question. How long can we keep this game going is a very good question. And of course, one of the things that we hear more and more about and are more and more concerned about is the changes that have gone on in Beijing. And the less tolerance in Beijing, if you will, for minority groups. And Shin Jong and the Sinicization process that is going on. And I personally do worry that these kinds of changes in attitude on the side of the Chinese Government may lead to a harsher policy toward Taiwan at some point in the future.

So I think I don't have any great answers except that we need to prepare. I think if we're talking about the last 40 years and looking forward, this may be an area where we're going to have to think very hard about the American approach, and people like Dave are going to have to tell us how we work this on the military side. But I think you're still, whatever the formulation, it's still going to have to be something about assurance and deterrence on both sides of the Strait. Whether we can make that stick in an age where the Chinese military is much more capable is another question.

MR. SHEAR: Just on a different subject, Jim and I were both in Beijing together during the Tiananmen Massacre so we shared that experience. Jim, I think, was

more engaged with China during the '90s than I was. I was in Japan strengthening the alliance. But my sense of U.S. China relations with the '90s was that there was no consensus about what to do about U.S.-China relations after Tiananmen and the end of the Cold War. It was a very contentious time in which we debated publicly the importance of human rights and the importance of trade ties with China. It was also a period that was punctuated by crises, including the Le Dung Wai visa and the Taiwan Strait crisis, as well as the bombing of the Chinese Embassy in Belgrade.

So the '90s were extremely contentious. It wasn't about consensus and it wasn't about consensus on China becoming a liberal democracy. Or totally integrated into the global economic community. Those were arguments that were being made. But it was very contentious.

MS. CELICO: And I guess I'll just close out coming back to Ambassador Key's second question and is that -- will the next administration try to rejoin TPP and see the value in that? I certainly hope so because I do think when we, again, think about American interests, the American interests for us to be part of Asia in that kind of economic partnership are good for us. Yes, it gives something for China to aspire to as well, but this is not an issue of changing China as Ambassador Roy said. This is an issue of what will drive us. But very different from the 1990s which I completely agree were such a contentious time thinking about trade policy. It left it to the business community to be the cheerleaders for China's WTO accession.

Today, that is not true anymore. The business community is the main cheerleader for enhanced cooperation with China. And what I'm worried about is that this concept of decoupling our two economies because of national security considerations will come back and deeply adversely impact American competitiveness if we allow that threat to continue by a democratic or a republican administration.

MR. GREEN: I just wanted to answer Ambassador Negroponte's question about development assistance and tell him that actually China has been much more transparent now than when you were deputy secretary. They put out a white paper. They in fact, you were correct, they used to have at the Ministry of Commerce the work for doing development assistance. And unfortunately for the Ministry of Commerce, they lost that function to a new agency to deal with development assistance. And so I think your efforts and our efforts to talk to the Chinese Government about the need for having a more transparent policy has borne fruit. If you look at the Asian Infrastructure Investment Bank, how the Obama administration handled it might not be a poster child for diplomacy but the end result was a more transparent, rules-based system that the Chinese set up. So I think your efforts a decade ago to kind of talk to the Chinese and say, hey, what you're doing in third countries is really important for the stability of those countries, really, a decade later has paid off.

MR. HASS: We now have time for questions or comments from the audience.

We'll start with Paul.

MR. HARE: My name is Paul Hare. I worked on these issues for, well, as James said, since the (inaudible) era in the intelligence community.

On the list of what's worked and what hasn't, I just wanted the panel to address two possible items. What's the balance sheet in the effectiveness of summitry? And secondly, why didn't Beijing's proposal for a new model for great power relations work?

MR. HASS: Thank you.

If we could, we'll take two or three questions at a time.

CONNIE: Connie from VOA. Thank you for the great discussion.

I just want to bring in North Korea in the picture a little bit. Do you think that

China's contributing to the U.S.-North Korea denuclearization talks or do you think they're playing the heels in the current U.S.-North Korea denuclearization talks?

And also secondly, we're expecting a rush on the North Korea Summit. How do you think this will impact China and the U.S. in the current denuclearization negotiations?

MR. HASS: Okay. Mike?

MR. MOSETTIG: Mike Mosettig.

There's been a lot of discussion about building, rebuilding economic relationships in the rest of Asia. Do you see in the current political climate or does things like the BRI and the fact we haven't even mentioned BRI for 45 minutes is sort of amazing, will encourage a rethinking of the political situation here or do you foresee no matter what the results of the 2020 elections that we're going to get back into anything like a TPP?

MR. HASS: Okay. Thank you.

Maybe we can start with Dave and work our way down.

MR. SHEAR: I'd like to address the question of new model of greater power relations. I was in Vietnam in 2013 when the summit between President Obama and President Xi took place in which that was unveiled. And one, I think the region tended to take that as another Chinese stab at a G2 in which the U.S. and China would form a condominium and manage the region. I think that was the perception of the Vietnamese to some extent, and they were concerned about the extent to which the U.S. would focus on U.S.-China relations rather than balancing it with other countries around China's periphery.

And I think secondly, the term became toxic politically in Washington. It meant too much -- near the end of the Obama administration it meant too much cooperation with China and the administration started avoiding the use of the term.

The question, is China helpful on North Korea? Generally, yes. I think the

Chinese have been helpful on implementing UN sanctions against North Korea. And the president has expressed his basic appreciation of that, most recently, most visibly in his remarks after the Hanoi Summit with Kim Jong-un.

At the same time there appears to be some leakage. Some Chinese ships are engaged in the illegal transfer of oil, for example, on international waters. At the same time, we need to look at what China's long-term interests on the Korean Peninsula are and make sure that we understand that they're not necessarily congruent with those of the United States. I think the Chinese would like to see a much smaller presence, if any presence at all, on the Korean Peninsula, and that we have to keep in mind that that's likely one of China's major goals for Northeast Asia. So we need to keep pressing the Chinese to cooperate on North Korea, particularly on sanctions implementation while keeping in mind that their interests aren't necessarily ours over the long term.

MR. HASS: Thank you.

MR. WILDER: Paul, I keep thinking of your question about summitry and it is a really mixed bag with summitry.

One of the things to understand if you haven't been involved in a presidential visit to a place like Beijing is the enormous scale of what occurs here. A thousand people descend on Beijing. We bring our own Xerox machines. We bring our own communications. We tear up hotels and put in our own communication systems in our own secure rooms. It is, if you've never seen an American traveling party, presidential traveling party, it is a site to behold. You bring in all of the armored vehicles. You bring in the hospital gear. You bring in SWAT teams. And you do sometimes wonder at the end of this process if it's all worth it to be perfectly frank with you.

I remember when there was a particular APEC Summit we were going to and I timidly asked the president for $10 million for something for APEC and he said to me,

that doesn't even cover the price of fuel on this trip. What are you bothering me with this for?

So when you go to summitry at these levels, there is an enormous amount of work that goes into it. There's an enormous amount of preparation thinking about the agenda. And sometimes to get back to James's point, the thing I always kept in mind is, what's the priority? What is the one thing I want the president to get out of the Chinese at this meeting?

The Hu Jintao visit to Washington, the president had a priority and I had a priority. The president's priority was to have a private meeting with Hu Jintao about North Korea, and he actually that morning said to me as I walked in the Oval Office thinking everything was done, "Hey, Dennis, I'm going to call an audible." And I thought, what do you mean an audible? We've got this all worked with the Chinese. And he said, "I'm going to sit at lunch with the Chinese president." Now, that was totally against protocol. The president is supposed to sit with the wife of the Chinese leader. And we had to move tables. I had to get the Chinese to agree to this. And the president ignored Michelle Kwan on one side. He apologized to her later for it. And he spent the entire time in a detailed discussion with Hu Jintao. A highly effective discussion, one of the best discussions an American president has ever had with a Chinese leader. So that worked.

The other one I wanted was frankly Chinese companies were helping get guns into Afghanistan and Iraq that were killing American troops. And I wanted Hu Jintao to do something about that and the president asked directly in the Oval Office that day and it stopped.

So I think the key with summitry is limiting your goals. Making sure you've got a priority and then sticking with it. The president as I said had one in that case. I had one. We both got what we wanted that day despite the fact that it was probably the most

atrocious ceremony ever on the White House lawn but I am not going to bore you with my problems.

MR. GREEN: You can hear about it when his podcast is released.

MS. CELICO: I will mention -- I will mention BRI -- I was, too. I will mention BRI. So the --

MR. WILDER: And by the way, I was responsible for that ceremony.

MS. CELICO: Certainly, while we haven't talked about the Belt and Road Initiative up here, the Trump administration is talking about it a lot and the predatory practices that underlie belt and road investments. And there's been a lot of talk, and certainly in our backyard here in Latin America most recently, and I think this is an example of we have to have a priority of what we're trying to achieve here talking about these issues.

One thing that this administration is doing is saying, how do we restructure OPEC, including in partnership with other countries? We've already signed agreements with Japan, with Australia, with Canada, with the EU, to talk about development finance. And that is clearly to be in competition with belt and road and the United States saying that we are going to allow more transparency, better environmental standards, local employment for any infrastructure projects that are under our rubric rather than a Belt and Road Initiative to be more competitive with China. Because China certainly has the numbers behind it in the amount of money that it's put towards Belt and Road Initiative.

Just one thought from me about China's response to the international criticism. The Chinese Government I find can be really effective at changing its policy priorities I think because it is a more stovepipe system, this in particular, of course, is Xi Jinping's signature initiative, I think we're going to see changes in how China conducts Belt and Road projects because they have heard this criticism and this could really tarnish their reputation in a way that would give other countries an opportunity that China doesn't

necessarily want to open itself to.

MR. GREEN: I would just follow on, on one of the reasons why we didn't talk about BRI was the way we set the panel up was a kind of historical look back on kind of what had happened. But thank you for bringing it into the current discussion.

I would just say, Paul, on your question on summitry, I asked a lot of the people that I interviewed for this project, I think it's an enormous amount of resources and time. If you don't use that opportunity, I think it's a lost opportunity. That is, the Chinese president is only going to hear from the U.S. president at that level once every two years or something when these summits happen. So if you don't use that then shame on us, frankly, for not elevating that issue.

I think if you look at the 2015 Cyber Agreement between Xi Jinping and President Obama in which the Chinse realized this is an important issue and they dispatched their kind of senior intelligence and law enforcements (inaudible) the United States quite quickly. That was a way to say, hey, if you want this summit to work you've got to address some of the cyber issues. And what came out of it was the Chinese in a public forum agreed that they would not sponsor hacking for commercial gain. And there is discussion now on kind of whether or not that's still holding or not. But even just getting to that point really wouldn't have been possible without a leader-level meeting.

MR. HASS: Thank you.

We have about three minutes left. I wanted to give each of the panelists a chance to make any final thoughts or parting thoughts before we wrap up.

David?

MR. GREEN: I see Scott Allard back there who is another brother during the Tiananmen Massacre who, if I recall correctly, you were in Chengdu at the time, weren't you, Scott? Yes.

MR. SHEAR: One concern I have going forward is the Red Scare that we are now seeing here in this town. And let me tell you the level where I worry about the Red Scare. We send students to China all the time under a scholarship program in order to learn Chinese, to learn the culture. And we pay for them to be there so that they can come back and join the United States Government. Well, guess what's happening to them now when they come back and try to join the United States Government? They can't get their clearances. Why? Because they spent time in China. What sense is there in that? If we're not serious about this, then let's get rid of those Boren Fellowships and those other programs and be honest with ourselves that we really don't want that kind of China expertise.

But James talked about the fact that some of us having been born, raised in Asia, having experience in Asia was important. It was incredibly important to my understanding of China. And I teach students every day who come back from China enthusiastic and ready to serve the United States Government and are told, no, thank you. And this just is not a sensible policy. And somebody needs to look at it and figure out. And I have spoken to the top levels of the FBI and the CIA about this question, and I'm going to keep talking about this question until somebody gives me a reasonable answer.

MS. CELICO: Amen. You know, I think I heard it said right sizing, you know, any threat from China is what we all have to be focused on. And on the trade and economic front, of course we're going to have a competitive relationship with China but that doesn't necessarily mean it has to be a confrontational relationship with enmity and a decoupling of our two economies. That certainly isn't going to be promoting American interests. And so I think all of us who want to continue to work on China policy are going to say how do we minimize any barriers that we're putting up to interaction between our two countries in order to continue to make sure we're benefitting from China in the world?

MR. GREEN: Thanks to you, Ryan, and thanks to the panelists. I would just conclude by saying we have two very unique leaders in the United States and China these days, but the reason why we this project is I still feel like the lessons of history are applicable, and so we should try to remember how to do these things. This muscle memory is important of how to interact with another country and it will be important hopefully for the next 40 years.

MR. HASS: Fantastic.

Well, on behalf of China Center Director Cheng Li, myself, and Brookings, thank you to all of you for being here. Thank you to James. Thank you to Georgetown.

(Applause)

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