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TRANSCRIPT

Event

"China's Power: Up for Debate 2026
Panel: The Current State of U.S.-China Relations"

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FEATURING

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Bonny Lin: OK, folks. We're going to get started. I'm very, very grateful for an all-star panel with me to my left to explore the issue of understanding "The Current State of U.S.-China Relations." I'm going to introduce the speakers, again, from my left onwards, and that will be the order that they are speaking.

First, to my left is Randy Schriver. He is the chairman of the board of the Institute for Indo-Pacific Security and partner at Pacific Solutions LLC. Most recently, Mr. Schriver served as assistant secretary of defense for Indo-Pacific security affairs from January 2018 to December 2019 in the Pentagon, where he was my boss. So always great to have your boss on the panel.

Next, we – I'm very delighted that we have a Chinese leading – a leading Chinese expert, Xiangwei Wang, who is currently also a senior visiting scholar at the Harvard Kennedy School and is former editor-in-chief of the South China Morning Post.

Next to Xiangwei is Ambassador Edgard Kagan, who is senior advisor and Freeman chair in China studies at CSIS. He recently served as U.S. ambassador to Malaysia for Presidents Trump and Biden from December 2023 until February 2026. He previously served as special assistant to the president and senior director for East Asia and Oceania at the National Security Council.

And last but not least is Evan Medeiros. He is the Penner family chair in Asia studies at the School of Foreign Service at Georgetown University, where he also serves as director of the Asian Studies Program. In addition to his role as a professor, he concurrently serves as senior advisor at the Asia Group. He served for six years at the National Security Council staff – first as director for China, Taiwan, and Mongolia; and then as special assistant to the president and senior director for Asia.

In other words, a very highly qualified and distinguished panel representing experts from both the United States and China, and across the political spectrum.

So this panel, I have raised three different questions for our panelists to answer. I think it will be useful, maybe, to group the first two questions and get a round of perspectives, and then come back to a third question.

So the first two questions I'd like folks to assess is: How do you assess the current balance of power between the United States and China? We spent a lot of time in the prior panel talking about how China's power has grown, addressing the question of whether China is peaking or not. But how do you assess that relative to the United States? And then, relatedly, how would you characterize the current U.S.-China relationship? Is it stabilizing? Are we at a – is what we're seeing right now sort of a tactical stability in the

relationship? Is it something else? Is it managed competition? However you want to characterize it. Let me first turn the floor to Randy.

Randall Schriver: Great. Thank you, Bonny, and appreciate you having me part of this very distinguished panel. Great colleagues, and look forward to the discussion.

Yeah, I think in terms of the balance power, side by side, the U.S. in most categories is a stronger country – a larger economy, much larger private capital, global-index soft power, military, military spending. So it can be true that you're interdependent and mutually reliant/vulnerable, but have some asymmetry in terms of comprehensive national power.

Now, some of that sort of matters in terms of influence and, you know, ability to pursue interests and largely accomplish national objectives. Some of it is less important. I mean, when you look at military capability side by side, the United States is a more capable military but China's certainly closing the gap on quantities, particularly when you look at naval platforms. But also the question is always: Powerful enough to do what? And when you look at military contingencies, the gap has closed, I think, considerably because, you know, for the United States, we're always playing an away game, tyranny of time and distance, and a lot of geographic and home-field advantage for China in the set of particular known contingencies that we think and talk a lot about.

So, you know, I think while the United States enjoys a lot of sort of absolute advantage in these various areas, I think the distance is, in fact, closing, and the real sort of consequence of those advantages are also starting to be diminished. China is really approaching, I think, in many ways a near-peer status. Certainly, they speak that way, and they talk about their goal of being a peer and sort of have these aspirations for G-2-ish-like cooperation with the United States. So I think in many ways they're heading in that direction.

There's a longer conversation about weaknesses, vulnerabilities, fragilities, and I think there's a lot of that in the Chinese economy right now. But again, that's a – maybe a longer conversation.

I think – in terms of the current state of the relationship, I think a degree of stability has been added and maybe a floor under the relationship through the summitry. So we've had, obviously, two meetings, in May and September, between President Trump and Xi Jinping; two more before the end of the year, in Xinjiang and Miami. And I mean, that is one way to manage the relationship, is to have very frequent leader-to-leader engagement. And certainly, it seems to have put a floor under the relationship to stop any perception of downward spiral that I think, you know, was sort of initiated with the trade actions in the beginning of the Trump – second Trump administration. But I would probably characterize it more as a bit of a pause,

and that the – that the fundamentals in the relationship will still drive us in the direction of long-term strategic competition.

When you look at what was actually accomplished at the two Trump-Xi meetings, it's pretty thin. And that's not out of ambition; I think that's because we largely have competitive views on things. So, you know, a Board of Trade that sort of limped toward a second summit and came up with a basket of goods approaching $30 billion for preferential tariff treatment. A Board of Investment that pretty much went nowhere because we've still got questions ourselves as to what type of Chinese investment we want to allow in the United States and where we want to be a little more cautious. An AI dialogue, which is probably necessary and maybe ultimately even helpful given mutual concerns, but again, it's more conceptual and agreeing to meet and agreeing to talk rather than a lot of progress there.

So, you know, the question is, can we create an actual agenda work program between our two countries that adds to the ballast that the summitry is providing? And I think that's an open question. And I think there are certainly things out there that could trip us up and divert us from this course of stability.

We have what do we call it now, constructive strategic stability based on fairness and reciprocity?

Mr. Schriver: And respect. That sounds great. Sounds a little bit like building toward a constructive strategic partnership. The three Cs: candid, constructive, cooperative. New type of great-power relationship – I think that was yours, Evan, right? (Laughter.) So we – so we have this – the newest and latest slogan, and what we hear from Chinese counterparts is they want to make that meaningful, build that out. I think that's a good goal and appropriate aspiration. My lead into this probably leads you to understand I'm a little bit skeptical, but we'll see.

Dr. Lin: One quick follow-up question, Randy, before I turn the floor to Xiangwei. You said right now it's – we're in a bit of a pause. How small of a pause are you characterizing it as?

Mr. Schriver: Well, the biggest problems we've had in the relationship over the last three decades were sort of these bolts out of the blue, right – a pandemic, an EP-3 colliding with a Chinese fighter, an accidental bomb of the embassy – Chinese embassy in Belgrade. So that could be around the corner at any moment and I think a lot of it unravels.

I think the more likely case is, you know, one of these longer-term irritants where core interests could be impacted, something bubbles up there. If we're at all successful in what we're trying to do with diversification of

reliance on China for rare earths, critical minerals, supply chain issues, if we're at all successful, then, you know, we don't have to continue with a truce or a pause; we can be a little more aggressive in pursuit of our interests. And I think the Chinese would probably see things the same way.

So, you know, I don't know what timeline to put on it. Let's say – I'll say six months.

Dr. Lin: Wonderful. Thank you. I know it's hard to make predictions, but appreciate you –

Mr. Schriver: You know, the great American philosopher Yogi Berra said it's really hard to make predictions, especially about the future. (Laughter.)

Dr. Lin: But thank you for being willing to contend to that.

Xiangwei, your views on U.S.-China balance of power and where we are in the bilateral relationship.

Xiangwei Wang: Thank you, Bonny. Congratulations on the 10th anniversary of China Power.

And I just want to respond to your question in the earlier panel about what has changed and what has not. You know, when I was – you know, I was – I am a Chinese journalist based in Hong Kong and have been writing about China's politics and international relations over the past 35 years. I remember when I first became a journalist in Hong Kong in 1993. The China-U.S. relationship was – you know, for the sake of simplicity, was summarized in three Ts: trade, Taiwan, Tiananmen or Tibet. And now, 30 years later, if you look at the China-U.S. relations, it's still about three Ts, but it is trade, Taiwan, and technology. So that's the first point I want to make.

The second point I want to make is, you know, if you know me, that I'm the guy – when it comes to China-U.S. relations, I'm the guy whose glass is always half-full, so you have to bear that in mind from – you know, when you sort of listen to my talk. I think from the Chinese perspective that the – you know, right now I think China and the U.S. relationship is entering into a phase of strategic stability.

I remember that – Evan, you must remember that back in February or January of 2019, just a few months after Trump launched the trade war, Evan and I were invited to an annual conference organized by Goldman Sachs in Hong Kong. You remember that, right?

Evan Medeiros: I do.

Mr. Wang: I think during the Q&A I was asked to characterize the China-U.S. relationship, and then I just sort of came out with this Chinese phrase which, like today, still I find it difficult to translate into English. So I'll say it first in Mandarin, and then I will have a literary translation. It is "dǒu, dǒu, tán, tán; tán, tán, dǒu, dǒu," which means "fight, fight, talk, talk," and "talk, talk, fight, fight." So right now we are in the face of talking and compromising. And Randall just mentioned that he will give it, like, six month. I'm a little bit more optimistic. I will give you, like, until the end of Trump's term.

I think my argument is this. I think if you look at the China-U.S. relationship over the past 10 years, Mr. Trump launched the trade war against China in 2018. Basically, the trade war and other confrontation continued from 2018 until October last year, when Mr. Trump and Xi Jinping met in Busan, South Korea. That put a stop to the sort of more or less eight years of trade war between China and the United States. And in the runup to the summit, and also during the summit, as Randall mentioned Trump started to revive this term G-2, which was first mentioned by some American economists back in 2005 and 2006.

And then – you know, I remember it very clearly because I was a journalist – at that time when the term was first mentioned by the U.S. economist, China completely rejected that characterization. It is because on the – on the reasons, like First World, that is a trap set by the United States urging China to shoulder more responsibilities. And secondly, if China agreed to the G-2 term, it will alienate China's allies. You know, China – even though China has become a developed country now, but China still see itself as a developing country. As the previous panel mentioned, China sees itself as the champion of the Global South.

Now, 20 years later, what Mr. Trump said is exactly what our President Xi Jinping wants to hear, because in many ways, as Randall mentioned, China has become a near competitor to the United States, as a near peer to the United States. But until last year in Busan, the United States did not treat China as a peer. But I think, from a Chinese perspective, particularly the recent lavish welcome by Mr. Trump to Xi Jinping at the White House, from a Chinese perspective it clearly shows that now the U.S. has treated China as a peer or near peer. That is very good, because that is what our president wants to hear. And so that's the first thing.

The second thing is, if you read the speeches given by Mr. Trump and Xi Jinping at the White House ceremony, you know, it's very interesting that both the U.S. president and the Chinese president mentioned the fact that China and the United States were allies – which to me, as a China watcher, I find it so interesting. Which is, you know, of course, our sort of Taiwanese

friend is here, because when China and the United States were allies, that in China it was the KMT, not the Communist Party. But you know, now the head of the Communist Party took that credit. But the fact that both the leaders mentioned that to me is a very important message, that it meant to tell the world China and the United States may not become allies again but they can work on bilateral issues and international issues.

So the opportunity is coming up in Shenzhen. You have already read reports that there will be – there is likely to be a bilateral – trilateral meeting of Xi Jinping and Mr. Trump and Mr. Putin. You know, I'm a scholar and a journalist, like, studying China-U.S. relations, you know, from outside. Now I'm inside, you know. Now I am at Harvard, as – like, as Bonny said. You know, I'm a visiting scholar researching China-U.S. relations. So I think, you know, I mean, all of you here, you know more U.S. politics than me. It seem to me that Republicans are going to lose the midterm elections heavily, and you know, either the House or Senate. So my limited understanding is that Mr. Trump's domestic agenda will be further constrained, like, domestically. So my reading is he will probably focus more on the – on the dream or deal of, like, sort of having talks with China and Russia to solve – maybe I'm not surprised if China invites Kim Jong-un of North Korea to Shenzhen and Mr. Trump will meet him. I mean, because you know, Mr. Trump wants the Nobel Peace Prize. You know, I mean, you cannot get the Nobel Peace Prize by doing things at home. So I believe that, you know, regarding Ukraine, Taiwan, Japan, I think China and the United States probably will work closely together in the next two years.

I think I will stop there. Thank you.

Dr. Lin: Wow. Thank you, Xiangwei. Very optimistic and wide-ranging set of remarks.

I think there's a lot to unpack, and I have so many questions I don't know where to start. So maybe I'll actually just turn the floor to Edgard – (laughs) – to share his views.

Edgard Kagan: Thank you, Bonny.

And it's a little intimidating following both Randy and Xiangwei. And I will just say, you know, I strongly endorse much of what both of them said.

I would argue that when it comes to the balance of power between the U.S., I think the practical reality is that the perception around the world is that they're more or less balanced. I think Randy's right that one can look closely in a number of areas and continue to see some U.S. advantages. There are some areas of Chinese advantage as well that I think you – or, certainly perceived in much of the world. But I think that the sense is, and as Xiangwei

said, that the combination of the last three meetings in Busan, in Beijing, in Washington are really the perception that the two sides see each other as equals. And so I think that is very, very significant. And I think that, you know, you can unpack a variety of things. There's – both countries face some significant challenges. Both countries have areas of significant advantage. But I think the reality is that in many ways the bilateral relationship is increasingly balanced.

However, I think that there is still very much the sense that the U.S., if it is able to once again work with allies and partners, has significant advantages. And I think that there's criticism – I think all of you are very aware of this – there's criticism in the U.S., and certainly in much of the – what one might call the West or the Global North, that the U.S. hasn't been playing these cards very effectively. And I think there's an interesting sense that perhaps what we're seeing now and the decision to hold a Quad meeting at the leader level may reflect a potential change in that, and certainly an effort to try and, you know, work more effectively with key allies and partners. However, I would say that the broader questions about the bilateral relationship are very much up in the air.

First, I agree very much with what Xiangwei said. As much as one can question are there practical, tangible outcomes of the last three meetings beyond the sort of trade truce, which effectively is no tariffs in return for continued flow of rare earths and critical minerals, there's no question the symbolic impact is quite significant. And I'll be the first to say I missed it. When I was talking to the president before the Busan meetings, I didn't fully appreciate the impact of having Donald Trump, the president who on the 2016 campaign trail started identifying China as a competitor and a threat in a way that hadn't really been articulated in mainstream American politics for quite some time; and then implemented a variety of policies including the tariffs in 2018; and then all the language that flowed both before and particularly after the outbreak of the pandemic – to have Donald Trump now talking about a stable relationship – about constructive, strategic stability based on reciprocity, equality, you know, fairness, happiness, joy, or whatever the structure is – (laughter) – I think that is incredibly significant.

And one sees in both countries a certain mirror imagery. I mean, it's not a secret. In both countries, there is deep distrust of the other at – pretty much throughout government. And you know, there's been quite a few articles and quite a bit of discussion that in the Trump administration it's basically all hawks except for one person, and I think the reality is there's probably some of that on the PRC side as well. And so – but in both systems you have a remarkably top-down system; you know, structurally in the case of China, and then by the nature of the administration, the second Trump administration, in the U.S. And so if the two leaders want stability, they want a better relationship, that carries a great deal of weight. And so you can see

both systems trying to figure out what is the threshold of what, for lack of a better word, you could call competitive actions or defensive actions designed to protect against the other that won't cross the threshold of angering the leader, their own leader, as well as the other. And so you can see some of that continuing, and I think that reflects the fact that there are major areas of difference, there are serious areas of disagreement, and there is a deep commitment in both governments to trying to strengthen respective positions in what is undeniably a long-term competition regardless of how it is framed by the leaders.

However, I don't think one should underestimate the symbolic impact of what has happened in the past year. And I think this – there is a bit of a whiplash around the world. I think a lot of U.S. allies and partners have been caught by surprise. I think a year ago if you asked people, you know, what do you see happening in the coming year, détente and rapprochement between the U.S. and China didn't really figure on a lot of lists. And I think that there is also that uncertainty that that has created also creates opportunities on both sides.

However, I agree with Randy. I think six – I think it's likely to be longer than six months, though who knows? Because I think structurally the big difference is this: I would be much less surprised if Donald Trump changed his mind than if Xi Jinping did. And so, you know, I think the reality is all it takes is the president deciding actually that, you know, either Xi Jinping has misled him, hasn't lived up to what he committed to, that China's actions are unacceptable, and then you could see a very significant change in – on the U.S. side in a way that in principle certainly could be true in China. But I think that there is much more of a systemic appreciation for the desire for a more stable relationship and a sense that it's in China's interest.

The last thing I would say: Like, what could blow it up? Randy made exactly the right points. I mean, if you look historically, usually what causes the most friction are things that we did not see coming. It is very, very rare that we've had major friction – not unprecedented, but rarer that we've had friction over things that we saw coming, because I think both governments recognize that there are very significant risks. If I were to guess, it'll be something that'll be kind of, you know, ridiculous and that will be seemingly minor that will spiral out of control. That's what I worry about. I think that you could also see areas where, you know, the perception that China is not following through on its commitments could lead to a big change on the U.S. side. And if the PRC were to start to believe that the U.S. were taking actions that were incompatible with the sort of truce that's been agreed, I think that you could also see China – though my expectation would be China would be much more measured in what it did.

So stay tuned. I mean, we're going to have a hell of a ride, and it may be this lasts to the end of the summit. I think that one thing that you're going to also see is more discussion of this after the midterms, regardless of the outcomes. I think that you're going to see Congress playing a bigger role. And the discussions in Congress will be watched in a very different way than they have been in the first two years of the administration. Thank you.

Dr. Lin: Thank you, Edgard. When you opened your statement by saying that you agree with both Randy and Xiangwei, Randy and I looked at each other because I thought their perspectives were quite different. But somehow you masterly brought in perspective from both – (laughter) – and found some common ground.

Audience Member: (He did do that ?).

Dr. Lin: Yes. (Laughter.)

Let me now turn the floor to Evan for your views.

Dr. Medeiros: OK. Thank you, Bonny. It's a pleasure to be here. Congrats to you and CSIS for the China Power Project. I've been an avid consumer of it for its entire lifetime, and it's a real contribution. And I look forward to the debates tomorrow.

It's also a real pleasure to be here with friends and colleagues, most of whom I've known for multiple decades. (Laughter.) So – in many different incarnations. So that's a pleasure.

So, Bonny, on your questions, both of these questions are a very different question, both important questions, and I have to say I don't agree with everything that others have said on this panel. And so I – you know, for those of you that welcome – that know me, I welcome disagreement. I learn more from people that I disagree with than I agree with. So I invite you guys to sort of have at it after I make my comments.

On this issue of the balance of power between the United States and China, frankly, I don't know how to answer this question, largely because usually what we do to answer this question is we sort of try to measure U.S. power in multiple different arenas, measure Chinese power in multiple different arenas, and then sort of look at it and say, well, I think the U.S. is up. And then Edgard says, no, no, I think China's up a little bit. And I think that, frankly, we just – we're answering this question in the wrong way. Simply by looking at aggregate capabilities doesn't entirely capture U.S. power or Chinese power. And so, as important as it is to look at GDP and defense budgets and defense capabilities and try and put a number on diplomatic

influence – good luck – try and measure technological capabilities – I have no idea how to do it – I think we need to broaden the aperture a little bit.

So aggregate capabilities obviously matter, but there are other dimensions of power. And I think that this not just important to the U.S.-China relationship; it's really the era of international politics that we're entering into, this post-post-Cold War era. And I think we need to look not just at aggregate capabilities; we need to look at something I call positional power – in other words, a country's position in key global networks – because it's become very, very clear to the entire world over the last year of the U.S.-China trade war that the position that a country inhabits in a global network affords it an enormous amount of influence or it can create huge vulnerabilities.

So, for the United States, we clearly have dominant positions in the global financial networks and some certain global technology networks. We clearly have vulnerabilities when it comes to critical minerals, especially rare earths and permanent magnets.

When you look at China, right, there are certain global supply chains where the Chinese have a very dominant position, in large part because the Chinese have very actively created or positioned themselves to be a dominant actor in supply chains – obviously, in critical minerals; obviously, in biotech. The Chinese have done far less well on certain areas of technology, especially semiconductors.

So I think thinking about positional power in addition to aggregate capability begins to enlighten things a little bit. And if you compare the U.S. and China, both have strengths and weaknesses. I don't think one operates sort of uniquely – or, one has a uniquely powerful position.

And then a third idea we need to think about when trying to compare relative capabilities is to think more about what I call conversion capacity; in other words, the ability to turn power into influence in international affairs. And I was very happy that the prior panel sort of touched on this a little bit because it's one thing to have aggregate capability; it's another thing to be able to leverage it in ways to get countries to do things that you want them to do, especially things that they don't want to do. And that conversion capability is a function of a whole variety of different things, but at a minimum a country needs to have a degree of sort of political coherence. In other words, countries can believe that what it – what it says it's going to do it will actually do, and it needs to have a degree of credibility. And I think right now the U.S. is struggling on that front.

Anybody who travels through Asia, especially Southeast Asia, is bombarded with questions about America's domestic politics. You go to Singapore and you constantly get the question: Have American domestic politics become so

polarized and so divisive that it's actually not a terribly functional political system, and as a result your fiscal situation is getting out of control and you're starting wars of choice that are destabilizing the world? So they – sort of it looks to many countries like there's domestic dysfunction in the United States. And number two, U.S. foreign policy now looks incredibly incoherent. So on the coherence and credibility front, the United States looks like it's facing some real challenges.

Whereas China, I mean, there aren't questions about the nature of that political system. Xi Jinping has only centralized power and concentrated power in the Central Committee apparatus. In terms of strategic coherence, I think it's relatively clear what the Chinese want to accomplish in Asia and globally.

So that's sort of a broad way of saying I don't really know how to answer the question, you know, who is stronger in international politics. Both have strengths and weaknesses. But I think we need to broaden the aperture and think about other concepts like positional power and like conversion capacity to really get at this question of relative power and relative influence.

Which is sort of a way for me to transition to the second question, which is what is the U.S.-China relationship today. And I think the U.S.-China relationship is more than just a garden variety great-power competition for relative power. I think it's far more than that. And it's far more than that because we live in an international system that is changing so rapidly, in which issues like conversion capacity and positional power are important; but in large part because when I look at the U.S.-China relationship today it's basically a massive, glaring contradiction. In other words, there is a contradiction between what I consider to be the structural forces toward competition at the heart of the relationship – our interests diverge more than they converge on a broad range of issues, and I don't think that's going to change regardless of who gets elected in the United States or possible changes in the Chinese leadership. So, structurally, the forces toward competition are growing. The domestic political forces in the United States and in China are changing to such a point that they're only going to reinforce, in my assessment, the forces toward competition. So, over the long term, that's where we're going.

But of course, as several of the speakers have pointed out, if you look at the short term or cyclical forces in the relationship, it's all sort – it's all due to – it's all pointed in the direction of stability. That's a function of Donald Trump's preferences and impulses, right? He likes Xi Jinping, wants to have a good relationship with Xi Jinping. He clearly overestimated American power in starting a trade war, that the Chinese transitioned into a supply chain war and we had to back off. It's the preference by Trump and Xi for a very sort of leader-level diplomacy to drive the relationship forward. So all of the trends

are towards stability. In addition, the fact that both sides have recognized they're vulnerable to chokepoint controls. So both sides have a certain degree of vulnerability which they are racing to reduce. And then, of course, you have the Party Congress in China coming up, and so that creates a preference for stability.

And I think that, ultimately, the structural forces toward greater competition and the cyclical trends toward stability are simply not sustainable, and I think that there will – there will be a snapback at some point. I don't know when that's going to be. I don't know entirely what mechanism is going to lead to that. It could be political changes in the United States, it could be an exogenous shock that Edgard and Randy talked about, or it could be accumulating differences over Taiwan or technology. But the reality is, is the current stability of this moment is just entirely contrived. It's not détente. I know there's some scholars that talk about it as sort of setting the basis for détente. It's not even remotely close to what the U.S. and the Soviets did in the 1970s. So I think we – you know, we're living through this sort of funny interregnum in the U.S.-China relationship, but we shouldn't let it distract ourselves from the long-term trajectory.

And let me be very clear, like, I don't – I'm not a fan of competition. I don't wish more competition on the U.S.-China relationship. I wish we had political leaders and political systems in both countries that could allow us to find ways to manage the competition. But that's not where we are today. Today is not about managing competition; today is sort of about ignoring competition, more or less, while both sides in the background are racing to reduce their vulnerability and accumulate leverage. So I think we're in a very, very funny place that's not sustainable.

Sorry. I know that's not the sort of optimism, but that's my take.

Dr. Lin

Thank you. And, no, no, I wasn't asking everyone for their most optimistic take on U.S.-China relations.

I do have a follow-up question for you, Evan, and then we'll go back down the row for folks to weigh in and share their thoughts, agree or disagree. You had mentioned the short-term factors for stability were more cyclical, and then you contrasted that with the long-term structural factors for competition. It seems like you are implying – and please clarify or correct me if I'm wrong – that the – whatever President Trump is trying to do to stabilize the relationship you think will not last beyond his term. Is that a correct interpretation of what you're saying?

Dr. Medeiros:

Correct.

Dr. Lin: So to the point that – for example, that Xiangwei mentioned in terms of the areas of cooperation, the trilateral meeting between President Trump, potentially Putin, and Xi on the margins of Shenzhen, you don't think that any of those will have much an effect?

Dr. Medeiros: Well, I don't see any real cooperation between the United States and China. And certainly if there was cooperation, I would see it as limited and episodic, and certainly not sufficient to sort of overcome the areas of competition. I mean, if Donald Trump tomorrow ceased to be president, there are a huge group of hawks in this Cabinet that could reorient U.S. policy in a very different direction. And if you look at congressional sentiment, Republicans and Democrats, House and Senate, there are any number of pieces of legislation pushing a more competitive agenda.

Dr. Lin: All right. Thank you, Evan.

Edgard, welcome you to weigh in on any of the topics discussed.

Amb. Kagan: Sure. Look, I'm not going to annoy Evan by saying I agree with him. (Laughter.)

But what I will say is I think that the structural factors are without a doubt there, and they're going to be there for a very long time, and I hope nothing I said before suggested that I don't believe that there is deep distrust between the two sides. And I would say one of the examples of that – and I must say, you know, Evan's détente example is in some ways somewhat useful – is AI. If you compare AI – and I've heard people comparing AI to sort of nuclear weapons in terms of its significance – I mean, the big difference is that by the late '60s there was a shared understanding between the U.S. and the Soviet Union on a variety of things, which made it possible to – even if there was never real trust, to sense that there were some common interests. I think one of the things that I worry about is that when it comes to AI there isn't even that level of understanding or recognition or acceptance of common interest. And so –

Dr. Medeiros: And to just bolster your point, that – between the U.S. and the Soviets in the late '60s, those understandings were largely a function of the Cuban Missile Crisis.

Amb. Kagan: They were, but also nonproliferation and the concern about proliferation, and the desire to essentially work together to push the Non-Proliferation Treaty, to limit the spread of nuclear technologies and nuclear weapons, and a recognition that in order to be credible in doing that there had to be some sense that the U.S. and the Soviet Union were no longer just blindly building up their capabilities. I think that the big difference is that there isn't that.

Now, part of it also – and the Cuban Missile Crisis point is a very – is a very good one – but also there was some sense of either parity or at the very least that it was moving towards parity; that neither side was accepting a sort of – something that would enshrine the superiority of the other. I think when it comes to AI, we don't have that. And so that also feeds into the fact that there is so little trust at the working level, and so I worry about that.

Now, what I will say is that there's also tremendous opportunities. I mean, I think for the U.S. I think you have to be really honest. At a time when it sometimes feels that the U.S. has gone out of its way to hurt many of its closest alliances and partnerships, the fact is that China has very kindly resisted the temptation to take advantage of that. If one can imagine a world where China's response to the April tariffs last year was to say, you know what, we're going to rebalance our economy, we're going to start importing more from other countries – if you could imagine a situation where China's response to the pressures the U.S. was putting on its allies and partners was to say, you know what, we're going to – we're going to try and lower tension in South China Sea, we're going to try and improve the relationship with Japan, we're going to try and improve the relationship with Europe, to try and peel U.S. allies and partners away from the United States – that would have been profoundly disturbing. Instead, China has picked a fight with Japan that basically elected the Japanese prime minister with a much larger majority than she probably would have had otherwise. China has essentially doubled down on support for Russia vis-à-vis Ukraine and significantly increased exports to virtually every other country in the world in ways that have really profoundly limited China's ability to take advantage of the current U.S. policies. And now, you know, you can see that the reaction to the sort of rapprochement between Trump and Xi, if anything it may create opportunities, but opportunities that are very, very hard for China to take advantage of.

So I would argue that what we're looking at is a period where both countries are going to continue to look for ways in which they can strengthen themselves. I would note both leaders believe time is on their side, and that that is a big reason why you've seen the rapprochement that you have despite how counterintuitive it appeared a year ago. And I think that we're going to see room for other countries to perhaps have some agency. I would argue that Japan, I think, has played a very significant role in persuading the United States to hold a Quad leaders meeting, which I actually think is a very good thing. Now, I'm biased because I was involved in these things before and I think that they are very useful. But I think the main thing is that the reaction to the rapprochement is creating opportunities that I would argue the U.S. is probably better-positioned to take advantage of.

Dr. Lin: Thank you. Really quickly, what are those opportunities, Edgard? Since – because you were being optimistic and saying there are opportunities.

Amb. Kagan: So I think that there is deep frustration with the wave of exports out of China, which is causing political problems. And look, you know, we – foreign policy will love to think that, you know, we're persuasive and we persuade people to see our point of view. The reality is, when it comes to China's economic policies, no one really cares about the underlying, you know, foreign policy arguments. What is happening is, in virtually every country in the world – and we heard this – we heard Scott mention this in the last panel – countries are losing jobs, and that has political ramifications regardless of the system. And that is – and there is a sense that China doesn't care. And all the investment that China made in trying to build relationships with key partners around the world I think over the last 20 years, a lot of that is being sort of thrown overboard because of this desire to support the domestic economy in China through the continued net exports. So I think that is one opportunity. There's opportunities to harmonize a little bit more closely. Now, admittedly, the U.S. has created very difficult circumstances to take advantage of those.

I think that the other areas are there is continued concern about security and stability. There is a sense that a China that has a more stable relationship with the U.S. isn't less aggressive to its neighbors and around its periphery, and so I think that also creates opportunities for the United States.

And I think that, finally, there is still deep admiration and appreciation for the what the U.S. ecosystem is able to produce in the areas of technology. And so that is something that I think will continue to be an area of competition, and China to be sure is doing very well with open-weight models. But I think that there is some sense that the open-weight models may not be completely unrelated to the U.S. closed-weight models, and that that still is a reflection of continuing U.S. strength in core areas that really matter around the world.

Dr. Lin: Thank you, Edgard.
So, Xiangwei, you were the optimist earlier, right, with the glass half-full. What what is your take?

Mr. Wang: Thank you. I'm not a diplomat, but I mean what I say. I totally, fully agree with Edgard.

I want to offer two points. One is on AI. You know, I just had a piece written for SCMP which will publish next Monday, which I will argue why it's so urgent for China and the United States to sit down and to talk about guardrails. Right now they only have agreed to start – to start a dialogue, and exactly how to translate the rhetoric into action nobody is clear. I had a source who is involved in this so-called track-two negotiations between the

Chinese AI and the U.S. AI experts. Right now, what they are doing is probing each other with questions and they're trying to find out, you know, who is head of certain sectors instead of talking – really talking about guardrails. But I believe time is a factor. You know, while I'm very much optimistic about China-U.S. relation, I'm very pessimistic about the risk that AI could kill us all. And right now China and the United States are leaders in AI technology.

But right now, you know, the U.S. side has made it very clear. Mr. Trump said whoever wins AI wins. And you know, the U.S. will now slow down. And then, from the Chinese side, the Chinese believe the recent calls by U.S. to slow – to slow down AI is another trap set by Washington to constrain China's AI development. But as you know, I mean, given the exponential growth capability of AI, that, you know, by the time the U.S. and China agree to talk, it may be already too late. That is the one point I want to make.

The second point, I want to echo what Edgard said about what U.S. and China can work together. Let me just give you some perspective. You see, right now, you know, it is because of the rise of China and because the U.S. sort of seeming – like, seeming retreat back to the Western Hemisphere that there has been this argument that, you know, China will take a more assertive stance in the Eastern Hemisphere, will give China the opportunity to dominate the Eastern Hemisphere. I don't think that is true. I mean, this something that Chinese analysts will never say it publicly, but I'm – you know, I'm telling you guys. I mean, on many of the international issues, China needs the United States.

Like, for instance, right now the U.S. has troops based in South Korea and Japan because of the security umbrella that the U.S. has provided. Neither Japan and nor South Korea has nuclear weapons. You've got to remember both countries have the technology and have the capability to develop nuclear weapons. Can you imagine the day that the U.S. announces troops withdrawal from Japan and South Korea? That's the day both Japan and South Korea will announce they're going to develop nuclear weapons. And some other issues as well. I mean, you know, and of course, you know, over Taiwan as well. That's, you know, to me – I mean, that's why I'm optimistic.

But to talk about Taiwan probably need another session, so I will just – (laughter) – sort of stop here. Thank you.

Dr. Lin: Thank you.

Randy?

Mr. Schriver: Well, I don't know that I like being called pessimistic. I would prefer realistic.

But you know, we've faced challenges before that could kill us all. We've faced pandemics. We've faced nuclear weapons and were unable to have arms-control discussions. So, you know, if having that kind of shared challenge were enough, I think we would have seen better cooperation on those other issues. So I sure hope you're correct, and I hope that the discussions on AI lead to a very productive, cooperative approach. I think we'd all benefit from it. But a little skeptical given past record.

You know, Evan, when you were talking about the dysfunction of the U.S. political system, all the chaos and the inability to have a coherent foreign policy, I'm sort of reminded of the British statesman who said, ah, but they're the only Americans we have. (Laughter.) And we're the only Americans our friends and allies have in Asia, and I think we still have a great deal of influence. And your measure was would they do things that they otherwise might not do due to U.S. pressure, and despite our dysfunction I think we've seen our major allies in Asia greatly increase their defense spending. Japan has doubled their defense spending. I think they've reached trade agreements that, in the case of Japan, agreed to a $550 billion investment in the United States, Korea 350 billion (dollars), Taiwan 250 billion (dollars). If you think they're happy about that, you're not talking to the same people I am.

So I think we've – you know, despite some of our internal challenges, we've continued to be option A, and I'm not sure there is an option B. I mean, if – people like the vibe of Mark Carney's middle-power thing, but if China were to go kinetic on somebody's sovereign territory I don't think anybody's picking up the phone and calling Mark Carney. And when you look at how people are actually investing in the alliance modernization, it's still very much oriented towards an alliance and a partnership with the United States across the board: Australia, Philippines, Japan, Korea, Taiwan.

So, you know, I think these aren't the best of times, and I certainly would like to see in a number of cases different approaches to our alliance relationships, but I think we are still producing results. And there's really no plan B that's emerging that's viable.

Again, not pessimistic, but realistic. You know, I think one of the reasons I said six months is not because I'm expecting the EP-3 or the Belgrade bombing; it's because to get to this point we are actively suppressing some issues that are pretty significant.

We're at war in Iran and China is providing material support to Iran. And I think there's very strong evidence that that material support, including ISR/intelligence support targeting, has impacted Americans. That's, you know, a difficult thing to keep a lid on if that were to continue and, God forbid, end up in something more violent directed at U.S. forces.

We are actively suppressing public discussion of active coercion against our treaty ally, the Philippines, and all the coercion operations which are not kinetic but firehoses and ramming and shouldering of vessels. And we have an undersecretary of defense who goes to Manila and gives a speech and doesn't mention China, doesn't mention South China Sea, doesn't mention the war in Iran. I just don't know how long we can sustain that, and that's what's happening now let alone what's coming down the pike.

And I think there are some issues that even we can predict are going to be a bit of a train wreck. Our commission just released a report on – I'm going to bring back one of your Ts – His Holiness the Dalai Lama. The reincarnation process is going to be a train wreck, and we know it. And there's kind of no way to reconcile the path that we're each going to go down in terms of recognizing the reincarnated Dalai Lama. So there's a lot out there that I think is just going to be very difficult to keep a lid on.

So I think, you know, managed competition is a way to manage the relationship, and it is a way to keep the very worst things from happening. And you know, if something does emerge, either in AI or some somewhere else where we have interests that align and we can eke out cooperation, I'm all for it. I just think, you know, in moments of sober-mindedness, we need to think about how to have managed competition that remains benign and short of war, which is something we can all agree on. You know, we don't want conflict and we don't want war.

Mr. Wang: Can I –

Dr. Lin: So we are at time, but I do want to get, like, one or two questions from the audience, and then really brief thirty-second final closing thoughts from everyone. So –

Mr. Schriver: Evan didn't get his second cut at the –

Dr. Lin: That's right, so we'll have Evan go last.
So if you have any questions, please raise your hand, and then we'll take two questions from the audience. I think I saw you first, and then I'm not sure which of the two of you who raised your hand first. Maybe we'll just get all three of your questions really quickly. Quick questions, please.

Audience Question: Hi. Oh, sorry. Hi. Great to see some familiar faces. I'm Eleanor Shiori Hughes, work at the Center for Strategic and Budgetary Assessments as well as EconVue.

So one thing I've been thinking about is the next – as we think about the next 10 years as 10 years' worth of additional China scholars, people who work in

China or whatever, my question is, how – with the amount of Americans not going to China anymore compared when the China Project was first founded, how is that reality going to shape the next 10 years of U.S.-China relations? Thank you.

Audience Question: Thank you. My name is Frank Liu. I am a visiting fellow at Global Taiwan Institute.

And my question is about, for the benefits of United States, how should U.S. realistically and desirably shape its, like, endgame strategy towards China? What do we want China to become, ultimately? Thank you.

Audience Question: My name is – (off mic) – and –

Dr. Lin: Can you please use the microphone?

Audience Question: (Comes on mic.) And I kind of wanted to kind of go back to the Taiwan issue that Xiangwei couldn't have mentioned there. There's a lot of, like, diverse opinions on that issue, especially with the United States having more relationships with the current Xi government. My question, I guess, is on the issue itself, with the fortification of the island chain and the Quad and all these other issues pertaining, but also kind of keeping those relationships with China and the Chinese government. How does the next 10 years of Taiwan relations actually look like? And what would be kind of the future kind of outcome?

Dr. Lin: Great. Lots of hard questions for a really quick response. Randy first, then we'll give Evan the last word.

Mr. Schriver: Well, I actually like the first question because I think it's really important. And you know, our commission just went to China for the first time since 2019. We weren't – we had COVID, but then after that the geopolitical tensions, and we had commissioners blacklisted, and we fought really hard to go, and you know, we managed to get agreement and visit. And you know, what we want to do is start to open up these various tracks for folks and sort of lead by example. But also, you know, we took young staff with us, and we're trying to sort of model an approach of getting younger folks invested and educated, research-oriented, get them on-the-ground experience. It's going to be difficult.

You know, we have – my own think tank has a former colleague who's being wrongfully detained in China right now, Min Zin. He was invited to attend an academic conference and was rolled up, and still in prison. So there are risks. But I think we need to work with our Chinese colleagues and counterparts to create those opportunities. And I think it's just super

important for the future of the relationship to have experienced, educated, informed people, particularly, if I'm more right than some of the others on this panel – (laughs) – to have managed competition that remains benign.

So we will – we'll have more to say on this as the – as the commission, but I think we're going to very much be promoting these exchanges and people-to-people contacts, particularly for our next generation of scholars and policy officials.

Mr. Wang: Thank you. I also want to address the question you raised because it's very dear to my heart and that's the reason why I'm here.

I think right now the situation is for the China's – the Chinese scholars studying for U.S., I often joke to friends here, half of them are being prevented by the U.S. government from coming here and the other half are prevented – are being – are prevented by the Chinese government.

And for the U.S. scholars studying China, Randy just mentioned, you know, one, you know, it's getting increasingly difficult for them to get visas, to have the freedom to study. So, more and more, American scholars studying China are going to Taiwan. Don't get me wrong; you know, among all the Chinese communities, the Taiwanese putonghua is the most pleasing accents I've never had. (Laughter.) But I'm telling you, if you study China's politics in Taiwan, that's not a good place to start. I mean, you know, if they want to study the Taiwanese politics, that's a good place to go. But if someone goes to Taiwan to study China's politics, I'm seriously worried. (Laughter.)

So what I want to say is this, that I think there is a serious concern both in China and in the United States the next generation of China analysts, their understanding of China or the bilateral relationship, or the United States from the Chinese perspective, may be seriously impacted, you know, by their lack of knowledge, their insights, and the on-the-ground experience. So I totally agree with Randy. You know, these people-to-people exchanges are so important.

And I just want to use one minute to comment on what Randy said, you know, about why six month. You know, it's – I totally understand where he comes from. You know, from my view is that you got to remember from the Chinese point of view – you know, I'm probably one of the few who can say this – that it is in China's interest to see Russians' invasion of Ukraine will continue as long as possible, and it is in China's best interest to see this Iran war to drag on as long as possible. Why? Because then the United States will not have time to think about dealing with China. So if you understand that context, and now everything is being talk about in the transactional terms, if you – if the United States really want China to do something on Iran, on Russia, and obviously China's question is: What can you do for me?

And that's why I'm optimistic that, you know – you know, the two leaders of China and the United States are driving this discussion. Exactly where this will be – where we will be six month and one year down the road I have no idea. You know, if I know, I wouldn't have sat here, you know? But I think that's also why I'm optimistic, is because of those two leaders are here. No matter what you say about them, but I think with those two leaders here, and you know, the discussions are going on and the stability is real. Thank you.

Amb. Kagan: Well, I'm not going to touch that – (laughter) – other than to say I'm so thrilled to hear Xiangwei endorse a trilateral summit to discuss nuclear weapons. So that is just a positive thing, and maybe they could have a trilateral summit later to, you know, further enshrine a trilateral arms-control architecture.

To answer the first question, I totally agree we need to have more exchanges. But let's be really honest: This on China to solve. That's not to say that there aren't responsibilities on the U.S., but I think that, as Randy said, I mean, cases like Min Zin, and there are others, are something that makes it profoundly difficult for any responsible American official to really go out and advocate for these things. And so I think that there needs to be action by China on this if we really want to see it happen. And I think it should happen. I think it's very much in the U.S. interest. I believe it's in China's interest as well. But I think that we shouldn't beat around the bush. And sometimes I hear a tone in the United States that suggests somehow this our fault. Oh, how – what are we going to do to fix it? China needs to fix it.

On the other points, I would say, what is the endgame? There is no endgame. Look, let's not kid ourselves. The U.S. and China are going to be major global players for the foreseeable future. I hope that we can come to some sort of stable arrangements that reduce the possibility of conflict. As Randy said, I mean, look, the one thing we can all agree on, nobody wants a war. And you know, I actually have no problem with frequent leader-level meetings if that reduces the chance of a conflict. I'm not sure that it does, but if you believe that it does and it actually works in practice, great. So – but I don't think that there is an endgame per se. I think that the ideal will be some sort of general understanding that also incorporates the region.

I mean, I think it's important to recognize the Indo-Pacific region and the world have a lot of interests at stake. Both of them concerned about activities, and let's be honest, by both sides, by both the U.S. and by China. But China's pressure on its neighbors creates a lot of concern. And so hopefully we can get to a point where that has disappeared from the scene, where whatever disagreements we have they're not done in a context where there's a concern that it's going to lead to war. I'm not sure we can get there, but that would be, in my mind, if we got – if we had some sort of long-term managed competition along those lines, that would be a great outcome.

And then the last question of Taiwan. I think, look, I don't think Taiwan's going to disappear as an issue in the next decade. I could be wrong. I know there are people who believe it's going to disappear as an issue because there's going to be a war. There are other people who believe it's going to disappear as an issue because Taiwan will be somehow coerced into, you know, somehow uniting with the PRC. Who knows? My expectation – and I think if you'd asked 10 years ago, if you asked 20 years ago, if you asked 30 years ago – I would say this going to continue. The hope, again, is that all sides behave with some level of appreciation for the concerns and interests of the other, and that we are able to preserve a status quo that in the end has worked very well for everyone.

I mean, China is infinitely wealthier, infinitely stronger, infinitely better off now than it was 30 years ago. I would argue that the willingness to accept the status quo in Taiwan is a big part of that. Taiwan is much better off. And I would argue the U.S. is better off. So, if we can continue that, I think we'll be OK.

And now I'm going to hear all the ways I'm wrong from Evan. (Laughter.)

Dr. Medeiros: I completely agree. (Laughter.)

So, as I said in my opening, we are in the early stages of a long-term, broad-spectrum competition between the United States and China. Both sides in these early phases are testing and probing each other. We don't know exactly what the arenas are for competition. Obviously, we have some idea, but where we're going to compete and how we're going to compete is still to be determined.
Both sides are still sort of setting the boundaries. The experience with the trade war and the operationalization of rare earth controls was one of these boundary-setting exercises.

So when I hear the optimism of my colleagues, to me I hear it as this is what the U.S. and China should do, this what the U.S. and China could do. I'm in the business of what I think will happen and is happening between the United States and China. I wish both sides could cooperate more. I wish they could have a common understanding of artificial intelligence. But they don't. And trying to act as if they will or they could I think distracts from the real challenges that we face.

We need to understand one each other better. We need to have more contact. I completely agree with Eleanor's point – a very distinguished graduate of Georgetown University, I might add. (Laughter.) And you know we have a U.S.-China dialogue, student-to-student dialogue, for precisely this reason. To paraphrase Henry Kissinger, when asked if he was optimistic or

pessimistic about the U.S.-China relationship he said: I am neither. I am determined. And I agree with Henry Kissinger; I am determined too. But the question is, determined to do what? And from my perspective, we need to be determined to ensure that a relationship that is naturally competitive does not turn into one that is confrontational.

And I think to me that is the most optimistic and the most realistic place to be today. And that's why I think that that projects like the China Power Project that help Americans understand what China's doing, measuring its capabilities, are such an important part of ensuring that we prevent competition from becoming confrontation. Thank you.

Dr. Lin: Wow, thank you, Evan. I didn't expect that final plug – (laughs) – but thank you so much.

So let me summarize: we have determined, optimistic, realist, and combination of all three. But thank you.

Amb. Kagan: Sounds correct. (Laughter.)

Dr. Lin: But thank you. I really want to thank our four fantastic experts. And I also want to thank the audience for staying with us for 15 extra minutes. My apologies for not controlling the time. But let's give a round of applause for our four experts. (Applause.)

(END.)