# Center for Strategic & International Studies

## Schieffer Series: Ambition and Uncertainty: China in the Age of Xi Jinping

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**Senior Adviser and Freeman Chair in China Studies,**
**CSIS**

**Ambassador Jon M. Huntsman, Jr.,**
**U.S. Ambassador to China (2009-2011);**
**Governor of Utah (2005-2009)**

**Evan Osnos,**
**Staff Writer, The New Yorker;**
**Author of "Age of Ambition: Chasing Fortune, Truth, and Faith in the New China" (2014)**

**Moderator:**
**Bob Schieffer,**
**Anchor, "Face the Nation;"**
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**Introduction:**
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H. ANDREW SCHWARTZ: Good evening, and welcome to the Center for Strategic and International Studies. My name is Andrew Schwartz, and I work here at CSIS in External Relations.

Despite what you may have heard on CNN today, we're not pulling the Schieffer series out of theaters for fear that we may be hacked by the North Koreans. (Laughter.)

We've got a great lineup for tonight, and we're so glad that you've joined us.

I'd like to thank Bob Schieffer and the Bob Schieffer College of Communication at TCU for their partnership in bringing these dialogues to CSIS. (Applause.) None of this would be possible without the generosity and support of the Stavros Niarchos Foundation. We're so appreciative of what they do for all of us here at CSIS.

There are a number of remarkable public servants attending this evening, and I'd like to recognize just a few of them. Ambassador Carla Hills, our trustee, is here. We also have – Admiral Tim Keating is here somewhere. And Ambassador Tom Schieffer is also here.

But at this time I'd also like to recognize two young men who are visiting CSIS for the first time. They are true American heroes, and they've served in the United States Army in Afghanistan and Iraq in Special Forces units. Their names are Isaac Eagan and Chris Clary.

Gentlemen, would you please stand so we can honor you with the same service that you've honored us with? (Applause.)

And without further ado, is there anybody better than Bob Schieffer? Please welcome Mr. Bob Schieffer.

BOB SCHIEFFER: Don't make them answer that. (Laughter, applause.)

Well, thank you all very much for coming. This is going to be a good one tonight. And we've got a great panel here. Chris Johnson down here, most of you know, I think; senior adviser, Freeman Chair in China Studies here at CSIS. He's an Asian affairs specialist. He spent more than two decades in the U.S. government's intelligence and foreign affairs communities. He's the senior China analyst, or was, at the CIA; played a key role in supporting policymakers during the 1996 Taiwan Strait missile crisis, the 1999 accidental bombing of the Chinese embassy in Belgrade, the downing of the U.S. aircraft on the Hainan Island in 2001.

In 2001 he was awarded the U.S. Department of State's Superior Honor award for outstanding support to the secretary, especially for aiding the office when Chinese leadership changed hands in 2012.

To my right here is someone who's become very well-known and recognized for his knowledge of China, Evan Osnos. He's a writer for The New Yorker. He covers politics and foreign affairs. He's the author of a recent book about China titled "Age of Ambition: Changing Fortune, Truth and Faith in the New China." It's based on his experience of living in China for eight years. He was also – before he joined The New Yorker was a member of the Chicago Tribune team that won a Pulitzer for investigative reporting.

And then, to my left here, former Ambassador Jon Huntsman. He, of course, was ambassador to China from 2001 to – how long you were there?

JON M. HUNTSMAN JR.: It was '09 to '11, yeah.

MR. SCHIEFFER: Yeah. And, of course, before that he was governor of Utah two terms; began his career in public service as the staff assistant to Ronald Reagan; served each of the four presidents since then. Roles include ambassador to Singapore, deputy assistant secretary of commerce for Asia, U.S. trade ambassador, and most recently, of course, as ambassador to China.

As governor of Utah, he focused on strong economic reform and brought unemployment to historic lows.

About this time four years ago, Governor, you were very busy getting ready to run for president. (Laughter.)

MR. HUNTSMAN: Do we need to talk about that? (Laughter.)

MR. SCHIEFFER: And I just thought we'd just start off – are you going to run again? (Laughter.) I like to ask the obvious questions. (Laughter.)

CHRISTOPHER K. JOHNSON: (Laughs.) No pressure.

MR. HUNTSMAN: So there – yeah, no pressure. There was an editorial this morning which called me an ostentatious moderate. (Laughter.) And my response is better that than a pusillanimous panderer. (Laughter.) Since there's no room for an ostentatious moderate in Republican politics, maybe we'll stay out for a little while. When you're just a simple problem solver, as most governors are, you kind of just look for solutions and ways to get to the finish line. It becomes a little more complicated when you're in early primary –

MR. SCHIEFFER: So you're not going to do it again.

MR. HUNTSMAN: Sorry about that, Bob. (Laughter.) But my daughters, who were on your program, would love to appear anytime. (Laughter.)

MR. SCHIEFFER: Well, we have, I think, the overriding issue for policymakers over the next decade, and that is managing the China relationship. When I was getting ready and trying to learn something about everything before the last presidential debate, I went and talked to Graham Allison up at Harvard, and he pointed out to me that in the long history of the world – and this goes back to Sparta and Athens – there have been 15 times when a rising power rose up to challenge whoever happened to be the lone superpower at the time. In 11 of those 15 cases, the result was war.

So the big question for China and the United States is can the policymakers on both sides find a way to defy the odds?

So I want to just start with the three of you. And Chris, why don't we just start there? I want to ask the three of you, how would you define relations between the United States and China right now? And what do you see as the main challenges for both countries.

MR. JOHNSON: Absolutely. And thank you, Bob, for being with us tonight, and everyone for coming out.

I characterize the relationship as definitely on an upward trend following the positive summit meeting between Presidents Xi and Obama on the margins of the APEC summit in Beijing. We had a pretty bumpy first half of 2014, in my assessment. And I think both sides recognized that and really wanted to use the summit opportunity to get things sort of back on the rails.

And I think we see that with some of the very significant agreements that came out of the summit – the climate-change agreement, these military confidence-building measures. And, you know, in the very real world of economic interaction between the two sides, just something simple like this visa extension for Chinese business people coming to the United States really does make a big difference in terms of how we're viewed and so on.

I think the challenge is this very notion, as you describe, of how do you escape the so-called Thucydides trap. And the Chinese have come up with an answer, which is this new style of – I say great power. They officially translated it major-country relations. And, you know, so far neither side has really figured out how to define that. The U.S. has, for obvious reasons, been somewhat reluctant to embrace it.

And the challenge, I think, in the nearest term is, generally speaking, I think, even despite the positive summit, there is an assessment in Beijing that President Obama is severely weakened domestically after the midterm results and so on. And so what do they do with him the remaining two years of his term? How do they interact?

And my sense is that there's kind of two schools of thought in Beijing about how to do that. And this is, I think, a very high-level debate. One side would argue that 2016 is very uncertain territory, but there's a general inkling that whatever comes out of it is

likely to have a harder policy toward China. So perhaps we should invest in President Obama and try to do as much as we can with him to have a smoother, you know, hand-over to the next – whoever comes next, whether it's a Republican or Democrat administration.

I think the other school tends to argue that, because he is weakened, he is therefore unreliable or inconsistent, which tends to be the thing that unnerves the Chinese the most. And so, therefore, they should keep the relationship stable and correct, but not necessarily invest, but rather turn their attention more toward the region.

And we saw this coming out of President Xi Jinping's major policy address to one of these – it's horrible jargon because of the communist party – foreign affairs work conference that they had a couple of weeks ago. And that was a very striking speech, where the message was very much, you know, we're here; get used to it. That was the message coming out of that speech. And I think that's the chief driver that's going to complicate our relationship going forward is how do we adjust to that reality?

MR. SCHIEFFER: Evan.

EVAN OSNOS: Yeah. If I can, first of all, thank you for having me here today. And thanks, everybody, for coming.

If I can give a plug to Chris, actually, he just said that the central foreign affairs work conference is not the most elegant phrase, and he's right. But he has written some of the most eloquent stuff on the subject, so I encourage you to read it. It's not easy to make that sing, and he has managed to make it fascinating.

So I look at what could have come out of this recent meeting with Xi Jinping and Barack Obama in Beijing. And it's easy, I think, for us to forget that if you go back five years to the moment when the president made his first trip to China, the reporting that came out of it was not good. This was a president who had gone in and was – and this is the perception at the time – had been, in a sense, shown his way around. He hadn't really been able to shape the contours of the visit. They didn't come out of it with a sense that he was in control.

You look at it this time and the story was very different. They came out of it with a climate-change agreement that was a surprise, I think, to many of us, people who watch the relationship closely. And it came out also with something, I think, that didn't receive as much attention but is significant, which were a couple of deals about building confidence between the two militaries, the Chinese and the American.

These were designed to help get rid of some of the uncertainty about what happens when you've got these two big countries that are now playing the same neighborhood on the Chinese coast. How are they going to talk to each other? How are they – what are the rules of the road? And this was the beginning, I think, of a more candid conversation about how do you avoid that very clear pattern of history.

And I think one thing that's worth mentioning is that that pattern of 11 out of 15 times when a rising power has challenged an incumbent power, known as Thucydides' trap, what strikes me is that there's – you see that written about in the Chinese analysis, in the Chinese press. The fact that they're talking about Thucydides' trap – and I'm going to say that 15 times this evening – the fact that they're talking about that is –

MR. SCHIEFFER: It's a – (inaudible).

MR. JOHNSON: You'll be charged with that.

MR. OSNOS: It sounds much nicer in Chinese. But the fact that they're talking about that is a good sign. It means that we're at least – we've established some of the same fundamental understandings of the risks that we're encountering and what we need to do, I think, to avoid those risks.

MR. SCHIEFFER: Governor?

MR. HUNTSMAN: Let me say what an honor it is to be with you and to thank everybody here, and to pay tribute to so many in this room who I have glanced at while being up here who I've known over many, many years and have worked with in different professional capacities. It's just an honor to be with many of you once again. And I know how hard many of you have worked in promoting the U.S.-China relationship and making it what it is today.

I would say that the U.S.-China relationship is based on one fuel type, and one fuel type only, and that's trust. And sometimes the trust is depleted from the gas tank, at which point you've got to fill it back up. And we're at a point where we need to fill the tank back up with trust. That's where we are.

The APEC summit produced, I think, some pretty good results on the people-to-people visa outcomes, military-to-military commitments, to give more of a heads-up on exercises, and the climate deal. I'm not sure how that one works in terms of the verification part, considering, you know, 2030, nobody's going to be around.

I would characterize the relationship today as being – as being status quo. It's OK. It's "chà bu duō" in Chinese. (Laughter.) "Chà bu duō." In other words, I say that because it could be so much better. And generally the U.S.-China relationship is maximized when we have things to do that together we feel are part of our – the aspirations of our people.

When we established the relationship in '72, we had a common objective. It was a geopolitical objective. We then saw the accession to the World Trade Organization after that, which I was involved with with Bob Zoellick personally, as were some of you in this room. That was another thing that kept us at the negotiating table. Both sides

wanted the outcome. It was aspirational, and it therefore kept us honest. And we didn't fall victim to the headlines, which can be a very destructive thing.

And I would say we're doing OK today. We're managing the downside risk, which is no easy feat. But we're missing the upside potential, which is vast, between our two countries. And that's the only thing I would say. What should we be doing in that regard? Well, I think we're missing the economic piece. Nothing came out of the last round of discussions that really spoke to the economics of the relationship, which is the glue that really holds us together, particularly through the times that are difficult, the choppy waters which we inevitably have.

And there's a whole lot more we could be doing there, whether it's integration of TPP and the RCEP models. I don't think anybody knows how to make sense of that, but it could be turned into a huge opportunity as far as I'm concerned; a bilateral investment treaty, which could be a pathway in terms of representing early steps in getting us there.

So I would just say we're doing fine. We're protecting the downside, which is an important thing to do, but I think we're neglecting the upside.

MR. SCHIEFFER: This may have nothing to do with U.S.-China relations, but the reason I ask questions is because I don't know the answer. What will China take away from the president's announcement yesterday that we're going to establish relations with Cuba? Because their argument at the White House was that our relationship with China, our relationship with Vietnam, informed the decision to do this. And they pointed out why it was a good thing.

How will that be interpreted in China, do you think, Chris?

MR. JOHNSON: To be honest, I mean, I think they'll have views, but they won't dwell on it for very long. I think they'll look at it mainly as the degree to which it's a snub to President Putin, given his difficulties and the fact that, you know, we had the recent Russian bomber showing up in the Caribbean again for the first time and so on. So I think they'll look at it largely through that lens. They will think about how it redefines Latin American diplomacy, the Venezuela issue. You know, they do have investments, obviously, all up and down South and Latin America now. So I think they'll think about it in that regard. But I don't think it's going to give them much pause.

MR. SCHIEFFER: Will they like it, not like it?

MR. HUNTSMAN: Well, it'll probably change the economics of the cigar market. (Laughter.) That'll be the first impact. But I would say, you know, they would hope to see us a little off-balance in our own neighborhood. And so what has one issue been that has kept us a little off-balance with respect to the Caribbean, Latin America? It's Cuba, number one, and immigration, number two.

And so this sort of takes the Cuba relationship; it normalizes it somewhat. And I think China would see that – in their eyes, they'd rather see the waters choppy in the neighborhood. They see us as maximizing the relationships around them, the encirclement, strong diplomatic relationships throughout the Asia-Pacific region and on their periphery. And they think – I think their aspiration would be to do the same thing in our neighborhood, and this would run somewhat counter to that.

MR. OSNOS: I think they may also see, though, that the president may have a little more gas in his tanks than they thought. I think the unpredictability of it – it was going to probably come as a surprise to them. I think they may say, all right, this guy may not be on his heels quite as much as we thought, which plays into how they approach him.

But, you know, you do see Chinese presence very visibly in places now in the Caribbean. And I think the idea that the United States is going to be staking out a new position there is probably not an entirely welcome development in Beijing.

MR. SCHIEFFER: I must say, what struck me about it – and this is a little off the point – is the fact that this secret hill – this town doesn't keep secrets very well, as we all know. But everyone I talked to yesterday was stunned when this came about – the people who liked it; the people who didn't like it as well. I've never seen an issue that was kept so under the radar as this one was. I don't know what that means, but it was – that was my takeaway from it.

Do the Chinese see our tilt to the Pacific as an effort to contain China? I think most people in this room would agree we have to be – the United States has a lot of business in that part of the world and we should be involved there. What I've always wondered about is was it a good idea, though, to announce that we were making that tilt? Chris, what –

MR. JOHNSON: As to whether or not it was a good idea, I mean, my sense is yes. It was reassuring certainly to our partners. I think the challenge all along with the rebalance or pivot, whatever you want to call it, has been the rhetoric has been very different than the follow-through so far. And, yes, we have stationed some Marines in Darwin, and there is a move to, you know, this split with the Navy, 60 percent in the Pacific, 40 percent elsewhere. But those numbers already basically exist.

This is not going to change significantly; and then the complete absence of any kind of an economic piece, which is critical, frankly, to the rebalance being successful, because in Asia, you know, economics is security. They tend to look at it that way. And so if we are only pursuing the sort of security side, it makes it easy for the Chinese to be able to say, hey, we're about trade and growth and getting along. These guys are about creating difficulty.

I do think that they see the rebalance as a challenge. I think when President Xi Jinping first came into office, there was some dialogue among his advisers and so on, I

think, as to whether or not this would change what they call their so-called period of strategic opportunity, which is this notion that they have a benign external security environment. There was some questioning as to how the rebalance might change that. But I think, having had a couple of years now to observe how the rebalance has been rolled out, they've calmed down quite a bit about it.

MR. SCHIEFFER: How do they react to the Trans-Pacific Partnership? Does that fit in with the way they see things?

MR. HUNTSMAN: I suspect it's seen as an extension of fairly aggressive U.S. policies in their view of it, to contain them somewhat. But I suspect they'll also see it as opportunistic over time. And so they have a look-alike, the RCEP agreement, which basically is ASEAN plus three plus six. And so you've got countries in both groups, including Japan, Australia, Malaysia.

Their RCEP agreement is based on lower standards, so they're not reaching as high as we are on intellectual property rights, on labor, on a few other things. So at some point they will have to go from why is the United States always trying to do things in our neighborhood without including us to why don't we work collaboratively in figuring out what the transition vehicle is going to look like to integrate these two agreements? And that ultimately is going to have to be done.

But, listen, China has benefited from our presence for a very long time in the Asia-Pacific region. They have benefited from the tranquillity and calm that has largely existed since the – in the postwar period. Now, with the rise of China, I think they're looking at the U.S. presence as being a little more problematic. We have strong friends and alliances in the region.

They'd like to have their own sphere of influence. They'd like to do exactly what we're able to do, which is to project power and to secure and protect their lines of transportation and their supply of raw material. And that's going to bring us head to head in some areas. And it means while our pivot, so-called, to Asia, which is inevitable and a little late, but it's inevitable because we'll follow trade flows and the flow of people, at some point we're going to have to deal again with reconciling some of our differences in the region. And they'll be over islands and they'll be over geopolitical issues.

OSNOS: Yeah. I mean, I think Ambassador Huntsman's hit on the key sort of underlying issue that a lot of us think about when we talk about – we're talking about some of the pieces on the board at the moment. The board itself is the fact that we don't yet have an understanding, a mutual understanding, about how the United States and China are going to orient towards each other when it comes to the Pacific, the Western Pacific and Asia.

You know, the president has said – our president has said that the United States is a Pacific nation and will be through the end of the century. Xi Jinping fundamentally believes that China will inevitably return to a position of dominance in East Asia. It's a

historical fact. And the question is when and how. And we aren't really having an overt conversation about that. We talk about a lot of the smaller details, but I think that part remains really unsettled. And for me, at least, that's the one that is the greatest source of concern, whether or not we do see the future the same way.

MR. SCHIEFFER: Do we?

MR. JOHNSON: No, I don't – (laughs) – I don't think we do necessarily. I mean, I think the key point is this notion that Governor Huntsman just was referring to, which is they want to be able to operate with impunity in this – out to the so-called second island chain, out to Guam. That's the plan. And they want the rest of us to accept it. And we see them, through their actions, preparing the ground for this. And as we've all been saying, that's going to cause us to bump up against each other every once in a while.

I think what's interesting about the rhetoric that's come out in recent weeks in these speeches and so on is this notion of greater activism. You know, for many, many years, Chinese foreign policy was guided by Deng Xiaoping's dictum that we keep a low profile, don't stick our head up and so on. Xi Jinping has very clearly, in this speech, announced that that period is over and that they're moving to something different.

I think what's important, though, is, especially in this town, for us not to take the term activism and immediately say bad. You know, I try to think about it in a value-neutral term. We're going to have to just watch and see what they do. But it will be more active. And we have to figure out how we're going to respond to that. And we need to have a debate in this country about how we will respond to that. And that's not happening now.

MR. SCHIEFFER: Japan is perhaps our strongest ally, I would say, certainly in that part of the world. There are obviously problems between Japan and China relating to these rocks that are out there. What – how does the United States navigate its way on that problem between Japan and China?

MR. HUNTSMAN: Well, you have some complexity. (Laughter.) You have some complexity, at least starting with China and Japan, that goes quite deep based on history, based on geography, based on politics, based on worldviews. You've got, in one capital, Xi Jinping, the son of Xi Zhongxun, who was a deputy prime minister under Mao. And on the other end, in Tokyo, you have Shinzo Abe, the grandson of Nobusuke Kishi, who was a wartime minister and helped to administer Japan-occupied Manchuria.

So already you can sense the tension that exists, without even talking about anything else. And you layer over that the geographic and sovereignty disputes and the history, which, of course, we'll be celebrating and celebrating and celebrating, and remembering and remembering and remembering.

So managing that relationship – and I thought the ice-cold handshake that we saw in the media recently was a major positive step. I mean, whoever would have thought that that kind of handshake – and if, you know, you're an advance person in the White House and you ever had a picture like that, you'd be fired – (laughter) – because you're supposed to – everybody's smiling and happy.

But it was a major breakthrough, because you know what it means in each capital, the very fact that they're standing together and shaking hands. And the next thing we'll know, there will be a Diet delegation going over and meeting, you know, with a lower-level functionary and then moving up to Xi Jinping. And things will normalize on the trade side.

I think that's – we go through these very distinct cycles between Japan and China, exacerbated by transition politics, not unlike transition politics here in our own country. Xi Jinping had his transition politics in which he had to talk tough. Shinzo Abe had the same thing. And I think a lot of what we've experienced in the last couple of years is a result of that.

The United States must be loyal to its allies. And we have certain commitments that we just must respect and live up to. And sometimes we don't do a very good job when it comes to alliance maintenance, something that we did in the days of General Scowcroft better than anybody. And we've got to get back to that. And that's going to create some friction from time to time. But that should be the centerpiece of our relationship in the Asia-Pacific region, building trust and confidence all the while.

MR. SCHIEFFER: Well, you know, that's a very interesting point. And it makes me wonder, do you all think that Japan and China and the policymakers there have a good understanding of our relationship with both of those countries? I mean, did the Japanese – are they confident right now that we are their ally and that that treaty – that we'll honor that treaty if it should come to a showdown with China? Do the Chinese understand that?

And I guess the other question I would ask is would we?

MR. JOHNSON: I would argue that they – both sides have had some doubts that then, I think, calmed down over time, especially with the president's visit in April, where he made, for the first time by a U.S. president, a clear declaration with regard to Article V applying to the Senkaku-Diaoyu area. And so, you know, my sense is the Japanese are always concerned about the nature of our relationship with China, what's happening there.

And I think that how you address that from the U.S. policy side is you make sure that you pre-brief and post-brief them every time with regard to your interactions with the Chinese, what you're about to do, these sort of things; and likewise with the Chinese. I think it's helpful to explain to them.

My sense is that there may have been some doubts, especially after the Syria issue with the red line and, you know – this has been talked about a lot, of course – Ukraine and so on. There may have been some doubts. And I think the president clarified that very much so. And my sense is that, in Beijing, that got through. That message got through. And it did modulate Chinese behavior. And I think that's very important.

MR. OSNOS: I think also, I mean, we talked about the photograph before. And if you looked at it from the West, you'd think to yourself, why do you even have this picture? And, you know, why be there? And I think it points to the underlying domestic politics that you have to be thinking about. And that's going to be a reality on the Chinese side that we should be prepared for, that as the economy continues to slow down, you're going to see – and we should be prepared for this in the United States – you're going to see demonstrations against Japan with some element of demonstrations against the United States.

People are not going to be as easily mobilized around economic growth, and they're going to mobilize around more essential fundamental issues. And one of those is going to be history and its relationship with Japan. But I think it's just sometimes worth us remembering that, because we can see these street demonstrations and immediately assume that there is this reservoir of energy ready to be lit at any moment. In fact, I think there's a lot of opportunistic protesters, people who will go into the street for whatever is available. And if it's Japan, if that's the issue, they'll go into the street for that reason. But there may be economic issues below that.

MR. SCHIEFFER: Let me – speaking of demonstrations, it brings me to Hong Kong. Let's talk about that a little bit. You recently wrote about the demonstrations in Hong Kong and what they meant. In 1997, when the British handed over Hong Kong, Deng Xiaoping talked about one country, two systems. Is that still the prevailing view in China? Or should we expect China to take a harder line on Hong Kong from here on in? And what will be the significance of that?

MR. HUNTSMAN: Well, they have the basic law that was negotiated and hammered out between Margaret Thatcher and Deng Xiaoping in the early '80s. And we're now living with that. The white paper came out when we were living in Asia this last summer, in June, and that created, of course, the response in Hong Kong in terms of the ways in which the chief executive, the candidates for chief executive, would be nominated or qualify.

And I think it was terribly problematic in terms of how it was rolled out and interpreted and the changes that were made. In other words, it took the trust that has been built up for a number of years and the expectations on the part of the 6 million people in Hong Kong and it diminished that sense of trust.

So you had bad politics, but you still have good economics in Hong Kong. People have jobs. They go to work. There's stability in the streets. And because of that, my sense was the demonstrations would only go so far, because you've got people who

actually have day jobs, unlike what we saw in the Middle East with the Arab spring, where you had bad politics and bad economics and you could turn the market very, very quickly in terms of the reformers.

Will the demonstrators be back at it? Inevitably they will. The Hong Kong people are quite different than those you find in other parts of China. They've been raised and educated under the traditions of the U.K.

But I think the bigger issue really is Taiwan. And all you have to do is look at the elections that were held just a couple of weeks ago, where the Min Jin Tang, the Democratic Progressive Party, cleaned house with many of the major municipalities, including Taipei City and Taoyuan and Hsinchu. This – I watched this play out. I was just – you know, having lived in Taiwan a couple of times before in my life, I was pretty stunned by that.

The marketplace changed with respect to the reaction of the people in Taiwan to the way that Hong Kong was handled, as if to say if this is a model they think will work for us, they have another thing coming.

So now we have the rise of the Min Jin Tang under Tsai Ing-wen, who's taken over from Chairman Su, who was kind of a firebrand fellow. And we have presidential elections not far on the horizon. And I suspect that this issue is going to loom very, very large and be transformative in terms of the politics in Taiwan, which leads me to conclude with this thought.

We thought that maybe things had stabilized in the cross-strait relationship with the good work of Ma Ying-jeou and certainly the foreign minister in China, Wang Yi, who, of course, were in the Taiwan office; now Zhang Zhijun is there, who just made a well-chronicled trip to Taiwan. And I think we're going to be at another problematic period with respect to the cross-strait relationship that I'm not sure a lot of people anticipated or are thinking clearly about right now.

MR. JOHNSON: I would agree with that. I think I would add to that by noting that that's the piece of China's approach to the Hong Kong demonstrations that I do find counterintuitive is the knock-on effect that it has in Taiwan. And the fact that they don't seem terribly concerned about that makes me wonder, you know, about their thinking.

But I think the other piece of it is this is sort of part and parcel of the message that we've seen under President Xi with regard to sovereignty issues. And so I think what he's communicating through their response is this is our territory. It has been now since 1997. We're going to run it and administer it the way that we want; and as Ambassador Huntsman was saying, you know, the white paper then, some other comments that have been made about the sort of applicability now of the joint agreement that was signed with the British originally, and shades of meeting there.

And so, I mean, I think it's not just disappointment, I think, for the Hong Kongers. They feel that a social contract has been betrayed. And I think that's a big problem. And the demonstrations, I think, will come back, because the underlying issues that are driving it have not been addressed. I think Beijing took a very practical approach to the demonstrations, which was that eventually they would peter out because Hong Kongers are very pragmatic people. But they haven't solved the problem, and it will come back.

MR. OSNOS: Yeah. I think, you know, there's a lot of ways to explain how the Hong Kong demonstrations happened. There was the immediate precipitating cause, which was, of course, this declaration from Beijing about how the elections in Hong Kong would unfold. The underlying issues are also economic. It has to do with the fact that people feel that they can't buy an apartment. You know, young people who go to school, they end up sleeping on their parents' couch because they can't buy into the real estate economy, and they feel that that's because the local developers are in cahoots with Beijing. This is how they would describe it.

But I think the bigger issue – and this is one that remains not just unresolved, but I think is also growing – is specific to the Xi Jinping era, and that's the question of how will China, broadly defined, fundamentally orient itself towards the rest of the world? Is it going to be defined by a nationalist ethic or by a globalist ethic? And if you look at Hong Kong, it was the original global city of Asia, and it regards itself that way. That's essential to people's self-identity.

You know, they see themselves as a product of this combination of Cantonese and English culture. And what they're finding is that in this period China is defining itself very specifically as Chinese and that Xi Jinping is saying to them congratulations; you are part of China. And they're not exactly sure what they think about that. (Laughter.)

MR. SCHIEFFER: Did you want to add anything?

MR. HUNTSMAN: No.

MR. SCHIEFFER: We have just gone through this unbelievable episode involving the hacking of Sony Pictures by what some say was North Korea. I know that – and I know you especially, Ambassador, have been concerned about technology transfer, intellectual property rights. What is the greatest danger for U.S.-China relations? Is it that we might accidentally stumble into war over some of these things we've talked about? Or is it about cyber?

MR. HUNTSMAN: Well, we haven't had a digital Pearl Harbor. We still have, you know, the destruction of silicon, for the most part; ones and zeroes, and lots of them. That will change ultimately as cyber becomes a different playing field – battlefield, I should say. And it needs to be seen as such. Just as we see space and air and land and sea, so must we include cyber in that definition. And I'm not sure we're there yet,

because we're looking at the Internet, the most complex tool ever created, I think, in the history of humankind, and I'm not sure folks know quite what to do about it.

So it was developed based on trust, based on the collaborative spirit of Silicon Valley, built on that premise, where you didn't worry about defenses. And now we have to worry about defenses. So offense has the distinct advantage, and we're seeing that play out with respect to the Sony crisis. Offense has a distinct advantage, and nobody knows what to do. There are no real answers.

But this is going to turn into – I think the real damage is on less the cyber attacks that we've seen, because, again, we haven't had a digital Pearl Harbor, so to speak. But we certainly have seen a lot of intellectual property ripped off. So to my mind, that depletes the whole notion of a creative entrepreneurial society. Why develop something and expend resources if it's going to be ripped off and if your best ideas are going to be hacked and stolen?

And this, to my mind, is the biggest of all of these problems. It's the theft of intellectual property. And it's done with reckless abandon. And there are no seeming rules of the road, and there's no real punishment for doing so.

It's interesting that in the Defense Authorization Act for 2015, there's a new box created for responses to cyber theft, which would empower, I think, Congress to be able to deny the evildoers access to our financial markets, which is a start. You've got to make – you've got to make it hurt if they're going to take us on. But this is a very big deal. And I think the theft of intellectual property, because it steals jobs, it steals GDP, and that's the very heart and soul of our creative society, I think that is the biggest risk right now that we run.

MR. SCHIEFFER: Chris, do you think the Chinese – shall we take them at their word when they're saying they're trying to do something along these lines?

MR. JOHNSON: You mean in terms of addressing –

MR. SCHIEFFER: Yeah.

MR. JOHNSON: – the problem? A couple of things. I mean, I think, to some degree, yes. You know, there's always a risk, when looking at China, of going to opposite poles in terms of how to look at it. So one is that it's a top-down authoritarian system. So, therefore, everything that everyone is doing inside the system, the top leader must know every day what's going on. The opposite problem is, oh, it's messy, you know, and very uncoordinated. And so they don't know.

The reality is they do have a one-party state, a one-party system. And certainly, to the degree one might make a case that President Xi or any other senior Chinese leader wasn't aware of this problem, we've made them aware of it several times. They've asked

for evidence. We've provided that evidence. And so, in that type of a system, if he wanted to stop it, he could. And it hasn't happened. So that's significant.

I think the broader issue, though, a couple of points. One is this notion of – I think there's been a response in the U.S. business community, especially Silicon Valley-oriented companies, over years, well, yes, we hate it. It's a problem. But we'll just keep out-innovating them and it'll be OK. And there's been some interesting work done recently about periods in history where you kind of hit a cap on innovation for a period of time before there's another breakthrough in innovation. And many are arguing we're at that point now. And so then this becomes all the more pernicious, as Governor Huntsman was saying.

I think the other piece, back on the military side of it, though, that I do think we all ought to worry about – I mean, we've been talking about how good these confidence-building measures are on the sea and so on. Cyber is particularly dangerous, because the pace of escalation is so quick and the unknowns about the other side's intentions and motives are very, very fraught.

You know, two ships come together. They can see each other, at least, right, and have some sense of what's happening. In cyber, suddenly your – a portion of your power grid goes down and, you know, the desire to then respond asymmetrically is very, very high.

MR. OSNOS: Yeah, I get the sense that cyber is particularly prone to the problem of unintended consequences. And you just look at the last 48 hours for a demonstration of that. Who would have thought that a buddy comedy about North Korea would have led to this very, I think, actually, in many ways, helpful, candid conversation about exactly what it is that American studios are doing, how they're responding to these kinds of threats; not so much cyber, but also our relationship with how we portray other countries? It's actually a conversation worth having, because in China, Hollywood over the last few years has had to deal with the question of how much do we cut our movies if we want to show them in China, for instance.

So what I mean is that in, you know, its own way, cyber can produce all kinds of confrontations that are – that we have less experience handling. And I think one last piece of that is that you look at the way the American business community has gone from being tolerant a few years ago, saying, well, we'll just keep our mouths shut and see what happens, to being quite vocal. And in a way, I think that the unintended consequence of that is it changes the complexion of Washington, because it used to be that the American business community was one of the most reliable protectors of Chinese business policy in a way. And now that's no longer the case. I think there's a lot of reexamination going on.

MR. SCHIEFFER: You all are well-informed. Does this appear to you to be the work of North Korea, this Sony attack?

MR. HUNTSMAN: Well – (laughter) –

MR. OSNOS: I'm not that well-informed. (Laughter.)

MR. SCHIEFFER: Well, the story is all over town, I mean, that it is. But the White House won't say that it is, but they say everything but.

MR. HUNTSMAN: It's –

MR. JOHNSON: It sure looks like it to me.

MR. HUNTSMAN: – a pretty good likelihood, maybe with some subcontracting out to various and sundry partners.

MR. SCHIEFFER: Yes.

MR. JOHNSON: Sure seems that way. I mean, what's been striking is –

MR. SCHIEFFER: So if the North Koreans are this good, then the Chinese, I would guess, are better. Would that be a –

MR. JOHNSON: Well, one of the interesting things about Chinese cyber behavior, though, is how obvious it is, you know, and how clumsy it looks sometimes in terms of, you know, leaving big, muddy footprints in the living room when they come in. And so I think that's something that's a surprise to a lot of people.

I mean, with regard to North Korea, what's interesting to me, as a non-specialist, has been that, you know, they have this backward economy and so on. But apparently they do have some capability in this area, just like in the nuclear area. When you devote resources in a singular manner, that tends to produce results.

MR. SCHIEFFER: Do you – does it bother you that, you know, that the studio has canceled this? I mean, it's almost like we lost a cyber battle; maybe not a war. But, I mean, what will be the impact of the reaction in this country to what has just happened?

MR. HUNTSMAN: I'm just stunned that the two headlines this week are Cuba and North Korea. (Laughter.)

MR. SCHIEFFER: I'm with you. (Laughter.) I'm in that same room you are on that.

MR. HUNTSMAN: Yeah. Let the studios make movies. They're better at making movies than responding to crises. I wish they would have carried on. I think that would have been the better thing to do. The North Koreans are very good at threats. They're very explicit in terms of how they articulate their threats. And to take them seriously – you know, you always have to take these things seriously. But there's a

certain pattern to their pronouncements. And I think just carrying on and showing the movie and doing what we as Americans do typically would have been the right thing to do.

MR. JOHNSON: My own view is I didn't think – I don't think we saw enough from the government side, actually, on this. You can't blame the theaters for making a business decision where their patrons and employees may have been in danger. And, you know, it does also spark sort of a debate, I think, about First Amendment and how we're going to defend it –

MR. SCHIEFFER: Yeah.

MR. JOHNSON: – and so on.

MR. SCHIEFFER: But you think there should have been some response by the U.S. government.

MR. JOHNSON: I think so, but –

MR. SCHIEFFER: What – if you were a policymaker, what would be the options that President Obama would have?

MR. JOHNSON: Well, I think, you know, to – as Governor Huntsman was just saying, to encourage and saying – to encourage and say these are our values and we're going to go ahead. You know, that kind of a bully-pulpit-type statement, I think, would have been helpful in reassuring.

MR. SCHIEFFER: Let's go to the audience here. I know there are a lot of –

MR. HUNTSMAN: The market value of the movie has skyrocketed.

MR. SCHIEFFER: First hand up. Right there. What – Governor Huntsman was about to say what?

MR. HUNTSMAN: I was just going to say the market value of the movie now has skyrocketed. (Laughter.)

MR. JOHNSON: And it's not a very good movie, apparently. (Laughter.)

Q: Bill Jones from Executive Intelligence Review.

One of the things on the top agenda of the Chinese government is this idea of the new Silk Road or the one road and one belt where they're building an infrastructure-driven policy which should benefit all their neighbors. And if you go to a lot of the countries in the neighborhood – Kazakhstan, Kyrgyzstan – they've actually done something with it.

Now, this has been seen with some skepticism here in the U.S., viewing it more as a Chinese geopolitical ploy than anything else. But the Chinese have been very open that this program is open for everybody's involvement. And when President Xi Jinping had his press conference with President Obama, he invited the United States to take part in this program.

Now, how that would work – it's difficult to say how we'd put it together. But it seems to me that if you're going to talk about a major country relationship, the idea of using infrastructure to develop the rest of the world with the two major economic powers, China and the United States together, would be a good model for moving forward with regard to China. And I was wondering if you could comment on the proposal by President Xi. And do you think the United States should be a part of this?

MR. SCHIEFFER: Who'd like to take that?

MR. HUNTSMAN: So there are a couple of different proposals, the latest iteration, of course, around the infrastructure investment bank. I thought our response was incorrect. I think we should have engaged and helped to shape the rules of the institution, as opposed to spend time picking off North – or South Korea, Japan and Australia to vote against it.

I think we could have been a lot more constructive engaging and helping to shape the outcome, which is to say that when it comes to Central Asia, I think the collaborative efforts of the United States and China are going to be very, very important. I say that because, as Chris rightly pointed out at the beginning, China desires a benign external environment. They need a benign external environment to grow domestically.

And you look West and you see nothing but trouble, for the most part. You need to do something in terms of building capacity and in creating greater economic opportunity. And then you look at Afghanistan and you see the advances of the Taliban. You see Pakistan, India, NATO troops out, you know, 2015. Who's left with the security of Afghanistan, for the most part? China's going to have to step up and play a renewed role.

Ultimately, the longer-term fix isn't just more and more troops. You've got to build economic capacity. So I think a lot of this is built and targeted toward doing just that within their more immediate region. And I do think there's a role for the United States to play. And you could have a country like Kazakhstan, which I think will emerge in the region as a balancer of sorts, who could help in defining such a strategy, being a secretariat for such a strategy.

I think it's kind of the new frontier, if you will, Central Asia. And the United States needs to step up and participate fully. The Chinese have already started that effort, and we need to decide what our strategy is going to be.

MR. SCHIEFFER: Anybody else want to? Over here.

Q: Thanks. Congratulations again, Bob. You're killing them on Sundays, destroying the competition.

Could you guys look at space as one of the last –

MR. SCHIEFFER: He's a plant. (Laughter.)

Q: An old NBC hand – space as one of the recent battlefield contests between the PRC and China? Also, could you look at the energy deal, the Chinese-Russian energy deal? And maybe specifically to you, Ambassador, the corruption scandals and essentially the pursuit of Bo Xilai. Is that a preview of coming attractions? Thanks.

MR. HUNTSMAN: I didn't catch the –

MR. JOHNSON: I think it was how you see the anti-corruption campaign. Is it political? And then there was a mention of space and the Russia-China energy deal.

MR. HUNTSMAN: So just with respect to the anti-corruption campaign, I think it's gone well beyond what anybody in this room would have forecast a couple of years ago in terms of the sweeping nature of the dragnets. You know, so the economic model is out of gas. It has to shift from the investment-export model to consumption. And I would say the rules of the road, sort of the way in which business is governed and adjudicated in China, is now outdated.

In order to get to the next level of growth, things have to happen. Who's going to govern all of that? Well, the party is experiencing some difficult times because there's a trust gap between the people and the party, because there's lack of transparency, little responsiveness, and, of course, a core of corruption.

And I think Xi Jinping has stood up and said there's only one course of action I can pursue, and that is to fundamentally fix and rehabilitate the party, because if that isn't done, the party collapses, based upon the internal rot, and there's no alternative governing system, in which case you have a calamity in all of East Asia.

So my sense is he's going after this very methodically, and that is, you have to, as he says, take on the tigers and you have to take on what?

MR. JOHNSON: The flies.

MR. HUNTSMAN: The flies. And when you round up Zhou Yongkang, which just shocked everybody, and then you find that there will be a public trial now for Zhou Yongkang – when was the last time there was a public trial for a member of the standing committee of the Politburo in China? Now, Dick Sullivan could probably tell us. He's one of the foremost experts in this.

The last time we saw a member of the standing committee goes back to the Gang of Four. We've seen members of the Politburo – Chen Xitong, for example; Chen Liangyu – but we haven't seen a member of the standing committee since 1979-1980, the Gang of Four. So this is fairly unprecedented.

I think there is a method to the madness, and that is, you have to have high-profile displays in terms of what you're trying to get done for the world to see, for the people of the country to see. And ultimately you have to clear certain elements of the party out to get to the reform agenda or that's just never going to happen. So there will be the personnel aspect, military included – Tsu Tsai Ho (sp). You'll have the security aspect; Zhou Yongkang; and the political aspects as well. And there will be some big names involved.

And I suspect by the time we get to the 19th Party Congress in 2017, we'll be pretty much through the anti-corruption cycle. And we'll see how Xi Jinping is in terms of his overall strength. My guess is his foundation will be pretty strong, maybe unprecedented since the days of Deng Xiaoping. And my guess is he'll then take from 2017 to 2022, up to the 20th Party Congress, and really focus on the reforms that were first floated around the 18th Party Congress. They've kind of died for the most part because the focus really has been on more the anti-corruption side. I think those five years will really be those years that are focused – where the focus is on the whole economic-reform side.

MR. SCHIEFFER: Over here. Right here. We'd like to hear questions from some of the women here today. (Laughter.)

Q: My name is Zaki Hakimi. I'm from Afghanistan, NBC in Washington, D.C.

First of all, if I may, I want to thank these two gentlemen for the services that they have provided in Afghanistan, and on their behalf for all men and women in uniform that they served in Afghanistan. Thank you very much.

My question is, as we talk about a lot of complexity between U.S. and China in the Pacific – and I'm glad that ambassador also mentioned that there aren't a lot of potential between U.S. and China in Central Asia – but particularly about Afghanistan, during the Cold War, U.S. and China, they were allied against a threat that came from Soviet Union, and especially when Soviet Union invaded Afghanistan. They both worked together to defeat them.

Now there's another threat, which is terrorism, against U.S. and also China's national interest. Don't you think Afghanistan could become a model of cooperation between U.S. and China once again?

MR. HUNTSMAN: It's – I'd love to hear the views of my two fellow panelists, but I think you're on to something very important here. China has played mostly an

internal game with respect to its resources and its clout. And now, being on the world stage, they will have to engage more and more in terms of international problem-solving.

And there's no more immediate issue than South Asia, and specifically Afghanistan, now that Ashraf Ghani has taken over. And he has to look at the picture and say what do I do in terms of my negotiations with the Taliban? That has to happen at some point. What do I do about economic prospects? And China is going to want to play a role in that. What do I do with respect to my ongoing relationship with Pakistan, which will be key to any outcome with the Taliban? And then India, of course, will have to factor in.

So you look at the players. You look at the traditional prospects for trouble in that region of the world, over hundreds and hundreds of years, and I think there's a huge opening for the United States and China to work collaboratively on issues of stability and economic prosperity and security in this region. And I'm glad you pointed it out, because I think when people say, well, what can the United States and China do, I think this is a perfect example of what both of them can do. And the world would be better off because of it.

MR. SCHIEFFER: Do you think there's anybody in the U.S. government right now thinking about that and has thought through this problem the way –

MR. JOHNSON: Yeah.

MR. SCHIEFFER: – the ambassador has?

MR. JOHNSON: I think there are people thinking about it. I mean, we have had more and more dialogue with the Chinese about Afghanistan in recent interactions. In fact, I think the administration has done a good job on that. And as our guest points out, I think there is a real opportunity there.

One thing that's been interesting is how a lot of the forces that had shaped China's previous behavior in thinking about these sort of things are now shifting. So, for example, they have largely focused on commercial interests in Afghanistan, you know, for lack of a better term, free-riding off NATO security umbrella there. That's going to change. And so what role are they going to play?

One thing that's interesting is, you know, China has more U.N. peacekeepers in foreign countries now than any other country, so they're starting to shift their mindset on that. Likewise, I think there was a period after 9/11 where the Chinese sort of sublet their approach to Pakistan to the U.S. too, because we were so, you know, involved at the time. That's also changing.

So I think – and then the pressures that Governor Huntsman was just talking about. They have interests in these places now. Their viewpoint about Iraq is fundamentally different than it was 10 years ago, because they have huge interests in the

oil sector there. And ISIS is a big problem for them. So I do think that bolsters the potential for cooperation.

MR. OSNOS: Yeah. If you looked at the comments that Abu Bakr al-Baghdadi made, who's the leader of ISIS, he identified China as one of the countries that is a target of his concern, to put it mildly. And what we haven't yet seen is how that's going to translate into Chinese participation in an anti-ISIS coalition.

I think there's a lot of people in the United States – I mean, without minimizing, I think, the significant possibility for cooperation in Afghanistan, I think there is a moment, particularly if you talk to people who are making policy on China now, where they're saying we're waiting for China to fulfill that role that it can play when it comes to Iraq and Syria, because if you're going to be the kind of power that Xi Jinping and his generation imagine China to be in the world, that means taking on some of the costs that come with these shared global risks, whether it's Ebola – and you did see China taking on a greater role when it comes to responding to Ebola – but counterterrorism is going to be part of that. And I think we're waiting to see what shape that's going to take.

MR. SCHIEFFER: Next question. Yes, ma'am, right there.

Q: Hi.

MR. JOHNSON: Wait for the microphone.

Q: Hi. Aynne Kokas. I'm a professor or an assistant professor of media studies at the University of Virginia.

One of the things – we talked a little bit about the climate accord today, but we haven't really talked about the impact of environmental issues like air quality and food safety on internal stability in China. And I was wondering if you might want to elaborate a little bit further on what impact you think that will have in the long term.

MR. JOHNSON: Yeah, I guess I could say, after eight years in Beijing, that I've brought these issues home with me. (Laughter.)

You know, the most interesting change that happened in that period, in fact, was that issues that had previously been of interest to foreigners, like the quality of the air in Beijing or the quality of the food, became of primary interest to Chinese friends. And they were the ones who were talking about it. And, in fact, it sort of became a status symbol to know about the air quality and to care enough about your health that you were checking your smartphone every hour and seeing how the numbers clocked in.

This has become a very present political issue for the leadership, I think, because it's not simply about air quality and it really is about the bargain, the underlying bargain, whether the government is fulfilling its obligations to people. And you talk to people who have no interest in being overtly political, because being political in China is

dangerous and costly, but they don't see it as a political gesture. If you get interested in air pollution, it's a health issue. It's because you're worried about your kids.

So I think you saw – there's a reason why Li Keqiang earlier in the year, the premier, declared a war on air pollution. It's because this is not that they woke up and decided that that's an inherent good. It's because they realize there is a fundamental political imperative that they have to meet.

MR. SCHIEFFER: Let me just – we're getting close to the end here, but I just want to close with this thought. I'd like to hear from each of you. What would you like this audience to take away from this discussion today? What are the things we need to be thinking about in regard to China and in relationship – its relationship with the United States? Chris?

MR. JOHNSON: Well, I think fundamentally it's to recognize that the landscape is changing and that the relationship, therefore, is going to have to change. Frankly, the whole cadence of the way the relationship is conducted has to change. China has made very clear to us that that's how they view the bargain, that we will have to accept these changes. And that doesn't mean that we get out of their way, you know, and so on. It just means we have to acknowledge the shift.

I mean, one thing that's very interesting, we all travel out in Asia extensively. When you're out there, the geopolitical tectonic plate-shifting that's going on is very vivid to you. It's technicolor. I think sometimes here in Washington it looks very bright and distance – distant to us.

So I think this notion that understanding that this is a different character in Xi Jinping – as Governor Huntsman said, most powerful Chinese leader in two decades – he has very sort of unique views on a lot of this, and we have to figure out how we're going to deal with that puzzle.

MR. OSNOS: I'm struck by the fact that at the very moment that we're talking about the tensions in the relationship and how we're going to manage this sense of two great powers edging closer into some kind of confrontation, the lived experience of what it feels like to be Chinese and what it feels like to be American has never been more similar. That's a remarkable fact. And I think it's specific to our history of dealing with other great powers.

You know, being in the Soviet Union was a very different experience. But if you're a young Chinese person today, you're in many cases watching Western television shows. You're reading many of the same websites. You are not believing necessarily the same things that Americans do. And I think we can stipulate the obvious, which is that China has its own values, its own set of priorities. But we shouldn't overlook the fact that even as we are going to inevitably, over the course of the next few years, find ourselves in more overt confrontation, we should just remember that there are people on

the ground in Beijing and Shanghai and all across the country who have never been more familiar to us.

MR. SCHIEFFER: Governor, I'll let you have the final word.

MR. HUNTSMAN: I would say, with no royalties coming my way, my advice would be to read Evan's book. (Laughter.) I have two of them on my desk at home, one for each eye. (Laughter.) And I've enjoyed it enormously.

So I watched my daughter Grace, who is from China, age 15, on Skype talking to friends in China – English, Mandarin, movies, books, boyfriends. And I say it's incredible how the generation sort of melds, without even trying – for my generation tough; for my parents' generation impossible.

So my generation has inherited all this incredible work of those who built the U.S.-China relationship. And it's not so old, just over 40 years old. Now, the task ahead will be do we reflect on our common sense of humanity, which we share, and where there's great commonality between us? Or do we focus on division? And do we let the tools of modern technology drive us apart, which can happen very quickly and very easily?

And then you get right down to the fact that we're – it's up to the whole people-to-people thing. We either can (stare ?) at each other with a sense of trust and a sense of honesty and truth and talk about our issues or not. And if we can't do just the fundamentals, the 21st century is going to get back to the whole Thucydides' trap problem. And that could be the story of the 21st century if we don't handle it right.

MR. SCHIEFFER: All right. Well, on behalf of TCU and CSIS, thank you all for coming. (Applause.)

(END)