

Center for Strategic and International Studies

TRANSCRIPT
CSIS Online Event

Schieffer Series: A Conversation with Senator Mitt Romney on U.S.-China Relations and Great Power Competition

RECORDING DATE
Tuesday, July 21, 2020

FEATURING
Senator Mitt Romney,
Member, Senate Foreign Relations Committee

CSIS Experts
John J. Hamre,
President and CEO; Langone Chair in American Leadership, CSIS

Nina Easton,
Senior Associate, CSIS

Transcript By
Superior Transcriptions LLC
www.superiortranscriptions.com

John J. Hamre: Good afternoon, everybody. This is John Hamre at CSIS, and we're very pleased to welcome you all for a very special session of the Schieffer Series. The Schieffer Series, of course, is made possible by the Stavros Niarchos Foundation. They allow us to present this venue on an ongoing basis. We're very proud to have their sponsorship.

And of course, we're partnered with Texas Christian University and the Schieffer School of Journalism. Bob can't be with us today, but we have even a better opportunity, and that's Nina Easton, a fabulous journalist and willing to carry this conversation.

Senator Mitt Romney is our guest today, a remarkable leader, and he is now calling America to be aware of a much larger problem that we're not fully addressing. And I really admire his leadership on this. Nina, let's turn it to you. Let's get this started because we very much want to hear you and, of course, we want to hear Senator Romney.

Nina Easton: Well, thank you, Dr. Hamre. And welcome, everybody. We are here with Senator Romney, who is kind enough to do this between votes, by the way. So we're going to dive right in.

Senator Romney, I know that China's been top of mind for you for quite a while. Even your maiden speech on the Senate floor very much focused on China. And just as we were talking before we came on air right now, you called China the "issue of our era," and you also said we're all fast asleep at the wheel, basically, about this. What did you mean by that?

Senator Romney: Well, I do believe that China represents an enormous threat to liberal democracy generally, to the economic vitality of the – of the world, to freedoms not only for its own people but for people of the world. China has a very different model that they're operating from. They have expressed their ambition to dominate the world; to become the geopolitical leader of the world, replacing the United States and the West; to become the military power of the world; and also, the economic power of the world. And they believe that that's their rightful place. They had that kind of hegemony once upon a time a long, long, long time ago, and they believe that that was taken away from them by colonial powers, and they intend to reassert their global leadership.

And were they able to do so, I think we would find ourselves being impoverished, relatively. We would – we would find ourselves in an authoritarian-type state being monitored by government officials. We would not have the freedoms which we have long enjoyed, and the American experiment would have come to an end.

So that's what we face. I don't believe that that's a path which China will insist upon forever. I believe we can dissuade them from that course.

But so far, the West has done nothing but encourage their pursuit of that path. I don't think we've told them, hey, we want you to come after us, but we have believed that if we opened up our economies to them, gave them access to all of our marketplaces on a free and unfettered basis, that they would then adopt democracy and liberal democracy principles. We believed that would be the case. That turned out to be wrong.

And they have, instead, learned the lessons of capitalism, have created a very vibrant economy which has to be admired on the part of all those who believe in free enterprise, but they used that economic power to pursue their military and global ambitions. And they're focused initially on their region, but they will certainly go beyond that region as they continue to invest militarily and economically on domination.

So we as a smaller country – about, you know, one-third or less their size – are going to have to combine with other nations to say, hey, you guys can't go down that path. We will no longer allow you to have free, unfettered access to our marketplaces. You're going to have to take a different course and play by the rules that the world plays by or we're going to be pushing back a little harder.

So that's why I think it's the issue of our time. There are other issues that are very significant, of course, but they relate to that. I happen to think global warming is one of those that is one of those issues of our time. But this emergence of a nation that is authoritarian, that believes in dominating and repressing their own people, and dominating their neighbors, with no end in sight as to how far they're willing to dominate, clearly, that's something we ought to be considering, particularly at a time when we have strengths, because at some point we will not have the strength to dissuade them from the course they're on and I want to make sure we take that action while we have that strength.

Nina Easton: Well, of course, global companies, and a lot of them American companies, are deeply reliant and intertwined with China, whether it's supply side – supply chains or tapping that enormous consumer market. What's your message to them?

Senator Romney: Well, clearly, the preservation of liberal democracy and freedom are our highest priorities, and so we're anxious to see our corporations do well and to see them participate on a global basis. At the same time, I think they will recognize that they have a higher responsibility as well. And I'm not saying that China is going to become, if you will, a walled-off Iron Curtain-type region, as we saw during the days of the Soviet Union.

I believe China can be dissuaded from the course they're on. But if we don't take action, collectively, then they will continue down that pathway until a point when it's too late for us to get them to take a different course. So if we dissuade them from the path they're on, then we can have truly free and open trade among the nations of the world. We can have different political

systems, as you will, but we will not allow one nation to dominate and to subjugate the others.

Nina Easton: So your call for a coalition or a collective coming together of allies to, essentially, stand up to China, that sounds much like what Secretary of State Mike Pompeo just said, an international order to stand up to China. What's different from what you want versus what the White House is doing?

Senator Romney: Well, I'm not sure precisely what Secretary Pompeo has said, and I welcome his comments on that and I'm delighted to hear him use words such as those. But that's, of course, very different than the policies that the administration has applied to date.

First of all, I would note, however, that I applaud the fact that the president has stood up to China and has called them out for their unfair theft of our technology and their unfair trade practices, and has put in place tariffs to help dissuade them from that course. That was the right thing to do.

But at the same time, the president has done some things that I think have been less effective in getting China to take a different course. So by saying, for instance, "America first," and distancing ourselves from our allies and friends, in my opinion, is not the right way to create that kind of a coalition.

So, for instance, announcing that we're going to take troops out of Germany, which is a slap in the face of one of our key allies, that's not a way to help them sit down with us and negotiate a strategy in dealing with China. Likewise, any time we distance ourselves from our friends and our allies by, perhaps, starting trade conflict with the Canadians, the Mexicans, the Europeans, in my opinion, we should be collaborating with them and focusing all of our trade energy, collectively, on China to get them to pursue a course which is conducive to a more free and open economy in the world.

So what the secretary of state is saying, if he's saying we're going to look for ways to combine with other nations is the right thing to be saying and I hope we actually get there. But I would like to see us combine with the other nations that live by the fair trade practices that we've long embraced – and that includes South Korea, Australia, Japan, Taiwan, the U.K., all of the EU – these nations come together and say, all right, what are the rules we're going to live by, and what are the principles we're going to apply as we deal with China, collectively, make sure China understands what those rules are.

And I believe if we do that, that China will stop some of the predatory practices which they're currently employing, which drive Western businesses out of the market, which lead to the theft of our technology, and which are, obviously, having an enormous impact on the very corporations that want access to the Chinese market.

Nina Easton: So let's reflect. I want to talk about some of those allies or potential allies that also are closely entwined with China in a minute. But, you know, let's

reflect on the last few months with the COVID-19 pandemic. During that period, we've seen heightened military tensions in the South China Sea. We've seen a fatal border clash in India. We've, of course, seen the crackdown on Hong Kong, taking away – essentially, taking away its semi-autonomous status.

There are some analysts who think that this is actually a shift in China's policy – that it's going more hardball, more hardcore – and there's others who think that it's – this is it seizing the moment, as it were, during a moment of weakness globally. What's your perspective on that?

Senator Romney:

Well, you recall the comments of Deng Xiaoping a long time ago, where he said that China should bide its time, that it should build its strength quietly and not, if you will, wake up the sleeping giant of the West. And they have pursued that strategy for the last decade or so. But in the last few years they, obviously, have recalculated and said, you know what, we've already established the kind of strength we need and we no longer need to hide our ambition. And so they speak openly of their ambition to dominate the world economically, militarily, geopolitically, and they're exerting their influence and exerting their military might and their economic might, in part by saying there's nothing the West can do about it. And they look at us – I think it's less a matter of Covid and seeing us distracted from Covid and more a matter of seeing the absence of American leadership in bringing together the nations of the world to confront the unfair practices that China is pursuing.

Look, I remember during my campaign for president, I had the occasion to meet with a number of world leaders. One was Lech Walesa of Poland. And he began describing circumstances going on throughout the world, and as he talked about one region after another he would say, we need American leadership. Where is American leadership? There's no other nation that can provide the leadership that's necessary to develop a global approach to China's ambition and to tell them that ambition cannot be realized in the way you're pursuing it. We have to be the nation that does that. We have not done that to date.

We have not brought together the other great nations of the world that abide by trade practices and principles of freedom to say, all right, what are we going to insist upon. What are we going to insist upon in order to allow China to have the free, unfettered access to our markets that they have enjoyed? And once we do that and confront China with those things, I think we have a very good prospect for them backing down. But right now, they look at us and see, hey, we're – you know, America's out there screaming America first; telling other countries, hey, just do what you think is in your best interest; we're happy to see the EU break up. I mean, these are not – these are not the kinds of policies that say, hey, we're trying to bring the nations that abide by the rules of trade together and to form a unity and a unified approach as we deal with China. Instead, it's everybody for themselves. And that approach is politically popular. It's populist popular.

But it's not conducive to exerting the kind of economic strength that would hopefully dissuade China from a course which I think is unfortunate.

Nina Easton: Are there any signs that the Democratic likely candidate for president, presumed nominee Joe Biden, is going to take a better course?

Senator Romney: Well, I think after the presidential election, whether it's Biden or President Trump that gets reelected, I think either individual is going to be thinking about their legacy. And I think there will be people who will be speaking to them loud and clear and talking about the fact that this is a time for us to deal with matters of legacy as a nation, and specifically the emergence of China is one of those issues we're going to have to deal with – I think climate change is another one we're going to have to deal with – and that if they want to go down in history as someone who was asleep at the switch, then they can do nothing about those things. I do believe that individuals of good faith who are concerned about their own personal legacy may be able to be convinced – we'll see – (laughs) – to take the kind of action necessary to preserve the liberal democracies that the world has long known.

I mean, you know liberal democracy is on the retreat now. China and Russia have been pursuing authoritarianism and exporting it to other nations. Obviously, Russia is now playing a much bigger role in the Middle East. China is exerting its strength in its region, as well. Nations which have in the past been more closely aligned with us are showing signs of distance: The Philippines, for instance, changing our military relationship with them; the Solomon Islands no longer recognizing Taiwan in the way they have in the past. I mean, these are – these are nations that are reading the handwriting on the wall and saying, you know what, I'm seeing a stronger China and I'm seeing a weaker America and weaker resolve on the part of the West, and they're taking action accordingly.

And so I'm hopeful we can get – we can get progress on this front, but I don't see it today. Obviously, with Covid going on, with an election year underway, this isn't the time that you'd expect these kind of actions to be taken. But I'm hopeful that with a new administration, either a Republican or Democrat administration that's going to, you know, be in power come next January, that we'll be able to address these longer-term issues.

Nina Easton: I wonder, too, though, if you see any potential – or some backlash from allies who have more friendly relations with China, and I'll give you an example. There's lots of examples, but Hong Kong, the crackdown on Hong Kong, has prompted Canada and Australia and now the U.K. to drop their extradition treaties, essentially providing a safe harbor for Hong Kong citizens who want to exercise their political liberties like free speech. What does that tell you?

Senator Romney: Yeah, I think there's an opening now, Nina. I think the world was looking the other way with regards to China's emergence, and didn't consider the predatory nature of their economic policies and their military investments, and were thinking that, gee, China's just like everybody else and, you know,

they're – you know, they're good guys too, and they're going to, you know, go along and get along with the rest of the world.

I think now they look and say, gosh, this wasn't exactly the way we anticipated things. We're a little surprised by what's happening in Hong Kong. And I think that's wakened up a number of people around the world, and this is an opportunity for our president – either the current president or the next president – to say, hey, let's get these nations together, the nations that are – that are – that play by the rules of economic freedom. Let's get them together and talk about how we're going to deal with China going forward. And this isn't something we would hide from China, but it's saying, for instance, you cannot continue to massively subsidize industries, selling products massively below their cost, such that you drive Western businesses out of business, laying people off, weakening us economically and hollowing out our economic capabilities. And that is just something that has to happen.

And I think – I think you make a good point. What we've seen China doing, both in the South China Sea, in Hong Kong, with the Uighurs, with their social scoring – where by virtue of cameras on every corner and facial-recognition technology, repressing individuals who want to express their independent point of view – all of these things are waking up, I think, other nations. And they're – this all presents an opportunity for the leadership of America to stand up and coalesce international effort.

Nina Easton:

Yeah. And speaking of the Uighur population, the BBC just showed drone footage on July 19th, as you know, of blindfolded Uighur Muslims. It seemed to be like moving them onto trains. And there's some sense that there's a – there's a public backlash, both in the U.K. and Australia, about that. Have you – do you have any sense of that?

Senator Romney:

Yeah. I find it astonishing that China, by virtue of their repression of free speech and the media, is able to keep the story of what they're doing in their own nation as quiet as it is. And perhaps some countries are used to the money they're getting from China for investment, and as a result they're not willing to say anything.

I mean, how do you take a nation like Iran, an Islamic nation, that doesn't speak out about the repression of Muslims in China, the Uighurs? But virtual silence. How can that be? And then you understand that there's a proposal to provide some \$500 billion in projects in Iran by China. And look at us here in this country, we're not willing to spend that kind of money on our own infrastructure. China's willing to spend it on infrastructure in Iran. So not surprisingly, Iran gets very quiet. And so this is going on.

China is – China is running their strategy like a brilliant corporation would run it, and they're going to continue to do that until the rest of the world says no. And what's happening to the Uighurs, to other minorities in China, to people of various religious faiths in China, these things are really such a huge departure from anything we've known in the West that the fact that it's

now being revealed piece by piece I think presents an opportunity for us to bring people together to discuss how we're going to deal with it.

Nina Easton: So let's talk about technology a minute. As we move into the 5G world there's a lot of concern about Huawei, of course. And of course, another country that seems to be stepping away from China, the U.K., announced that from next year on it'll be illegal for telecom operators to buy 5G equipment from Huawei. How do you see that playing out?

Senator Romney: Well, I think Huawei is a good example of what's happening in numerous areas that China focuses upon. Huawei is one which has such enormous national security implications that it really opened a lot of eyes and made people more aware of the threat. But here's a circumstance where China has basically said: Look, one of the technologies of the future is 5G. We, as a government, are going to invest massively in 5G technology. And then we're going to price our products well below cost, so that no Western company could possibly compete. And by virtue of that strategy, they've kept Western companies from making the investments in new technology and innovation that would allow the Western enterprises to compete.

And so the telecoms that need equipment are obviously going to buy the equipment that's low cost and that has been developed by China. And this is an approach they have rolled out in industry after industry. They did it first at steel. A decade or so ago they had 5 percent of the world's steel world. Today, they have 53 percent of the world's steel market. They didn't happen to do that, just by skill that forced out industry. They subsidized industry, they priced their products massively below cost, and drove the Western companies out of business. They have done that with regards to 5G.

My own view is this – and, you know, I can't impose this view on our nation, let alone other nations – but my own view is that on technologies that are a key to our nation defense, that we ought to insist that nations – that free nations only buy those products from other free nations. And that nations that are not free, that are authoritarian and that have military designs against the West, that they cannot be the source of key products that become part of our national defense infrastructure. And if that were the case, then companies like Nokia and other technology companies that manufacture high-tech products would say: OK, we can invest in this new technology because we know we're not going to get knocked out of business by the Chinese subsidizing an industry, pricing below cost, and making our investment worthless.

Nina Easton: So, Senator, you mentioned – before we went on air, you talked about Taiwan and technology. Can you share that – your perspective on that, and their designs on Taiwan?

Senator Romney: Yeah. You know, it's been a long-standing recognition, I think, on the part of the world that China would like to ultimately grab Taiwan. And we've made

it clear that that's not acceptable to the United States of America. But there's a lot that China would like to receive from Taiwan.

One thing that I think we perhaps ignore at our peril is that Taiwan really has some extraordinary assets. Its people are industrious and capable, but one area of their great strength is in manufacturing semiconductors. They are the world's leader in chip manufacture. I received a full study by the McKinsey Institute, and they looked at the supply chain of chips and noted that a Taiwanese enterprise really dominates the world in chip manufacture, that Intel is a major player, but that it's narrowly focused. And that the Taiwan enterprise really is the player and chip manufacturer in the world.

And of course who owns the chips can have an enormous impact on technology of all kinds throughout the world. So if I were China, I'd be looking with great interest at Taiwan, even if that were the only asset I was interested in. And clearly, the people of Taiwan don't want to lose their independence, and their thought, and their electoral system, and so forth. So, one of the amendments that we just voted on was an amendment by John Cornyn to encourage the manufacture of chips here in the United States. I noted that the McKinsey Institute people indicated that in order to be competitive at manufacturing chips today requires about a \$50 billion investment. And even then, you're not sure that you'll be able to be competitive.

China itself has been making that kind of investment, is not competitive with Taiwan. But there's a race going on for the technology leadership of the world. And we hardly are a player today in that – in that element of that race.

Nina Easton: So, Senator, going back to building out this coalition, I wanted to quote – CSIS has, of course, a tremendous brain trust of China experts. And I'm going to include some of their questions in our conversation. Bonnie Glaser, director of the China Power Project, she wanted to ask you the mechanism for building this coalition, first of all, and what should the U.S. prioritize in its efforts, if there is a coalition? What should be the top priority?

Senator Romney: Well, I would anticipate that a president following the election would call a summit of leaders of other nations that abide by fair trade practices, and free trade practices. So they don't have to be democracies necessarily, but nations that play by the rules. And they would come together and have as an agenda, a discussion of practices which they believe are essential to maintain economic vitality in their respective countries, and to prevent China from predatory behavior. And the key is, in my opinion, of China's effort right now is the use of predatory pricing to drive Western enterprises out of business and to establish Chinese monopoly or near monopoly.

So as a for instance, this is a small matter, perhaps, to some. But the Swiss, for instance, manufacture commuter rail cars. And they manufacture those here in the United States. And of course, they manufacture them around the

world. There was a recent bid in Washington – excuse me – in Boston for new commuter rail cars. And the Chinese came in at 50 percent lower price than the Swiss company. Obviously massively below cost. If Boston then chooses the Chinese company, as you might expect they would, and if this is duplicated in other parts of the world, why then the Swiss company will go out of business and we will end up with one supplier, the Chinese supplier.

And this happens industry after industry. It's known as predatory pricing. It's illegal under the Sherman Antitrust Act here in the United States for an American company to do such a thing. But of course, it's not illegal for China to employ that practice. It's only unwise for free nations to allow it to go on without saying: Stop! You can't continue to have access to our markets if you're going to price your products below cost and subsidize them massively with government funding. And so that would be at the top of my list, which is predatory pricing.

Probably almost as close, if not exactly as close, would be the left of technology. And that's the place the president's already focused on. I appreciate his work there, and the tariffs he's put on Chinese products as a result of their theft of our technology, but recognize that we will have more clout in getting China to be dissuaded from its theft of technology if we have, let's say, 50 countries that say the same thing. Fifty countries that apply massive tariffs or say they will apply them unless China takes a different course. I believe that kind of confrontation will get China to say, OK, we'll play by the same rules.

By the way, the Chinese people are smart, hardworking, aggressive, dynamic. They're going to be able to very successful in a lot of industries. They don't have to be predatory in their practices to be successful. But being a predator right now allows them to be far more successful than they otherwise would be and is unnecessarily driving businesses out of the – out of business. And so for me, it begins with a summit with leaders of those countries, and a decision from there as to what type of structure to put in place. And I recognize, it's going to take time for this to happen. But this should have happened a long time ago.

Nina Easton: So you're calling for a summit? You're calling for a summit of nations? What would it be called?

Senator Romney: (Laughs.) I haven't got a name. I'm not president. Had I been elected I probably would have been working on this a long time. And by the way, there may be other measures. People always say, look, if we get the G-20 together and talk about it there. Or there may be other places to have that conversation. But I'm open to the vehicle that's used, but I think we need to get the leaders of great nations together. We'd probably start off with a relatively small group, to see if even we can get on the same page. And then – and then call for more nations to come together and discuss these things together and see if we can't find unity in understanding what the trade policies are going to be, given the nature of the new economy.

Look, the policies of the past were fine for the past, but we're confronting a nation that's not playing by the rules, and we're confronting technologies that are entirely different than what existed when the World Trade Organization and GATT and other organizations were in place years ago.

Nina Easton: Right. So speaking of trade policy and coalitions, also from CSIS, Scott Kennedy, senior advisor and trustee chair in business and economics, wants to ask about the TPP, the Trans-Pacific Partnership, which, of course, the U.S. withdrew from.

Would you be in favor of the U.S. trying to join and, perhaps, substantially expanding CP TPP's membership to include others in Asia, Europe, and Latin America? And, if so, are there any areas that you think are in need of reform or strengthening as the U.S. considers joining?

Senator Romney: I do believe that combining with other nations to promote free and fair trade among our nations is in our interest and becomes one of the vehicles that we confront China with and say, look, if you want to be part of this you're going to have to change your ways. So drawing closer to other nations that play by the rules is very much in our interest if we're going to confront China.

I think it was a mistake not for us to participate in TPP. I understand the administration was concerned that currency manipulation was not part of the original agreement. I would note, however, that no one is free of sin when it comes to currency manipulation. The massive borrowing that we're undertaking, the printing of money by the Fed, suggests that we're also participating in a form of currency manipulation ourselves. It's a difficult issue to confront. It was a vehicle that China has used in the past in a very aggressive way. But China was not part of the TPP. In my opinion, we should have combined with other nations in Asia, and I would welcome other nations to come together.

Look, my view is that, basically, we should reduce trade barriers among as many nations as possible and, by virtue of doing that, create the kind of economic freedom among nations that abide by the rules such that nations that don't abide by the rules, like China, finally are dissuaded from the course they're on.

Nina Easton: So, Senator, let's turn to a couple military questions. These are from Mike Green, also from CSIS. He's a senior VP for Asia. Beijing has been on a massive military buildup, ranging from ballistic missiles and aircraft carriers to cyber and space weapons. Where should we be prioritizing our defense efforts and do you really think we can deter China from aggression? Should we be worried about an arms race with China?

Senator Romney: Well, I'm worried about an arms race but I'm even more worried about an arms disadvantage. In my opinion, it's essential for us to maintain deterrent

and to show China and other nations that it doesn't make sense to think that you're going to out compete the U.S. when it comes to military capability.

And I think there's something that's very important that CSIS and other organizations need to communicate, which is the world at large, particularly among the public and, I think, even many in leadership, believe that because we spend so much more than either China or Russia combined that we're way, way, way ahead and that we don't need to worry about ever being anything other than the superior military power.

But, you know, I was interested in finding out what percent of our military spending is spent on procurement, and if you take our total military spending including veterans benefits and health care and all that, it's, roughly, a trillion dollars, and 15 percent is spent on procurement.

Now, China doesn't spend anywhere near as much as we do but they don't pay their military soldiers what we pay ours. They don't have the retirement benefits that we have, the health care, the housing, and so forth. So we're spending a massive amount of money on personnel costs, administrative costs, and maintenance and so forth, and they're spending their money on procurement.

And based on a study that I recently looked at, they're buying as much hardware as we are. They're a very competitive military entity and will, conceivably, have more military might than we do if we don't continue to invest in a significant way.

I'm concerned. I'm not going to get into the specific weapons systems that we ought to be investing in, but I am concerned that we not fail to understand the lesson of World War II, which is that the French and the British, to a certain degree, believed that the Second World War would be fought like the First World War, and it was not. There was entirely new approach and new technology, and I believe that in some respects we need to look at all of our weapons systems to decide whether they really are fighting the World War II type conflict or whether they're really focused on the technology of today and tomorrow. And cyber investment, in my opinion, and space investment, is an area that we ought to be focused on in a much more significant way than we are today.

Nina Easton:

What are you most worried about of that whole panoply?

Senator Romney:

Well, I would be worried about a circumstance where in the Pacific the nations of the Pacific were to believe that the U.S. could not provide the kind of military umbrella that could guarantee their independence and their safety. And in a circumstance like that, those nations are going to do what the Philippines and the Solomon Islands have done. One by one, they're going to – they're going to fall under the spell of China; and we're going to lose trading partners and economic vitality that fuels our military capability to protect our freedom. And the reason we have the military we have is to

protect our freedoms, and I don't want to ever see our nation and the West generally in anything other than a superior position.

And by the way, part of that superiority, again, is associated with combining with other nations. And not just talking about economic policies on a global basis, but talking about our military strategies and making sure that the military strategies of the EU and Taiwan and Japan and Australia and so forth are coordinated such that, collectively, we have the military capacity to assure that no one makes a silly effort to test the United States of America militarily.

Nina Easton: So cyber, of course, is a great concern with China. But cyber in our elections, how concerned are you that China could intervene in our elections – upcoming elections? And apply the same on Russia.

Senator Romney: You know, we haven't had a briefing yet at the – at the Senate level on a classified basis of the incursions in our election systems or in our social media by China and Russia. We've seen reports in the media that both nations are playing, I don't know to what extent. Obviously, Russia played extensively in the last election. How much influence they had I don't know, but they are intent on doing so again. And we haven't done anything that's dissuaded them from the wisdom of that course. Likewise, the EU is seeing the same thing. They report that they're seeing Russia attempt to interfere with their electoral processes.

My understanding is that China is not as advanced in this as Russia, but they will catch up. They've got a lot of people, very highly-educated, capable individuals. They'll catch up. And one of the weaknesses of our – of our electoral system, of our system of government is our openness and freedom, and they will use technology to try and influence American public opinion to do what's in their best interest. And this is an effort we're going to have to confront in a much more aggressive way, I believe, than we have already.

Nina Easton: So, Senator, you're remembered in very recent history for citing Russia as a great threat and calling out others who weren't willing to step up to the plate on that. Given that and given your concerns now about China, how would you compare Xi Jinping and Vladimir Putin as leaders?

Senator Romney: Well, they're dealt a very different hand in each case. When I spoke back with regards to Russia, I called them our geopolitical adversary. I didn't see them as a military threat so much as just an adversary to everything we were trying to do. And they continue to play a very adversarial role. They support Maduro in Venezuela. Look, if they didn't support Maduro, he'd be gone. They support Assad in Syria. If they hadn't had supported Assad, he'd be gone. So they continue to play a role of being the anti-American geopolitical player, and that's something that they're going to continue doing.

And I think Putin has played his hand pretty well, but he's got a pretty poor hand. Demographically, his country is shrinking. The industrial base there is not strong. I mean, what do we buy from Russia? Is there anything we buy from Russia? You know, not very much. Other than military technology, the world is not very interested in buying things from Russia. And so he's got some real problems. John McCain used to joke that Russia is a gas station parading as a country, and there's some truth to that. They have enormous, of course, energy resources, but they're in a weak position. And Russia is doing what you do in a situation like that, which is strengthening their nuclear capacity, because they can't keep up with conventional military weaponry and becoming a more powerful nuclear entity, and at the same time lashing out to try and grab population and industrial base from their neighbors. So they're a danger to the world and to peace because they're declining.

China, on the other hand, is an ascending power, and rapidly ascending, although it has its own challenges, demographically as well. The one-child policy has put them in a very awkward position. But the people of China seem to be able to look past what would otherwise be flashpoint issues here in the United States with regards to their aging population. They're investing in automation as they recognize that their workforce will suffer by virtue of the one-child policy in the past. And so they're taking the actions necessary to maintain their rising status.

So, you know, Xi Jinping and Vladimir Putin are both now presidents for life, or effectively so. I would bet on Xi Jinping as the one who wins this battle of ascendancy. And I would expect that he and Vladimir Putin will have a common agenda of spreading authoritarianism and establishing hegemony relative to the West and having us become an afterthought in world affairs and threatening the very freedoms which defined our nation from its birth.

Nina Easton: So it's interesting. Henry Kissinger – I recently read when he was secretary of state, of course, and opened the doors to China, he actually – and, of course, was bullish on the relationship, as a lot of people have been – but in the early '70s, he privately told someone that when the Chinese don't need us, they're going to be very difficult to deal with. And I wonder if you think we're at that point.

Senator Romney: Well, we're getting closer and closer. And 10 years from now we will be beyond that point. I don't know precisely where that point is. But the fact that they're as visibly assertive as they are suggests that they're pretty close to that point. And, I mean, look, when you have a country of 1.4 billion people and we're a country of 330 million people, ultimately their economy is going to be a lot larger than ours and ultimately they're going to be able to invest far more in their military than we are.

And so how does a small country keep up with a much larger country? And the answer is by linking arms with our friends and by coordinating our economic and military strategies such that we can maintain a deterrence and

maintain the social and economic order that has made the world a more prosperous and peaceful place over the last 70-plus years.

So the effort on the part of the administration to sort of go it alone and, if you will, offend our friends and allies, in my opinion, is exactly the wrong way to go. We ought to be looking to create greater trade opportunity with our neighbors and with other free nations around the world. We ought to be linking arms. We ought to be encouraging NATO to be more effective. We should be being more friendly to Germany instead of slapping them in the face. And yet we're taking the exact opposite approach.

And were China not around, maybe that would be OK. But China is around. And we're going to have to get serious about linking up with friends to maintain the kind of lead we've had. Otherwise the nation of 330 million is going to be in the rear-view mirror for the nation with 1.4 billion.

Nina Easton: Do you – you obviously believe in America as a strong leader in the world and an alliance builder. How do you think the U.S. is coming out of the COVID crisis as a world leader? How will that impact the United States of America as the leader of the free world?

Senator Romney: Well, Nina, I think it's pretty obvious to say that our management of the Covid affair has not been a great success in the eyes of the world. I understand the cover of Der Spiegel magazine in Germany has a picture sitting at his – the president sitting at his desk, and behind him is America in flames.

So the world perception is that the authoritarian regimes have dealt with COVID far more effectively than we have and that other democracies have dealt with COVID far more effectively than we have, when we look at the EU and Germany in particular, that have done a far more effective job than we have. And obviously that's made our – that's dented our leadership role.

But I do believe that the world still recognizes that we are really the only nation that can convene other great nations of the world to come together and work collaboratively; that we are the nation that can bring together India and Japan and Australia and the U.K. and France and Germany and Italy, that we are the nation that can still do that. Despite our flaws and the weakness we had in managing COVID-19, we are still the convener. And if they see leadership from the White House that is anxious to do that, they will welcome it. And they will tsk tsk our management of COVID-19, as well they should, but the world wants American leadership. Look, it is crying out for America to lead on the great issues of our time. And we simply are not dealing with China, in my opinion, or with global warming in the way I think we should be.

Nina Easton: And what about your party? The Republican Party has historically stood for strong American leadership in the world. Where does it go with this president and where does it go from here?

Senator Romney: Nina, I have no idea what's going to happen with my party. (Laughs.) I am a – I represent a very small slice of my party. The party has taken a different course. I mean, my party was very strong anti-dictators, anti-authoritarian leaders, anti people like Kim Jong-un and Vladimir Putin, and now the party seems to be more comfortable with people like that. My party was insistent, for instance, on dealing with the deficit and reducing the debt; somehow, today doesn't seem to find that much of a priority. My party felt that character was the most critical element in selecting leaders; that doesn't seem to be spoken about in a very clear way these days.

So, you know, I don't know where my party goes. I have to be honest with you in that regard. I still abide by the principles of the party that I grew up in and try and fight for those things. I believe that, ultimately, they will be on the ascendancy again because those principles work. You can't keep on spending massively more than you take in. You can't do that forever. At some point, we'll recognize that. You can't cozy up to the world's worst actors and expect the world's best actors to consider you the leader of the world anymore. So I think we'll wake up to that. But it may take a while before we get there.

Nina Easton: So, Senator, we're just about out of time. But if there's another – there's another minute or two. Would you like any final thoughts?

Senator Romney: Well, I just appreciate the work that CSIS does in bringing attention to world affairs and having a willingness to discuss topics of great significance. Somehow those of us that are worried about an election every few years get focused on the trees instead of the forest. And having groups like your own bringing our attention on these more long-term, in some respects existential, issues – existential for liberal democracy issues, is a very, very vital service. And appreciate the work that you're doing.

And by the way, my guess is a large portion of what I said today was wrong, mis-headed, misguided, and will need to be corrected. But the nature of the kind of open freedom we have in this country is we can have that dialogue, we can learn from one another, we can correct our mistakes and set a new course. I believe that kind of time is desperately needed today. And one of my concerns is that we're just not talking enough about this issue – about China. And this should be a much greater topic of conversation among people running for office, among people running for president, among our leaders in the Senate and the House. And I hope to join with you in making sure that more people hear what we have to say.

Nina Easton: Senator, thank you so much. And, again, it's a busy day for you in between votes. And we especially appreciate this, and your deep insights. And thank you for everybody who joined us today. Thank you for joining us and thank you for listening to these insights that are really timely right now. Thanks, all.

Senator Romney: Thanks, Nina. Bye-bye.

Nina Easton: Bye-bye.

(END)