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BEVERLY KIRK:

Good evening, everyone. Thank you for joining us tonight. Welcome to CSIS and the Schieffer Series. I'm Beverly Kirk. I direct the Smart Women, Smart Power Initiative here, and we are pleased to welcome you here if you're in the room and if you're online.

Before we get started this evening, we want to thank the sponsor of the Schieffer Series, the Stavros Niarchos Foundation. They have supported this series since the very beginning, and we are very grateful for their support.

We also want to thank the Texas Christian University, home of the Schieffer College of Communication. They've been a very important partner to this series, and we're grateful for their support as well.

Well, tonight's Schieffer Series – you may notice I'm not Andrew Schwartz, who is normally your host for the Schieffer Series—but tonight's discussion about “2020 Challenges Ahead” grew out of a Smart Women, Smart Power podcast that I did with the experts you see here on the stage about last year's foreign policy hot topics and what we should expect coming up in 2020. And if you're not already a podcast subscriber, I hope you will be after this.

And if you're not familiar with the Smart Women, Smart Power Initiative, we are celebrating our fifth anniversary this year, and we spotlight leaders from around the globe who are experts in foreign policy, national security, international business, and international development, and tonight's panelists are all certainly leaders in that field. And I'm really excited that we have the opportunity tonight to expand on the podcast conversation that we had because so much has happened in the mere three weeks since we recorded it. (Laughter) Now Bob Schieffer, over to you.

BOB SCHIEFFER:

All right. Well, thank you very much, Beverly. And – (audio break) – move the podium, we'll get started.

You know, when I was growing up in Fort Worth, we had a saying when an unexpected event happened, and the saying was, “who'd have thought it?” Actually, it was “who'd have think it?” (laughter) But you know, this is a high-class crowd here so I'm going to correct the grammar here to “who'd have thought it?” And it is my opinion – opinion clearly stated – that we have now entered the “who'd have thought it?” era of American politics. I mean, who knows what's going to happen next?

I was talking back in the green room to the group here and I said, you know, it's just – we talk about the 24-hour news cycle; we're in a 10-minute news cycle now. And I asked everybody had they heard some of the late developments of the day, and sure enough some hadn't. These things are just happening one after the other. There have been major developments today on three different areas.

As we were mapping out the contours of this panel, we were talking about developing a program around what are the major policy changes that we're going to face in this new year. And that's when I came up with the thought that, well, maybe we'd been going through the "who'd have thought it" exercise again, because who'd have thought that we would have been gathering after the Iraqi army in Baghdad had stood by as anti-American mobs stormed the U.S. embassy there? Or that the Iraqi parliament by now would have passed a resolution to expel U.S. troops from Iraq? Or that an American president would say that if the Iraqis did try to expel us, he would put sanctions on the country that we have spent trillions of dollars trying to rebuild? Who would have thought it?

Finally, who'd have thought that the killing of one of Iran's top military man would cause millions of Iranians of all political persuasions to pour into the streets by the millions chanting "America must die" and things of that nature? This is in a country where over the last 12 months there have been 4,000 demonstrations and protests of one kind or another against the Iraqi (sic; Iranian) regime. But here we are.

So, as we begin today's program, we are going to talk about these various challenges that we'll be facing, but I think we have to begin with talking about these events of the past few days. If nothing else, our experts here at CSIS are a quite nimble crew and they can handle anything. So here we go on the challenges that we think are the major challenges today, but tomorrow we may want to revise our remarks – (laughter) – and add some new ones.

Kathleen Hicks, who many of you know here, is a senior vice president of CBS (sic; CSIS), holds the Kissinger Chair, director of our International Security Program. She held key national security positions in the Obama administration. There are full biographies in your programs, but just briefly.

Sarah Ladislaw is senior vice president, a fellow for Energy and National Security Program. She specializes in energy, global oil and natural gas markets, and climate change.

Stephanie Segal is a CSIS senior fellow who holds the Simon Chair in Political Economics. She held senior positions in the U.S. Treasury and in the IMF. She has been in both Republican and Democratic administrations at Treasury.

And Beverly Kirk down there, who was our announcer today sitting in for Andrew Schwartz, she heads the CSIS Smart Power, Smart Women's Program. She is also a former journalist.

So, Dr. Hicks, start off, just give us a picture, your take on what's happened over these past few days, including what message you think the

president sought to deliver to the American people when he spoke yesterday.

KATHLEEN H. HICKS: Sure. Thanks very much for having us, Bob. And yes, we try to be very nimble, but the world is challenging us – (laughs) – at the moment. So let's see how we can do tonight.

Let me put this first in context, which is the United States and Iran have long been at loggerheads, of course, over the nuclear agreement. People will probably be familiar that President Trump pulled the United States out of the nuclear agreement. The other parties to the agreement have not joined that pullout. And in the midst of that, as part of the explanation for it, President Trump talked about these irregular or terrorist-sponsorship approaches that Iran has been doing in addition to concerns about the agreement itself. That's the backdrop.

And sure enough, the Iranians have for years been involved in terrorist – supporting terrorist activities, and their major government vehicle for doing that is the Quds Force, called the IRGC. And that is, in fact, what Soleimani was the head of. So no debate there: Soleimani, bad guy, key mastermind character inside the Iranian regime in terms of supporting these terrorist groups.

But what happened in the last week was truly a significant escalation – excuse me – of what was already ongoing competition around this terrorist network and proxy warfare. And of course, that was sparked most immediately by the protests around the U.S. embassy in Baghdad. And it appears from all reporting that President Trump took in a healthy dose of cable news, and was quite upset about the way in which that was portrayed in terms of the Iraqi citizens sort of up in arms and the failure to have the Iraqi armed forces protect the embassy, and then the response appeared to be in this immediate sense to use tactical intelligence they had about Soleimani's whereabouts. Okay, so why do I go through all of that?

Big issue, I think, first off the bat is I think they wildly underestimated inside the administration, in the very small cohort of people involved, how the Iranian people, the Iraqi people, and even the American people would react to this. I think they thought of the Baghdadi, before that the Obama killing of Osama bin Laden, and then more recently the ISIS leader Baghdadi killing, and they were not thinking about Soleimani as an agent, if you will – an official, excuse me, of the Iranian government. But that is, in fact, exactly how Iran responded, to your point, and in fact the Iraqis – because this attack took place inside Iraq, Iraq was not consulted, puts the Iraqi government in a very bad position because there are strong pro-Iranian forces within the country. So here we are.

The president's statement, I think, yesterday, while it had very unusual Trumpian elements related to things that are more about long-term

campaign promises, did really, I think, help to calm down the immediate tensions. And that was, of course, in the aftermath of the rocket attacks that did not cause any fatalities from the Iranians. And so, I think that has helped create a little bit of space. But I would just caution that we are not through this crisis. The very thing I started with – these proxy groups the Iranians have supporting – that is clearly where they are going next. As to how this shutdown, that appears to be Iranian, of the Ukrainian airliner in Tehran plays into that is less clear at this point. It's emergent. But certainly because of the language the Iranians have used, it appears that indirect attacks, proxy attacks, terrorist attacks, such as through Hezbollah, they still consider to be on the table.

So, I think we need to understand from the administration –and do not yet know—exactly what that long-term strategy is, for the Middle East of course in general, but also in terms of U.S.-Iranian policy. So, stay tuned. I think, you know, we're a couple days into something that was already in the middle of probably a five-act play. And I'm not even sure which act we're in, but I'm pretty sure we're not at the closing curtain.

MR. SCHIEFFER:

And also, sort of in keeping with the theme of the "who'd have thought it?" era in American foreign policy, this just in: after giving briefings to all of the key members of Congress on Capitol Hill, the Intelligence Committee, and so on – you remember that Republican Mike Lee of Utah walked out of one and said “this is the single worst briefing I've ever had on anything in all my years in the United States Senate.” The administration was not giving the reasons that they said they felt it necessary to launch this attack. Well, just within the hour, the President, in an appearance in the Oval Office, said that he did it because they had information that the Iranians were going to blow up the U.S. embassy in Baghdad. Now, this is just totally out of the blue.

I am wondering if, in fact, our key intelligence people and members of Congress, when this many people get a private briefing on Capitol Hill, the surest bet in town is somebody's going to leak it. And I think if they had they been told that, I think we would have already had unconfirmed reports at the least.

The other new information, of course, is the aircraft. The question is, was this accidental or was it done on purpose? The one thing that we know for sure is that the plane – it has been confirmed, all across the board, that the plane was shot down; it was not an accidental thing that happened there. So at least we know that much.

As we're trying to sort this out, Beverly, you've given a lot of thought over the past year with your podcast to fake news and to manipulation of the news. Do you see that playing into any of this? I mean, I think the reason we have to be so cautious about what we report is we have to be absolutely certain, those of us in journalism, before we report anything, and that's not always the case with other sources of news as it were.

MS. KIRK:

That's very true and that's a very good point. It will be interesting to see what further information we get about the shutdown of that plane. But the biggest concern I have for the coming year, for 2020, is the – all of the misinformation, all of the disinformation that is out there and will surely ramp up as the presidential campaign gets hotter than it already is and people start voting, and just the lack of trust that that inspires in people to mistrust anything that they read, even if it's factual, even if it's from a known source of information, a credible source of information. But the drip, drip, drip of the disinformation efforts by various malicious actors and the misinformation that you can find very easily in corners of the social media realm, I think it just makes it so difficult for people to know exactly what they can believe. And it puts the onus on the reader, on the – everybody in this audience—to go and fact-check literally everything they read. And as we were talking in the green room, there's just so much information—that's so overwhelming. And then you add on top of it, well, there's already a lot of information, now I've got to go try to verify. It's just this drip, drip, drip that causes people not to trust anything, which I think is very detrimental to a democracy.

MR. SCHIEFFER:

Well, you know, my general take right now is that most people don't believe anything.

MS. KIRK:

I think you're right.

MR. SCHIEFFER:

And I think that was bad last year. And if I were going to make a projection about what's going to happen this year, I think that situation is going to get worse. I don't – because we're now so – Andrew – Andrew Schwartz and I – (laughs) – Andrew Heyward used to be my boss at CBS News is why I said that – (laughter) – but Andrew Schwartz and I in our book 2016 – in 2016, which we wrote about the information overload, which we called “Overload,” you know, the great question is, we have access to more information than any people who have ever been on Earth at any one time in the history of the world, but we're not wiser. We're not wiser. We're simply overwhelmed with so much information that we can't process it. And that is one of the things that makes this so difficult.

Sarah, you were going to talk, I know, about climate and about the problems that we face on climate change. I'd like to read – or tell you about a news bulletin. Again, this just in within the last hour. The president had a session in the Oval Office where he announced the – what do you call it – the rollback of a series of very major environmental regulations. And oddly enough, by accident or design, he – (laughs) – he did it while standing in front of a portrait of Teddy Roosevelt. Who'd have thought it? (Laughter.)

SARAH LADISLAW:

Well, you know, I mean, I do think – I take – I take very seriously your point about the “who'd have thunk it?” sort of cycle that we're in, right? But you know, I think, you know, our job as analysts is to – is to make

sense out of all of this in some way, shape, or form, even when we're not able to do it in sort of conventional ways. And I do think that there are patterns, and I'll get to this in how it relates to the Environmental Protection Agency – excuse me, the NEPA, the Environmental Policy Act, sort of announcements today and the broader issue of climate.

I tend to think that this administration has some fairly set patterns for how it's acting, both on the domestic regulatory front, and with regard to issues of climate change, and also on the foreign policy front. And part of it is about shocking the foreign policy establishment, right? Things that we think are odd are kind of the things they gravitate to, and I think that's by design.

Now, I think the thing that I worry about in the case of Iran, just to go back to that for a minute, is I worry that there is a strategy of maximum pressure which has affected energy markets in a very big way because, you know, Iran is a large supplier of oil, and that's been – their exports have been affected by the Iran sanctions regime. The security in the Middle East, the largest-producing oil region and a very significant natural-gas-producing region of the world, is also something that's been at issue with regard to all of this. And all along the line the administration has said, no, we want a maximum pressure campaign to get Iran to do things, that if you just look at the list of things, Iran will never do.

So, what do you do with that? What do you do with a strategy that is designed to orchestrate the impossible with unconventional means? Well, you know, if you look at the pattern of the administration, they have tended to do this on a lot of things. They wanted to renegotiate NAFTA. We're having a trade war with China. And now we have every indication that the administration will actually settle for much less than what they put out there as their ultimate pledge, right, their ultimate thing that they want to accomplish, in order to sort of declare a victory. But at the same time – so you saw this with the USMCA, a trade agreement that is good because it's a continuation of NAFTA. It's good because it's not the absence of NAFTA. It's not a vitally new trade arrangement, right?

So, when you think about this, look, if you are the Iranians, how do you deal with that situation? And how do you deal with the fact that even when you think you get a deal with the administration, the next day they might go back and do something that's against your interests again? How do you – and I think this is something the Chinese face, that I'm sure Stephanie will sort of talk about.

So I actually think we're in this pattern where the world is looking at the United States and saying, geez, this administration has unconventional tactics, unconventional expectations, doesn't seem to honor their word when they make a deal, alliances don't necessarily mean the same thing; what do we do with these guys? Like, what do we do with the United

States in that kind of vantage point? And I think that – I think that that shapes a lot of what 2020 is going to look like.

Now, on the environmental side of the equation, today's announcement was not a surprise. The administration fundamentally believes that the United States has the cleanest record when it comes to the environment and to energy production in the world, and it talked a lot about that quite extensively today while it at the same time narrowed the scope of one of the bedrocks of that very environmental protection of our infrastructure and the way that we – that we site infrastructure in the country. And what's interesting is when you, when you think about it, the Obama administration was using those tools and tactics to try and address a much larger global issue, which is climate change. This administration has said time and again that that is not something they regard as a priority. And so when they pull back this regulation, when they talk about the track record of the United States, there's a disconnect in understanding that, you know, the United States doesn't have that environmental track record because we just do; it's because we had laws and regulations that worked with private industry to sort of make that apply, make that possible.

So in a – in the – even though it seems sort of surprising in the way in which they say it, the optics around how they, you know, sort of talk about it, it is very much in line with the way that they think. The real harm for this point in time is, it really doesn't address the future. It's a very backward-looking, or at very best, you know, looking at today and trying to unleash-economic-development-approach to thinking about what is a longer-term issue, which is how do we change the energy system we have to be able to, you know, deal with an issue like climate change.

MR. SCHIEFFER: Stephanie, do you want to add on to anything that you've heard so far?

STEPHANIE SEGAL: Yeah. Well, I – well, I agree with everything that I've heard. And just picking up on a couple of the themes that Sarah raised, this idea of a very uncertain environment.

So last year, 2019, was a year where a tax reform had been passed the year prior to that. There was an expectation that because of that tax reform, because of lower tax rates, you were going to have this big boom in investment, and that was really going to drive economic growth. And that didn't materialize. And the explanation – an explanation for why that didn't materialize was because there was such heightened uncertainty. There was uncertainty around the direction of trade: Was USMCA going to be renegotiated or agreed to, or not? And then what was going to happen with U.S.-China and the trade war?

And I think there was the hope that 2020 would be a year that actually addressed a lot of that uncertainty. We're 10 days into it, and – (laughs) – I think we're seeing that that's not so much the case. We've been talking mostly on the national security side of the equation, but if you look at the

economic side, there's an expectation that this first phase deal with China will be signed in the next week or so. And that that would address the uncertainty in the U.S.-China economic relationship. But I think what people are seeing now is we're not clear on the direction for the U.S.-China relationship.

And as Sarah was saying, as far as clarity of objective, that's missing entirely. So if there is a deal, a phase one deal, that's going to address the very narrow set of uncertainty around agricultural purchases and a segment of the tariffs. But the mechanism for enforcement is reportedly tariff-based.

MR. SCHIEFFER: Well, you're reading my mind, because that's exactly where I was hoping we would go. And that is, the China trade reps are coming here next week, are they not?

MS. SEGAL: Correct.

MR. SCHIEFFER: As we're told, they're going to sign the first round. But what is the first round? What does that mean?

MS. SEGAL: Right. And so this – we have reports of what is actually included that first phase, phase one agreement. It includes additional agricultural purchases on the part of the Chinese. It includes a lowering of a certain segment of the tariffs. It includes reportedly an agreement on currency policies. It doesn't include what really kicked off the tensions to begin with, which is something the United States trade representative came out with, something called the Section 301 report. And it identified policies on the part of China related to tech transfer and a lack of respect for intellectual property rights. And those things being very much tied up in technology policies in particular.

Those issues – intellectual property protections and tech transfer – those issues are not at the core – at least it's been reported – it's not at the core of what's in the phase one agreement. So, the very thing that's been articulated as really kind of driving a wedge in the economic relationship between U.S. and China isn't yet addressed. And so now, if phase one is signed, we're going to be going into a phase two. But, there needs to be clarity of objective. And then you have to look at well, what's the leverage that the United States actually brings to that discussion right now?

And if the whole reason for getting to a phase one agreement is to lessen uncertainty and not have to go ahead with continued escalation in tariffs because it's bad for the economy, well, why would that logic then all of a sudden reverse as we go into a phase two negotiation? Kath is probably better equipped to talk about strategically kind of the U.S.-China relationship, but I think we're talking narrowly about the economic piece of it. But the geostrategic relationship between U.S.-China, that is

something that has to be part of the conversation. It's not clear when you're just talking about this trade war, where that's fitting in. And it absolutely needs to fit in. And hopefully the administration is actually thinking in those broad strategic terms, but we haven't really seen evidence of that.

MR. SCHIEFFER:

So, Kath, that seems like the cue to turn to you.

MS. HICKS:

(Laughs.) Yeah, it does. Right. And I – you know, just tying the Iran piece to this—it was difficult, as an American foreign policy analyst, to see the Iranian – excuse me – the Chinese quickly have the message out that urged calm and de-escalation on both sides between the United States and Iran – equating the United States and Iran. And so China, yet again, has an opportunity to show itself as a potential great power that has a more rational and manageable approach to world affairs, and urges peace. I mean, so think about that going back in time, that used to be sort of the role that the United States would play.

And I do think this issue of the U.S.-China relationship is, for those inside the community of foreign policy analysts, the big issue, right? It's been there, but this administration in its rhetoric – meaning, its strategic rhetoric, its documentation, the words out of the secretary of defense, both Secretary Mattis and now Secretary Esper – have been around this issue of the centrality of the U.S.-China challenge. The reality, however, is that we are focused increasingly, as we ever have been, on issues beyond that, outside of that, and not able really ever to get to the big decisions that have to be made around the U.S. and China. And a huge piece of that is the economic.

What is it that we want in the end? Do we want to indeed have China be party to an international economic system, but we failed in our tactics in the past? Is that where we think we are? Or do we actually believe there should be bifurcation of some kind? And is that even a possibility? So bifurcation, in other words, akin to, although not exactly the same as, the U.S.-Soviet realm, where you'd have a U.S.-led system and a China-led economic system. I have no idea how that's even a possibility, but there is discussions still ongoing in that direction.

So, we don't even know where end state is with U.S.-China policy. On the defense side it's a huge issue because China's the major pacing challenge. And, of course, defense takes the majority – or, 50 percent, I should say – of discretionary dollars that we put in as taxpayers. And so, people want to know what that's going toward. And we've been trying to drive in the defense community toward strong capability that could pace the China, in particular, challenge. And we're really struggling with that right now because there are so many other demands, for example, in the Middle East, but also, of course, in Europe, where we're trying to deter Russia and other things. Very challenging issue in this coming year.

I'm going to just pivot from that to say: I think if I were to tie a lot of these themes together and say what really worries me in 2020 is that we used to talk, I'm sure too optimistically, about politics stopping at the water's edge and foreign policy at least being a place where we had an illusion, if nothing else, of rationality in terms of our – how we think about U.S. interests and how we apply them. I think that's totally gone.

My big concern for 2020 is that the domestic campaign over the presidency is so intense, and the president's own actions to date have demonstrated that he does not see that line. And again, I'll say this speech he gave yesterday went from a de-escalation with Iran, immediately into a set of campaign promises, essentially, or long-term rhetoric that was more political in nature than he was trying to fulfill. And I think it'll happen, if you will, on the other side as well, as Democrats also are trying to, you know, gain the presidency.

This is really challenging, because it means the way the U.S. reacts is going to be much more gut. It is going to be much more about how does it play at home. And that's very hard for our allies and partners abroad and, frankly, it can create some opportunities for those who might want to subvert U.S. interests in this period of chaos. China is an excellent example of a calm, long-term thinking actor that, if it doesn't trip over any thresholds of violence, probably can continue to gain some advantages in this year, as we're really looking forward.

MR. SCHIEFFER:

You know, I couldn't agree with – more with your point, especially about partisanship ending at the water's edges. And being much older than anyone on this panel – (laughs) – I can remember back when that really was the prevailing feeling. That we all argued with each other, but, boy, when we went to a foreign country, no U.S. official, and no reporter really, said anything bad or negative about the folks back home, or about America. And I couldn't agree more that it's all changed.

You know, I'm not a big fan of polling anymore. I used to be. Because it is so difficult now to do. You know, for example, when we used to, at CBS, do a national poll, we did a sample of 1,500 people. To get 1,500 people, we would generally have to talk to 3,000 people. To get 1,500 people now, we have to talk to 30,000 people. And I don't care how you break it down, when you have to talk to that many people to get that few number of people that you can trust, you still have to wonder who are these people that still answer their phone? (Laughter.) I mean, would anyone on this panel talk to anyone on the telephone that you don't know? I don't even do that at the office. (Laughter.) You know, because you just never know what's going on out there. And we all have to be wary about that.

And, Beverly, to the point you were making about this just distrust of institutions, I started out saying I'm not much of a fan of polling anymore. But the organization I really respect is the Pew Foundation.

And I saw a thing today, they did a worldwide poll. I don't know if there's such a thing. But they polled in 33 countries. And they found that 64 percent of those questioned thought the president would not necessarily do the right thing in time of a crisis. He ranked, apparently, in credibility, behind Putin. And I guess and somebody else, I can't remember now who it was, but he didn't top the list of people who'd be trusted.

I give no endorsement of this poll, I just simply, it's something that's been published and I read it. But I think it plays very much to your point, and also, what Kath is saying here. We're in a different place right now. And I think the most dangerous part of it, in my view, is that our allies and our enemies are not certain what we will do in a time of crisis. And for me, that's the most dangerous place that the United States has been in a long, long time.

MS. KIRK:

What I find really interesting is that I once did answer the phone, and it was a pollster on the other line. And it was the first time and last time I've ever been called like that. And I did answer the question, but I was a little nervous about it. And then I wondered who was doing the poll, because it wasn't clear and there were lots of push questions to get you to say yes or no you agreed with X, Y, or Z. And again, I never did it again, but that lack of trust makes it so difficult to really read the temperature of this country and people around the world. Or maybe people around the world are more trusting in order for a pollster to get a result that says 60 – what was it, 64 percent didn't think the president would make the right decision in a crisis.

But the challenge, I think, that we face with information, it's bigger than what we think in terms of when we turn on a TV and watch the news, for those of us who still do that, or if you pick up your phone and you read information. I think the really dangerous thing for it is just what happens when, as you said, nobody believes anything, and that begins to permeate when people in government and in institutions provide information that's critical. And people are, like, well, I don't know if I can believe that. You know, how does a society survive? And –

MR. SCHIEFFER:

But that's where we are, and that's what we're dealing with.

Stephanie, another part of national security is the state of the U.S. economy. How would you describe the state of our economy now? The market keeps going up, unemployment keeps going down. But I also know that the deficit keeps going up. And I also know that the national debt keeps increasing.

MS. SEGAL:

Right. Yeah. So, I think the answer to that question depends. So, if we look kind of at the headline news coming out of the economy, as you said, I mean, growth is around 2 percent per year. We've been in one of the longest expansionary cycles in history. Unemployment is at record lows.

Wage growth has actually been picking up. So in many respects the market is doing incredibly well. In many respects, the economy is doing quite well. I think then if you start to look more at the microdata, is that strong economy actually performing well for everyone? And there, I think you get a very different result.

And actually going back to something that Kath said as far as China maybe taking advantage of where things are not going well, one of the things that we heard in talking with Chinese scholars, there's a conviction in China that the reason the U.S. is being so antagonistic toward China is because of a lack of opportunity here at home. So we're looking abroad basically to kind of deflect from things that are not necessarily working. I don't think that that's true. I think the United States actually has very real reasons to be concerned with China. So it's a separate issue. But I think what they're pointing to, this notion that the economy is not working for everyone, is absolutely true.

And I think we're seeing now how that plays in our own domestic politics. And I think you're seeing maybe a greater polarization because of the fact that things are not necessarily working, and there are not really good middle solutions. Or at least, that's really not where the politics is taking us right now. I think we're kind of getting increasingly polarized, and part of that is looking for a solution to the perception that the economy is not working for everybody.

MR. SCHIEFFER:

Sarah, do you want to add onto that?

MS. LADISLAW:

Yeah, I think it's a really good set of points, because I – you know, from my vantage point, the one – to add some attempts at positivity for the year ahead – the one bipartisan thing, I think, that is – that I see, and feel, and hear is organized around fear of U.S. competition vis-à-vis China, right? I think Democrats and Republicans of a wide variety are all very concerned about the U.S. place in the world vis-à-vis China in particular.

And, you know, in this day and age, to have anything that we're either both afraid of or, you know, we can all agree we need to sort of deal with together is an opportunity. Now, whether we're doing the right thing, you know, to execute on some of those concerns with regard to competitive pressure vis-à-vis China is probably – I'm not sure we are yet.

But I do think that one of the biggest changes over the last several years has been we went from this place where we really did think we had some productive partnerships with China – we were still sort of bringing them along into a global order, we were having some areas where there were increasing amounts of problems—but it just, like, switched. The light switched, right, and now you barely hear anybody talking about, you know, really productive areas of future building in terms of political or economic structures or even in terms of climate change, where I deal

with. There is no world, zero world, where we actually tackle the issue of climate change and China is not involved. It doesn't exist.

So, we have to work with them. We're going to have to figure that out. And that was a really positive element of the Obama administration. Now everybody's sort of like, geez, how is that going to work? Are we going to decouple from them? How are we going to organize the world where the United States and China don't get along?

I really actually think that there is an opportunity for people to say, you know, if we're really worried about competing with China, why don't we try to be more competitive? Like, why don't we try upping our game a bit? I know we like to do the Whack-a-Mole version of foreign policy, but they are a very big mole and we need a very big malle, and we don't have that anymore. So, we should probably start thinking about how we're going to try and compete better.

MR. SCHIEFFER: I want to go to the audience. But before we do, while you're thinking of your questions, I want to go back to Dr. Hicks.

The one thing we haven't talked about and I think we ought to at least mention is North Korea. Where are we on that?

MS. HICKS: (Laughs.) I don't think we know. The North Koreans had promised a Christmas surprise. I think we're still waiting on that. But that's, you know –

MS. LADISLAW: Maybe next Christmas.

MS. HICKS: Maybe...Maybe we made our own New Year's surprise. But there has been this attempt under the Iranian umbrella for some parallelism just in the last day with the U.S. approach on North Korea. But that approach hasn't borne fruit yet, right. So here we have a North Korea that is steadily progressing both in terms of its missile capabilities, still has all the same conventional capability it ever did and is making some progress toward nuclear capability. And the U.S. has said, you know, we want to engage in conversations. We want to engage in this dialogue. It has not worked.

So with John Bolton having left, who obviously was very hard over on North Korea strategy, I'm not sure what the voices in the administration are right now that are strong one way or another on North Korea, because Pompeo cares more about Iran, so there's a big shift in focus on Iran policy.

So for now I think North Korea policy in general is on a backburner. North Koreans are advancing their capabilities. The president still from time to time talks about pulling U.S. troops out of South Korea. And, in fact, we are still in the middle of negotiations with the South Koreans on

the agreement under which they provide support, which they do provide to U.S. military personnel. So the president has been more focused on trying to extract more money out of the South Koreans for that.

The big question for 2020 becomes, does the Kim regime in fact make step-change improvements in its capability that are truly worrisome either in terms of range or in terms of the marrying of nuclear and missile capability, or— and/or is there some new normal in the diplomatic realm that gives us any hope of change?

Much as the description, I think, that Sarah had about, you know, what is it we want, what are the Iranians willing to do, there is no reason to think the North Koreans are ever going to give up, this regime, on their quest for nuclear capability. And they have repeatedly shown that they are willing to negotiate in bad faith over that.

So it's a really hard position for the administration to be in. And I honestly think their hope will be to keep it on the backburner, which — with a very different set of dynamics—actually the Obama administration at the very end also was sort of hoping that North Korea could just hold tight through the end of the administration. The Trump administration is going to have to get —you know, they've got a longer period of time to go here in 2020 than try the same strategy.

MR. SCHIEFFER: One thing I did forget, and I do want to mention, does anyone on the panel think that President Trump is going to be removed during the impeachment proceedings, which are sure to come? I don't.

MS. KIRK: No.

MR. SCHIEFFER: Does anyone else think so? Okay, so I don't think we need to talk about that. (Laughter.)

All right, right here.

And hold the microphone close. You're dealing with an old fellow here who doesn't hear as well as he used to.

Q: My name is Walter Jurazik (ph). I am a member of Polish American Congress.

And the — what I ask in a question as well as a comment, short comment: Why don't the politicians build the bridges between the people, and I — why not? Because for them bridges don't make any money. That's only comment.

And the other situation is, all this what I hear, it is base of academia. I am an engineer background, and I say that, why don't we look into solution?

MR. SCHIEFFER: I'm very sorry, but I don't—I'm not understanding your question. Can anyone on the panel help me here?

Q: No, not a question. Why do politicians –

MR. SCHIEFFER: Well, if it's not a question, then –

Q: – don't build bridges between the people and culture?

MR. SCHIEFFER: We thank you for volunteering, but we're here to answer a question.

MS. LADISLAW: So like cultural bridges between people and bridges.

Q: Because they don't make any money.

MR. SCHIEFFER: Thank you very much.

MS. LADISLAW: I think I got it.

MR. SCHIEFFER: You got it? Is it a question?

MS. LADISLAW: He was just asking why politicians don't spend more time trying to build bridges –like cultural bridges between people.

MR. SCHIEFFER: I think that's an excellent idea, to give you the answer. (Laughter.) And I'm not sure why they don't. But we're in a very, very difficult –

MS. KIRK: It doesn't get them votes.

MR. SCHIEFFER: – and very partisan time in American history here. That's the best answer I can give you.

This lady.

MS. HICKS: The microphone's coming.

Q: Yes. Thank you very much for this presentation. I'm Dr. Elaine Sarao. I am associate director of UACU in Kyiv, Ukraine. I live and work, though, here in D.C.

I really do appreciate the points made from each of you and how they interject –or interlock—and bring about, they bring to me, from my personal feelings, a great frustration. I feel like I'm being held hostage in my own country. I have all the information. As you pointed out, Mr. Schieffer, we have more information than we could possibly, even possibly, remotely digest. Professionally, I sort through volumes of it on a daily basis.

And at the end of the day, there's only so much that I can connect and feel like, all right, if I bring this point together and this point together and this point together, we could have a solution, because in the next 30 minutes that will do a 180 degrees out of the clear blue sky, making no relationship to any of the concrete issues at stake. Where do we go? The point is where do we go when you feel like you're held hostage.

MS. HICKS:

Well, I'll jump in and just say I do think – kind of maybe going back to the attempted optimism from Sarah that we've already forgotten, I think there is a lot of continuing opportunity for the people-to-people piece of this, and I'm sure you do a lot of that yourselves.

I talk to a lot of representatives of allied countries and partner countries, and so on the overseas piece of it, the foreign policy piece of it, there's still a lot of bridges to build and those pay off in the long term. We are definitely, not just the United States but throughout the world, in a period of significant transition, the end point of which is not clear. It never really has an end point.

But we're clearly in a period of paradigm shift. I mean, there's – that's just where we are internationally at the moment, and then there's the domestic piece. And let me just end on that by saying domestically I do think Americans have a responsibility individually to try to build those bridges.

You happen to be sitting in an institution that may seem to some archaic because we are dedicated to that idea that in a civil society like the United States we are better off trying to work on things, by and large, together and build bridges, and so we have to do that every day. I think Americans have that capacity, by and large. Every individual American can find ways to do that. They volunteer in their own communities. Whether they worship with their neighbors or they're saying hello to them in the grocery store or whatever it is, I think that's where we start to build back and feel a sense of control. We can't control – you're right—we can't control the series of events that seem like they're just rolling forward, and it's very disconcerting. But there are things we can do.

MR. SCHIEFFER:

Beverly, why don't you add onto that?

MS. KIRK:

One thing that I think that we all have to do is we have to be not afraid to step out of our bubble and get to know people who do not look like us, do not agree with us, come from different places, and that's hard to do. That's absolutely positively hard and painful to do. But unless we do that, and social media – back to the online thing – has, I think, made that a little bit more difficult to do.

We get in our bubbles and we get in the conversation with everybody who thinks like us and is just like us, and we forget to reach out and get to know people who are different, and I think that will help us build a

healthier democracy. It sounds really simplistic. But I think that's one of the answers.

MR. SCHIEFFER:

And I would just add onto that as a journalist. Somebody asked Marty Baron, the editor of the, of Washington Post when journalists were being called enemies of the American people, when they were being called the opposition party, they said to Marty, well, what do you think you should do. He said, I think we should just do our job as journalists, and I think that's what we all have to remember. Don't give up, number one. Don't let them get you down and just keep at it.

How about over there, this lady back – yes. Here comes the mic.

Q:

Thank you. By the way, thank you so much.

So I know you have been preparing for this program long before five days ago and so my question is, if you had the top two challenges, as this topic says, for 2020, what were they and have they changed, or have we even talked about them this evening?

MS. KIRK:

I'll jump in and – I'll jump in with one – I mentioned one of the challenges I think is disinformation and misinformation. But another challenge that – I want to piggyback on something that Stephanie said about the economy. I have yet to hear a coherent conversation about what's going on in rural America.

I'm a sixth generation product of rural America and I was just there over the holiday season, and the outlook there is a 180-degree turn from what the outlook is here, and the fact that we don't have that conversation is disturbing and it's creating another divide within this country between people who live in rural areas and people who live in cities.

And if we're not talking about how to solve some of the problems of the people who are left out of the economy that's doing well, we're doing a disservice. And I think that challenge is going to continue to grow and it's one that presents a security issue if we don't deal with it and deal with it fairly quickly.

MS. SEGAL:

Yeah. Related to that, one of my big concerns is the increasing polarization that you're seeing in the country right now and the fact that there really isn't room in the middle to come up with solutions that may not be kind of your first choice but they're acceptable to the majority of Americans. I think that's a huge problem. I think part of it relates to the disparities that Bev was just talking about.

The second thing that I worry about is so I don't think you can predict crisis. Kind of by nature they're unpredictable. I do worry about what is our crisis response, what is our capacity to respond to crisis right now, and do we have kind of the machinery in place to coordinate a response in

a way that is thoughtful and appreciates fully the multidimensional nature of the world, and I don't feel like we're in the best position right now to do that.

MS. LADISLAW: So I think those are all really good. I'll add two super duper gloomy ones. (Laughter.) Climate change is increasingly sort of things that people are – more and more people are engaged in actually thinking about the urgency of dealing with this challenge.

2020, for a whole bunch of complicated reasons that we can't get into tonight, is a pivot point, right. It's either we made some progress a few years ago and we sort of take a pause from it because of the lack of U.S. leadership or we're going to sort of definitively turn away from it at a broad political process – at a broad political level for a period of time. And so I really think the outcome of the U.S. election is going to be a really big turning point in how we choose to continue to deal with that issue.

The second one that I really worry about, like, if you really want to know what I worry about, I worry about the outcome of the election being contested.

MR. SCHIEFFER: Yes.

MS. LADISLAW: We have talked for four years about manipulation in the last election cycle. We haven't solved that problem and we're still just fighting with each other. It's like fighting over chairs on the Titanic. You know, it's, like, we're going to have to make sure that the democracy is healthy and that we can continue to have – we can have civil discourse about our processes.

That sounds alarmist, right. But the last four years have been sort of a continuation of surprise. For me, the surprise is – and I'll be bipartisan about this – we are choosing party over country on everything, just on everything, and there's so much money in the elections and there's so much time and effort put into arguing with each other. I really worry that we haven't prepared for what – that election cycle. I hope to hell that I'm wrong.

MR. SCHIEFFER: Well, I mean, I think you're absolutely right, though, because we have reached the point here where when potholes and repairing them has become a political issue, I mean, how much lower can you go – (laughter) – on the partisanship scale?

One more question out here. I'm going to ask this fellow right here.

Q: Hi. Justin Salzona (ph). Hello?

MR. SCHIEFFER: Hello.

MS. LADISLAW: You're good.

Q: Is this on?

MS. LADISLAW: Yeah, you're good.

MR. SCHIEFFER: How are you doing? (Laughter.)

MS. HICKS: I'm not sure it is.

STAFF: There you go.

Q: OK. And this is mainly addressed to you, sir, Mr. Schieffer.

(Comes on mic.) In this very room, here just over four years ago in 2015 – in this very room here just over four years ago in 2015 you were sitting right over there and I was sitting right over here. Henry Kissinger had – in his wisdom, had addressed this audience and he mentioned two things, and this is the Middle East and the East, or Russia. Mentioned two things then. That was the same thing where, by the way, John Brennan gave the keynote speech. You remember that?

MR. SCHIEFFER: Yeah, I remember.

Q: OK. He mentioned two things to the distinguished audience here, that – number one, that we need to prepare for a post-Putin Russia; number two, that we need to – they were designing – all the geniuses here, et cetera, et cetera, were speaking about redrawing the borders of the Middle East. I remember Ambassador Pickerington (sic) and some others and there were people from all over the world who were in here.

So I just was wondering about your thoughts of that. I know just over four years seems like almost a millennial ago in terms of foreign policy. But where do you – where do you think it is right now and what do you think of the prospect at least of Henry Kissinger's vision of a post-Putin Russia, and number two, of the redrawing of the borders of the Middle East?

MR. SCHIEFFER: Well, I guess the thing that Dr. Kissinger didn't attach to that was a timetable. (Laughter.) So that may still be in progress. But, yes, I'm not sure I see it very clearly out there on the horizon.

This has been a wonderful session. I want to thank you all for your very sharp attention. Thank you very much. (Applause.)

(END)