

- Demetri Kofinas:** 00:00:00 Today's episode of Hidden Forces is made possible by listeners like you. For more information about this week's episode or for easy access to related programming, visit our website at [hiddenforces.io](https://hiddenforces.io) and subscribe to our free email list. If you listen to the show on your Apple Podcast app, remember, you can give us a review. Each review helps more people find the show and join our amazing community. With that, please enjoy this week's episode.
- Demetri Kofinas:** 00:00:48 What's up everybody? My guest on this episode of hidden forces is Orville Schell, Director of the Center on US-China Relations at the Asia Society, former dean at the University of California Berkeley's Graduate School of Journalism, and a lifelong student of China: its society, political system, language, and culture. A little over a week ago, we learned that the Trump administration had ordered the Chinese government to close its consulate in Houston, accusing diplomats there of assisting in acts of economic espionage and attempted theft of scientific research.
- Demetri Kofinas:** 00:01:28 The very next day, Secretary of State Mike Pompeo delivered a monumental speech outside the Nixon library, in which he basically declared the failure of 50 years of engagement with China and called for the free world to stand up against this "new tyranny" in what felt very much like the beginning of a new Cold War. Here is a short excerpt from that speech:
- "The challenge of China demands exertion, energy from democracies, those in Europe, those in Africa, those in South America, and especially those in the Indo-Pacific region. And if we don't act now, ultimately the CCP will erode our freedoms and subvert the rules-based order that our societies have worked so hard to build. If we bend the knee now, our children's children may be at the mercy of the Chinese Communist Party, whose actions are the primary challenge today in the free world.*
- General Secretary Xi is not destined to tyrannized inside and outside of China forever, unless we allow it. Now, this isn't about containment. Don't buy that. It's about a complex new challenge that we've never faced before. The USSR was closed off from the free world. Communist China is already within our borders. So, we can't face this challenge alone. The United Nations, NATO, the G7 countries, the G20, our combined economic, diplomatic and military power is surely enough to meet this challenge if we direct it clearly and with great courage."*
- Demetri Kofinas:** 00:03:12 Now, I've linked to the entire speech in the description to this episode because I think all of you should listen to it. The reference that containment and comparisons made between the Chinese Communist Party and the USSR are important, but so are other references made in the speech, including the rejection of any notions of American decline and the inevitability of China's rise.
- Demetri Kofinas:** 00:03:37 "Beijing is more dependent on us than we are on them," said Pompeo. And he began his speech with the simple but provocative question, "What do the American people have to show now 50 years on from engagement with China?" It's no coincidence that this speech was delivered at the Nixon Library, because it was Nixon, after all, whose historic trip to China in 1972 opened the door to nearly five decades of engagement.

**Demetri Kofinas:** 00:04:10 By making the very deliberate decision to deliver his speech on such historic grounds, the United States Secretary of State was sending a very clear message: The policy of engagement set in motion by an American president half a century ago, which has guided American relations towards China is over. Americans are in a new ideological battle for the soul of our nation. The old ways of doing business are over. Failure is no longer an option.

**Demetri Kofinas:** 00:04:44 In today's conversation, I speak with Dr. Schell about Nixon's historic trip, the history of engagement, its virtues, and its flaws, and what disengagement with China means for the future of liberty, peace and security in our times.

**Demetri Kofinas:** 00:05:02 With that, please enjoy this week's episode with my guest, Dr. Orville Schell.

**Demetri Kofinas:** 00:05:12 Dr. Orville Schell, welcome to Hidden Forces.

**Orville Schell:** 00:05:16 Pleasure.

**Demetri Kofinas:** 00:05:16 No. The pleasure is all-- well, the pleasure is for both of us now because we got through what I think is the longest setup I've ever gone through. I've gone through a lot of problems. It is amazing, and my listeners have heard me talk about this so many times, because so often, there are technical issues with recordings on the show. It's one of those things. It never goes away. There's never a way to smoothen it out.

**Orville Schell:** 00:05:44 Well, you have high technical standards.

**Demetri Kofinas:** 00:05:47 I do have high standards. Well, I have great guests like you and I want to hear you clearly. So, I'm very excited to have you on. I heard you maybe a month ago, a few weeks ago, you were on Robert Johnson's podcast, Robert Johnson, not the jazz musician, but the President of INET, who worked for George Soros at Quantum Fund. Mr. Johnson was on Hidden Forces. I think he was Episode 17 back in the day, in the very early days. He was a fantastic guest. He has a new podcast and you were on it. And that prompted me to read an article you published for The Wire China titled "The Death of Engagement."

**Demetri Kofinas:** 00:06:35 I read the article and I reached out to have you on, because I think the breadth of your experience is so unique. And the arc of your career run so closely parallel to certain important changes that we underwent in our relationship with China and sort of contextualizes where we are today. So, maybe the best way we can start is for you to actually give our listeners a sense of your background and how you became a China scholar.

**Orville Schell:** 00:07:03 Well, I really stumbled into it quite accidentally at college taking this very legendary course taught by John Fairbank and Edwin Reischauer, who ended up as an ambassador to Japan. It was on China and Japan. It met every day, had copious amounts of reading. I think by the time I got to the end of it, I didn't know what else to do with myself.

**Orville Schell:** 00:07:27 Moreover, I'd worked in the Harvard-Yenching Library that year. And saw all these books in Chinese, Japanese, and Korean, and they seemed to

beg some deciphering. So, I dropped out of college, went and worked on a ship, went all down through the South Seas, got off in New Guinea, finally work my way up to Taiwan where I spent almost two years studying Chinese, and then I was sort of locked in.

- Demetri Kofinas:** 00:07:54 So, what made you get into journalism?
- Orville Schell:** 00:07:56 Well, it was very interesting. When I went out to study Chinese in Taiwan, I was working on this Norwegian ship. I was the third cook. There were 14 passengers. It was a freighter, and one of them used to come down and talk to me. Subsequently, I figured out he was probably gay, which I'm not, but he was very nice. He just sought some company. He suggested to me, he said, "Why don't you start writing?" I said, "Well, what do you mean? Who would I write for?" And he had some very interesting ideas. So, when I got to Tahiti, where I strangely had an uncle, we went down to the very inland. I still have this piece. It was the first piece of writing I've ever done about this little outdoor Tahitian theater.
- Orville Schell:** 00:08:43 Anyway, subsequently, I got to Taiwan to study, and The Boston Globe gave me a column called "Our Man in Asia." And that was an extraordinary ticket to ride. I went all over Asia, began covering the war in Indochina, went to Laos, went with the Special Forces all over Thailand and Cambodia, and was writing this column. And it was a wonderful way to see the world because people would take you seriously and I could interview people.
- Orville Schell:** 00:09:14 In those days, during the Indochina War, it was just heating up. You could go all over with the US military flying in choppers and planes. You could stay in the officers clubs. It was a whole infrastructure. So, that was really my introduction to how writing can give you a ticket to ride, ticket to go places, do things, ask questions, and be taken seriously.
- Demetri Kofinas:** 00:09:39 Yeah, I've heard that from other people who sort of came into journalism as a result of traveling for stories or being international correspondents. When you're in Tahiti, did you ever run into Marlon Brando?
- Orville Schell:** 00:09:52 No, no, in fact, he was the habitu  of an outer island. I think Rarotonga, which was some distance from the main island. I was only there for six days because our ship stopped to unload. And then I got off and had a little onshore leave. It was an epiphenomenon in my life except insofar as I wrote my first article.
- Demetri Kofinas:** 00:10:14 So, as I mentioned when I was introducing you, the reason that I wanted to have you on or one of the reasons was because you have so much experience not just studying China, but you visited China in the mid-1970s. And I've read accounts of what China was like during that period from both Scowcroft, but also from Barbara Walters who had written a great memoir of her time because she had traveled along with Walter Cronkite and some other journalists to China on Nixon's trip.
- Demetri Kofinas:** 00:10:44 And I'm curious what you can tell us about what it was like to be in China during the 1970s before the country had really opened up? I mean, Nixon and Kissinger had both been there. The process of engagement had begun, but the country was still pretty closed off to Western consumerism and trade and everything else. What was that experience like?

- Orville Schell:** 00:11:05 Well, it was very close to often. In fact, in our passports, American passports, it explicitly said, "Not good for travel in the People's Republic of China." That created a kind of a Forbidden City-like atmosphere that those of us who are interested in China, of course, really yearn to go there to see what it was like. Mao was such a titanic and sort of heroic, if monstrous figure, that he was sort of a very dramatic representation of the whole Chinese Communist Revolution.
- Orville Schell:** 00:11:37 I remember very vividly when I was in Taiwan, I lived in a dorm room with seven other Chinese students. We used to go out to a beach on the Taiwan straits facing the Mainland and we had little transistor radio. We'd spend the night there by a fishing village, listening to these broadcasts come in from China. It was during the Cultural Revolution. It was credibly exciting, dramatic, and other. So, when I finally got in, I was writing for The New Yorker magazine and I got in on a trip organized by some people who had been friendly with John Lie who wanted the country to begin to open up. So, this was a work trip where we worked on a model agricultural brigade for a month and then at an electrical machinery factory in Shanghai. So, that was my first.
- Orville Schell:** 00:12:30 Finally, I was led in and it was quite a dramatic moment. I mean, I remember the first morning I got up really early and went out and walked at Tiananmen Square. I felt like Francis Younghusband arriving in Lhasa at 1902, at last, have penetrated to the heart of the mystery, but in fact, I hadn't. The mystery was still as mysterious as ever. Foreigners were very much isolated and excluded from what was really happening in the country. Mao was still alive, and the Cultural Revolution still went on. Part of that was an extreme wariness towards foreigners and anti-imperialism, anti-colonialism, anti-capitalism and all the litany of things that the Communist Revolution opposed.
- Demetri Kofinas:** 00:13:21 Well, you've written that there were slogans on factory walls, I think, written down with American imperialism, and it's running dogs. This was after Nixon's trip.
- Orville Schell:** 00:13:34 Well, you have to remember that in many ways, Mao's revolution sort of had two main thrusts. I mean, the first one was obviously just sort of overthrow what the Communist Party viewed as the inequity of a class system that had intellectuals and landlords and wealthy people at the top and poor peasants and workers at the bottom. But the second aspect of it was very much anti-imperialist. That meant anti-foreign, everything that had to do with the great powers that the party viewed as having oppressed China for so long.
- Orville Schell:** 00:14:09 So, that meant that when Americans went to China, even Nixon and Kissinger, they were treated as "friends" in a kind of a cryptic way. But in actuality, the notion of Americans and America as a hostile foreign force was deeply rooted in the revolution. In fact, today, it's still deeply rooted in the culture of the Communist Party, which is part of the problem.
- Demetri Kofinas:** 00:14:35 So, take me back to the process of engaging with China, because in your article, The Death of Engagement, you actually cite an article written by Richard Nixon that was published I think in October 1967 in Foreign Affairs. It's actually an article from which Secretary of State Mike Pompeo recently quoted in a speech that he gave at the Nixon Library, and it's not the first speech that he's delivered there. I actually had heard one of his

previous speeches and this one sort of escalated the rhetoric. I'm curious why you focused on that article that Nixon published. Why was that important? What was the mood like in the United States in the late 1960s towards China by the American public?

**Orville Schell:** 00:15:23 Well, it's interesting. Secretary of State Pompeo's recent speech at the Nixon library, I mean, he really amped up the anti-communist rhetoric in opposing China, not only as a competitor vis-à-vis trade, but vis-à-vis political systems, values, in almost every way. What was so interesting about his speech was that it hearkened back to that period before Nixon and Kissinger went to China when Nixon was a very steadfast anti-Communist, and in fact, was peripherally part of the whole sort of McCarthy attack on hidden communists in the State Department in the US government and elsewhere.

**Orville Schell:** 00:16:06 So, what was so extraordinary about Nixon was that even though he certainly had his failings and was deeply corrupt on some level, he did have this insight that somehow, despite the fact that we were opposed to China in almost every way and had a war with China and Korea and lost tens of thousands of Americans, that he recognized we still at some point and some way would have to deal with it. So, in 1967, he wrote this article in Foreign Affairs, saying that China was just too big and too significant to continue to ignore. If we kept issuing it and pushing it away, it would only make it more hostile and more dangerous. So, that was the kind of the first shot fired in the whole idea of engagement.

**Orville Schell:** 00:16:59 And then when he and Kissinger went to China in 1972, five years later, the logic was they wanted to go to China to see if they could flip China to join the United States in being opposed to the Soviet Union. That Kissinger and Nixon judges the Soviet Union was the greater threat, and they succeeded. That was the beginning of this process that lasted for eight presidential administrations to try and find some modus operandi with China despite all the differences. There were periods when we actually got along pretty well.

**Orville Schell:** 00:17:37 I went on the trip, for instance, in 1979, January when Deng Xiaoping came to Washington to meet with Jimmy Carter and restore diplomatic relations. Again, it was quite surprising that Jimmy Carter who as you remember was the human rights president. It was he who sort of hosted Deng, forgave China, reestablished relations with the People's Republic, cut off relations with Taiwan. It was when Deng Xiaoping came to Washington, it was a real loving. This enemy had suddenly been transformed into what? Well, nobody quite knew. At least, it was a friendly atmosphere.

**Orville Schell:** 00:18:25 Deng really knew how to play the political theater. In Texas, we went to a rodeo after visiting the Johnson Space Center. One of the most sort of iconic moments of the whole epoch of engagement was when these pulchritudinous Texas Cowgirls loped up on their quarter horses and slapped a ten-gallon hat on Deng's head.

**Demetri Kofinas:** 00:18:51 He was very short. He's like 4'11, right?

**Orville Schell:** 00:18:55 Shorter.

**Demetri Kofinas:** 00:18:56 Oh, really?

**Orville Schell:** 00:18:57 I think it was-

**Demetri Kofinas:** 00:18:57 Like a camel-jockey.

**Orville Schell:** 00:19:00 Yeah. And then he came out in a stagecoach and circled this rodeo arena where people were whooping and yelling and waving his hat. Well, that was a very powerful moment, a symbolic moment when he was in effect telling Americans, "It's okay to like Chinese," and telling Chinese, "It's okay to like Americans." So, it was quite a line in the sand.

**Demetri Kofinas:** 00:19:21 Yeah, it's notable how television... Of course, television throughout the '60s and '70s played a disproportionate role in American culture I think, relative to today. Today, the internet plays that role. But it played an enormous role both for Nixon's trip to China, which was televised. I think he had satellite links all over the world. People were able to watch his trip. Deng Xiaoping also, television played a huge role.

**Demetri Kofinas:** 00:19:51 Something I'm reminded of and I think you talked about this, and I think it was Richard Armitage said it in the late-70s when Deng Xiaoping made his trip. This is kind of a way to talk about a larger phenomenon or a paradigm in US relation with China, which is that the United States, since that time, has consistently it seems negotiated with China in a way that one would think that we needed them more than they needed us. Richard Armitage had said, and I think it was after this trip that, "We were teaching the dog to piss on the rug." I don't know Armitage personally, but I had kind of read about him during the Bush years in particular with James Mann's book, *The Rise of the Vulcans*. That sounds like Rich Armitage or something Armitage would say.

**Orville Schell:** 00:20:40 Well, we forget that when Nixon and Kissinger went to China, the predominant mood in the country was very anti-China, anti-revolution, and anti-communist. There were many people, particularly in the Republican Party, who grew up something at the anti-communist table and they were not thrilled about this sudden turn around. Moreover, they thought that the United States gave away too much. When it de-recognized Taiwan, it threw an old ally overboard and adopted a person that many people like Richard Armitage saw with great circumspection.

**Orville Schell:** 00:21:19 So, they thought that we really had been very naive, that we'd given away the store to gain China's semblance of being a partner against the Soviet Union, but we'd kicked an awful lot of cans down the road. So, there were skeptical people. It turns out that their skepticism was not completely unwarranted, that the leopard ultimately did not change its spots as we hoped it would. The whole motor force driving this idea of engagement forward and allowing people to believe in it was the idea that China would reform. You remember when Deng Xiaoping came in in 1978, '79 and launched this epic reform movement or reform and opening.

**Orville Schell:** 00:22:03 It was very easy for those of us who were covering it and going to China all the time to be rather hopeful that the US and China while very different and we'd never be the same, but we were at least converging. That's what fueled the idea of engagement, particularly after the Soviet Union collapsed. Then we didn't have them as an ally to keep us together, so the new operating system for the idea of engagement was trade with them, have academic exchanges, send ballet troupes, send tourists. We'll slowly dissolve our differences and become more convergent and

become more soluble in kind of the global culture, the global marketplace, the global system outside of China that they've been cut off on for so long.

- Demetri Kofinas:** 00:22:55 So, it makes sense that during the Cold War when we were consumed by engaging with our adversary, the Soviet Union, that we would overlook aspects in our relationship with the CCP in order to focus on the long game against the Soviets. But once the Berlin Wall came down, why did we continue to behave this way? Is it because the commercial relationships have become strong enough that the Chinese government, Chinese officials were able to exert pressure through kind of carrots and sticks but mostly carrots to get American corporations and captains of industry and politicians to lobby on their behalf? Was it the commercial interests that actually turned the tide in the '90s?
- Orville Schell:** 00:23:42 Well, interestingly, that was not the case. Because by 1989, when the Beijing massacre happened, there was relatively little trade and financial interest shared between the US and China. Again, one of the most startling things about researching the birth, life and death of engagement was what happened after 1989 when the world was horrified that the People's Liberation Army in China had fired and killed until, we don't know, hundreds, thousands killed and wounded in Beijing.
- Orville Schell:** 00:24:17 But what happened was that literally a day or two after the massacre, President Bush, the elder, gave a press conference. He sort of used the same line Nixon had that we couldn't. China was too big to just dismiss and isolate. What did he do? He sent general Brent Scowcroft so secretly to China that the American ambassador in Beijing didn't even know he was there.
- Orville Schell:** 00:24:46 If you read the transcript, which I recently got, that's in the Bush Library in Texas, it's extraordinary to see how Scowcroft, how obsequious he was to the Chinese, begging Deng not to cut relations off with the United States. Deng was furious, because he thought the United States had fomented this protest. He was blaming Scowcroft or Scowcroft was begging Deng, "Bush really treats you as a friend. He sent me here as his personal envoy. We really want to keep relations together."
- Orville Schell:** 00:25:21 So, I think it's fair to say and that is a kind of a metaphor for the ways in which the United States really did try to make engagement work. They really went the extra mile again and again and again. Finally, I think it was China... Even though it changed in many, many ways. Of course, it had a tremendous economic boom and economic development. But finally, China didn't continue to sort of hold its end of the rope up in an engagement scenario, which was to keep performing and to molt slowly out of its old revolutionary, one-party, Communist, Leninist, Stalinist system. That's what finally killed engagement despite the American efforts.
- Demetri Kofinas:** 00:26:11 So, what is the threat in your view that we face today? What is the nature of the Chinese Communist Party?
- Orville Schell:** 00:26:19 Well, even after 1989 and I was a little horrified by what Bush's posture then when Scowcroft went, but in retrospect, I have a certain grudging admiration for him because he too recognized you can't just sort of in pique when you're angry at a country, just dismiss them and push them

off to the side and hope they'll just come a cropper. You have to deal with them. That's what diplomacy is. So, he did try. Every president thereafter tried.

- Orville Schell:** 00:26:50 In many ways in the 1990s and I went on the trip when Clinton went in 1998 with Jiang Zemin, we did get back to a kind of a workable framework. Any of your listeners should go on the internet and look at the press conference that he and Jiang Zemin had in the Great Hall of the People. It was so friendly, so free form, so open. In fact, Jiang Zemin allowed it to be broadcast live in both radio and television all across China. It was a reminder that things had come back again to a point where you could believe that they would reform, that we could work something out, that we weren't pulling apart. We were still striving to become closer together and find a more workable framework.
- Orville Schell:** 00:27:46 But what happened was that ultimately to jump ahead a decade, Xi Jinping arrived on the scene. Xi Jinping was sort of filled not with this idea of working things out and coming to some accommodation, give a little, get a little. He was filled with this idea of what he called the China Dream. There was an expression in Chinese, Fùxīng, which means rejuvenation. The China Dream was a dream of China rejuvenated, powerful, wealthy, able to throw its weight around, no longer had to sit at the feet of Western powers and act submissive, that it could do what it wanted. That was his MO.
- Orville Schell:** 00:28:34 We saw that being acted out all over the world in the South China Sea towards Hong Kong now, towards Taiwan, even towards the East China Sea in Japan and the Senkaku/Diaoyu Islands. This is a muscular China. A China that isn't going to come to heal because Western powers ask it to, want it to, push it in that direction. It's going to do what it wants. What Xi Jinping is basically said was, "We are a one-party state. We are a Leninist state. We are successful. We brought about the biggest economic miracle in history, and no one's going to tell us what to do."
- Orville Schell:** 00:29:13 That's where we are today. That's really what has, I think, put a stake through the heart of engagement. We are now in this very dangerous downward spiral where we seem incapable of arresting the slide.
- Demetri Kofinas:** 00:29:28 Yeah, to go back to the press conference in 1998, I think Jiang Zemin also brought up the Dalai Lama.
- Orville Schell:** 00:29:35 Yeah.
- Demetri Kofinas:** 00:29:36 ... which is kind of like a red button issue. So, he was feeling very comfortable. We've talked about it on this show in the context of US-Soviet relations or US-Russian relations. It was a chummy, chummy time. There's a lot of optimism generally speaking across the board and certainly in the United States and things have changed.
- Demetri Kofinas:** 00:29:59 You make a point also in your article that during the Obama administration before Trump came along and before Xi Jinping became as powerful as he is today, that the CCP and I forget the name of the premier who was head of the country at the time, but they were already beginning to display a level of arrogance, that they felt pretty comfortable that their time had arrived. I wonder do you think on some level that they miscalculated, that they didn't take into account sort of the anti-China

forces or the populist forces gathering on the horizon in the United States?

- Orville Schell:** 00:30:39 I think you put your finger on the question of questions. Under Hu Jintao before Xi Jinping and Xi came to power in office in 2012 and '13. But even before he arrived, Party General Secretary Hu Jintao was starting to act in a more muscular way. There were things like this notion of the South China Sea being China's core interest. Now, that's a notion in China. It creates complete inflexibility. Because if something is a core interest, what that means in the Communist Party's speak is you don't compromise. Tibet's a core interest. Hong Kong's a core interest. Taiwan, even Xinjiang, these were areas, which in the Ching Dynasty were part of China, but not before that. The Ming Dynasty didn't include them.
- Orville Schell:** 00:31:34 So, this is the multi-ethnic grand map of China, the restoration of China's most expansive boundaries. So, the South China Sea and you know what they've been doing there? They've been building islands, building military bases, declaring it the entire South China Sea from Hainan Island all the way down to Indonesia as theirs and contesting all the claims of Borneo, the Philippines, Vietnam, Malaysia, and Indonesia as null and void.
- Demetri Kofinas:** 00:32:08 How long has that been going on for?
- Orville Schell:** 00:32:10 So, that began, in the last five years of Hu Jintao before Xi Jinping came in, they began to loft that, but it was still very ambiguous. Sometimes they would say, "Well, maybe it isn't core interest. Maybe it is." But it was Xi Jinping who really said, "No question about it." This thing he calls the nine-dash line, which is just a line that they've drawn that was on some maps even in the Nationalist Period, but nobody paid much attention to it. They just said, "It's ours, get used to it." That's why all the countries around China, although they have to genuflect to China because of its economic power and the trade relationship, very few countries feel very comfortable and very friendly.
- Demetri Kofinas:** 00:33:00 So, is that the area where the consensus is that we are most likely to if we're going to get into military conflict with the Chinese that is going to happen on the South China Sea?
- Orville Schell:** 00:33:12 Yes, I think it's fair to say that the two points that are most dangerous and most alarming to those of us who follow the US-China relationship are the South China Sea, where the 7th Fleet. Now we have two aircraft carrier task forces out there right now, the Queen Elizabeth, new British carrier. Five Australian ships have mustered there with the Americans. That's a dangerous flashpoint, because Chinese ships keep trying to ram ships of other countries. They make trouble for oil exploration that Vietnam and Malaysia are doing.
- Orville Schell:** 00:33:49 The second place that's very, very dangerous is Taiwan, the Taiwan straits, because China claims it as theirs, their own. They have no notion like Canada, Quebec have a referendum to leave, or Scotland can leave the UK, or Czechoslovakia can divide into the Czech Republic. No, this is non-negotiable core interests, and they are going to not allow anybody to contest it. So, nor have they denied that the possibility of using force to retake Taiwan. Now Xi Jinping has even said that it should be resolved sooner rather than later. So, it's very dangerous. If Taiwan does something, make some misstep, like has a referendum let's say on

independence, I think that would trigger a Chinese response in some sort of a military effort to let them know who's boss.

- Demetri Kofinas:** 00:34:47 What has been the reaction in Taiwan to what's been going on in Hong Kong?
- Orville Schell:** 00:34:52 Well, I think Hong Kong was designed in a way as a test case of one country, two systems that would ultimately be adaptable to Taiwan situation. It presumed that for 50 years, China would leave Hong Kong pretty much alone. They'd handle their foreign affairs and their defense, but in terms of law, freedom of press and management of immigration, things like that, they would keep hands off, and they haven't.
- Orville Schell:** 00:35:26 So, in effect, what they've done is they've killed the only viable model that people in Taiwan would have found acceptable. So, now, without that as a possibility, there's really only two alternatives. Taiwan goes on as it is, in effect a country with its own government, its own airline, its own system; or it gets taken over by China. That's a really antagonistic set of alternatives.
- Demetri Kofinas:** 00:35:56 Do you think the US foreign policy has been consistent enough on this issue that it's pretty clear what we would do in the event that the Chinese moved militarily into Taiwan and took it over by force?
- Orville Schell:** 00:36:12 No. That's precisely the policy that we have adopted to these many decades is one of ambiguity to keep China guessing. We have an obligation that is very ill-defined that if Taiwan doesn't provoke an attack and gets attacked, that we would come to its defense in ways that are not very clear. We don't want to make it explicit. Precisely because in the past, we've wanted China to not be quite sure what would happen-
- Demetri Kofinas:** 00:36:46 To think twice.
- Orville Schell:** 00:36:46 To think twice. But now under Xi, there are a lot of people beginning to think, "Well, maybe we should be more explicit. Maybe we should lay down a marker and let Beijing know that if they did militarily move on Taiwan, there would be explicit consequences." This is a big debate right now.
- Demetri Kofinas:** 00:37:06 How do you think the CCP, Xi Jinping, the Chinese government would react to a clear pronouncement that Taiwan was off limits?
- Orville Schell:** 00:37:17 I think if we made some declaration that if China moved on Taiwan, we would militarily defend it in some explicit ways. It might precipitate some sort of move on China's part. I think it could also represent a major rupture in the relationship, because remember what happened when Nixon and Kissinger went to China to start the whole engagement wagon rolling. They said that there was One China.
- Orville Schell:** 00:37:47 They didn't explicitly say who got to define that One China, maybe Taiwan would take over the mainland, but everybody understood what it really meant was that Taiwan belonged to China. Eventually, it would have to reunify with China. That was a fatal move. That's why people like Richard Armitage made that famous quote about teaching the dog to piss on the rug.

**Demetri Kofinas:** 00:38:12 That was a great quote.

**Orville Schell:** 00:38:13 Yeah, that was a great quote. But that was the switching moment. Since then, nobody has dared issue or deny the One China principle. Anybody who did that would immediately be savagely attacked by Beijing.

**Demetri Kofinas:** 00:38:29 So, up until now, we've really been talking about kinetic wars or hot wars or the typical types of confrontations that we associate with military conflict with a war, but there are of course, other ways of engaging. One of those is espionage. There's also cyber attacks, and also forced technology transfers and IP theft.

**Demetri Kofinas:** 00:38:51 That last one is actually at the heart of a recent diplomatic spat between China and the United States in the closing of the Houston consulate at first, and then subsequently, an American consulate in China. What can you tell us about what precipitated this and what the fallout of it has been?

**Orville Schell:** 00:39:11 Well, if you look at the US-China competition as a kind of an evolving drama, it began simply enough with some disputed questions largely centering around things like trade and investment. Yes, we had disagreements on human rights, and we didn't like what they did in Tibet and Xinjiang. We complained and they didn't do anything about it, but the real heart interest is centered around economic questions.

**Orville Schell:** 00:39:38 But lately, the circumference of disagreement has expanded radically, and really jumped the firewall from solvable economic disagreements, a currency exchange, balance of payments, intellectual property theft, things like that, to become much more a clash of political systems and values. That's what we saw the most full expression of in Pompeo's speech at the Nixon Library where he really labeled what ails the US-China relationship as being much larger than trade and more a question of policy and politics and values.

**Orville Schell:** 00:40:21 Presuming, of course, that if China become so wealthy and so powerful and spreads itself around the world through things like the Belt and Road, it will take with it its one-party system, its autocratic system of rule, all its social credit system, its surveillance system, all of these things which have made China now the highest expression of autocracy that the world I think has ever seen, a techno autocracy that is able to control its people by technology as much as propaganda, ideology, and party discipline.

**Demetri Kofinas:** 00:41:00 So, I think that speech by Pompeo is something that everyone should listen to, because I think it was the clearest articulation of not just the Trump administration's policy toward China, but what I think is an independent sort of lobby in the US of people who feel that we can no longer go on with business as usual with China. It isn't simply a matter of getting ripped off on trade or getting ripped off on IP, but this is actually an existential conflict, possibly a new Cold War.

**Demetri Kofinas:** 00:41:32 When you read about things that the Chinese are doing in Xinjiang, for example, with the Uyghurs, which it really does seem... I'm only going off of what I can read, so I'm always hesitant to express too strong a feeling. But if I'm going to take what I've read from credible outlets at face value, it seems like they're running what is the equivalent of a Nazi Holocaust in that part of the country. I mean, we're talking about over a million Uyghurs

in concentration camps or the equivalent of concentration camps or reeducation camps, forced sterilization of women. The monitoring goes beyond anything the Nazis could have devised because technology didn't exist the time.

**Demetri Kofinas:** 00:42:14 Actually, I would recommend to listeners, there's a great article in The Atlantic by Ross Anderson that came out I think today, and it's called China Is What Orwell Feared. It's long. I have it as a PDF. It's about 40 pages. Also, John Oliver, the comedian, I think a few nights ago or last night, put out a show and it was all about this, about the Uyghurs. It's really quite frightening the type of society that the CCP seems to envision, and they're exporting this kind of Orwellian technology to other authoritarian countries. It's a coalition of like-minded states. I wonder, what is your view of Pompeo's speech in the context of that? Do you feel like these concerns are overblown? Is this something that should concern only the people living in China, or should it concern the rest of us?

**Orville Schell:** 00:43:06 Well, I think Pompeo's speech didn't mince any words and it was quite extreme, but what's so interesting about it is that even Democrats, even liberals don't criticize what he said as much as they criticize what he and President Trump do and have done. So, his sense that China is, in fact, a gathering threat, and that one should be increasingly skeptical about the intentions of the Chinese Communist Party. He made a very striking effort to distinguish, but in his view, between the people-

**Demetri Kofinas:** 00:43:44 He did, he did, yes.

**Orville Schell:** 00:43:44 ... and the party. This is not something that the Democrats disagree with. So, strangely, you have the Democrats and the Republicans who agree on absolutely nothing agreeing in many, many ways on the question of China policy. Now where they disagree and where you can fault Pompeo is not so much in what he said and how he analyzes the situation which sees some of the human rights abuses that you've noted and what they're doing in Hong Kong, South China Sea, you name it, as reprehensible and unacceptable.

**Orville Schell:** 00:44:20 What they criticize is in fact Trump himself is very much like Xi Jinping in many ways, kind of an autocrat, would like to be an autocrat or wannabe. That he's terribly inconsistent. He alienates allies. He doesn't make the United States a model, the city on the hill, good democratic governance of empathy of tolerance, etc. So, it looks a little hypocritical, but I think it would be a great mistake to throw everything that Pompeo says out the window, because in fact, he does represent a change in the political climate of this country, which is very, very striking to someone like me, who spent my whole life trying to bring the US and China together, and now you see them irrevocably and sort of radically drifting apart.

**Demetri Kofinas:** 00:45:15 Well, for someone like me who's not a China expert, what he said though, he didn't mince any words, it did seem pretty reasonable. To your point, I think he's capturing what is the popular mood in the US and a country that's so divided politically. One of the things that everyone seems to agree on is that they're not happy with China. When I looked at a recent Pew study and I compared the data to what I could find from the late 1960s, it seems like we've kind of come full circle in terms of the mutual bipartisan antipathy towards China and the distrust towards China. Is that right? Does it feel a lot like what it was like in the late '60s?

**Orville Schell:** 00:45:56 Yes, and I think that is the great tragedy that we are returning to a state of adversarial relations, which was exactly what Kissinger and Nixon began to try to rescue us from. Another is we've returned back to a state of distrust, which is increasingly profound, and which is increasingly so ideological, and as you put it, existential.

**Orville Schell:** 00:46:22 It's very hard to imagine how we're going to restore any state of collaboration between our countries when we have these absolutely critical issues confronting us that are so fundamentally global in nature. We can't just deal with them individually like pandemics, like nuclear proliferation and climate change. So, how are we going to deal with these issues when we have lost the ability pretty much to even talk to China?

**Demetri Kofinas:** 00:46:52 Well, as I said, both you and Mike Pompeo quoted part of the same article that Nixon had wrote in '67, but your emphasis seemed to be more on something else that Nixon said, which was the emphasis on taking the long view, and that we can't afford to leave China forever outside of the family of nation, that we can't have one billion angry people-

**Orville Schell:** 00:47:13 No.

**Demetri Kofinas:** 00:47:13 ... or people angry at us. Pompeo's emphasis was interestingly enough on Nixon's point of the goal of the United States being inducing change. He actually emphasized that, again, he said, "It should be to induce change." I think this was the part of the speech that also people in China, the Chinese press also picked up on, because there seems to be now a narrative floating around Chinese circles that the United States wants regime change in China. I wonder, did you pick that up from the speech? If not, have you also heard it picked up by other people as an interpretation?

**Orville Schell:** 00:47:49 Well, this is an interesting question and it raises the reality that American policy has always been a bit ambiguous about regime change, because the fundamental function of engagement was to change China, right?

**Demetri Kofinas:** 00:48:07 Right.

**Orville Schell:** 00:48:08 That you engage them, you trade, you do all these things. Slowly, you'll bend the metal of Chinese Leninism. Way back in the 1950s, when John Foster Dulles gave a speech in which he said, "We don't have to go to war with China to change it, maybe we can change them through peaceful evolution." This phrase, Héping yǎnbiàn, in Chinese has become a very, very sort of provocative phrase, because it's what the Chinese Communist Party has always believed the United States was out to do. If they couldn't overthrow them through violent means, maybe they overthrow them just slowly.

**Orville Schell:** 00:48:49 That's why this idea of what they call Color Revolutions, which are those revolutions that have sprung up over the Middle East and the former Soviet Bloc has so infuriates them. Because they view the United States as fomenting Color Revolutions and peaceful evolution in China that will put the Communist Party out of power. That's precisely why they don't like NGOs. They don't want certain kinds of cultural exchange and academic exchange, because they call it spiritual pollution, that the West will contaminate China and lead to the overthrow of the Chinese Communist Party. So, our policy has always been a little bit inexplicit. Sure. Let's love

each other and get along and peace, love, and the rest of it. However, in the end, we wouldn't mind seeing the Communist Party reformed out of office.

- Demetri Kofinas:** 00:49:42 Yes. So, in that sense, was it always naive to believe because we had this idea that not we would undermine Chinese society and culture the power of the Chinese Communist Party, but that they would have a sort of come-to-Jesus moment?
- Orville Schell:** 00:49:57 Well, yeah, that's really a question. If you look historically at the record, no Communist Party has ever been reformed into a nice cuddly liberal democratic party without a precipitous collapse. So, the critics say, "You're dreaming very naive dreams if you think you can slowly convince the Chinese Communist Party to turn into... The wolf can turn into the lamb. It's not going to happen."
- Orville Schell:** 00:50:27 So, this is why we're in such a crisis now, because the Western world, it isn't just the United States, it's Australia, it's India, it's Japan and Europe, we've lost faith in peaceful evolution. But the thing we had faith in was exactly the thing the Chinese Communist Party feared most. So, we're stuck now with an insoluble contradiction.
- Demetri Kofinas:** 00:50:51 So, has engagement always been a mistake, or is it simply that we didn't evolve fast enough? I mean, you made this great point about Trump and his style. I think where Trump deserves credit is that he was willing to make some tough decisions to break relations when previous administrations weren't willing to go there, but the thing though with the Trump administration is that it's not great at cooperation and coalition building.
- Orville Schell:** 00:51:17 No.
- Demetri Kofinas:** 00:51:18 It seems that once that we've established that, okay, thus far, no further, the old ways of doing business no longer apply, in order to have a constructive way forward that doesn't lead to war or doesn't increase the likelihood of war, we need to have some kind of coalition building. So, I wonder, A, is the Trump administration capable of that? Do you see that if it isn't even Trump, let's say and we're certainly not going to get the kind of cozy personal relationship that we've seen with people like Gorbachev and Reagan or Carter and Deng Xiaoping, we might still find some kind of cooperation, some kind of dialogue with the rest of the administration?
- Demetri Kofinas:** 00:52:00 But if not, let's say Biden wins in 2020. What are the prospects there? Is a Biden administration going to try to go back to the old ways; or the old way's done and at this point, we just needed administration that can build a viable coalition of not just Asian partners in the region, not just Asian trading partners or neighbors of China, but also Europeans? 5G is a great example of that. I think, just, again, as an amateur-
- Orville Schell:** 00:52:30 Before you get into 5G, I mean, you've raised so many interesting questions here. My brain will melt here if we get another one.
- Demetri Kofinas:** 00:52:38 Great. Go ahead.

- Orville Schell:** 00:52:39 We'll get to 5G. So, first of all, there are two questions I think you've raised here. One "Was engagement a mistake?" and two, "Trump did get China's attention, but what's the proper policy now if engagement is dead?" So, let's start with the first. Was engagement a mistake? I don't believe it was.
- Orville Schell:** 00:52:58 I believe it was in fact, yes, it was a little naive sometimes, but it was American leadership, I think in a certain way at its very best, trying to be patient, trying to be relatively peaceful and miraculously consistent through many, many presidential administrations of trying to change the circumstances which would allow China to evolve out of a very brutal, savage revolution under Mao that ended in '78, '79 into something else. We weren't quite sure what. They weren't quite sure what, but they sure were changing fast. There was a lot of optimism that somehow it would catalyze into some more temperate, more open, more tolerant and less sort of belligerent power, so.
- Orville Schell:** 00:53:50 But we failed. I mean, it's not that the policy should never have been tried. It's at a certain point, I think we had to recognize, and we are that wasn't working. So, now, if you say, "Okay, that doesn't work, good try. I think the Chinese made it unworkable. Then what?" So, then you have Trump coming along in his very animal way, he sniffed out being taken. I think he felt that China was just taking the US In a certain way, he was right, but that's not a policy.
- Orville Schell:** 00:54:25 So, what should America do? Well, I mean, I have my views. I think that actually if engagement is dead, okay, but we still, in a cryptic way, need a post-engagement engagement. We need a new policy, a new framework, a new formulation for confronting China. But we also need to remember that if we are going to pretend to be a global leader, the door does need to be kept open, and we do need to have all kinds of apparatus set up to prevent us from going to war. That's the part where I think we've failed with.
- Orville Schell:** 00:55:00 I think Trump can be handed a certain credit for saying, "This isn't working. This is absurd. The playing field isn't level. It's getting too extreme. We're going to stop." But okay, if you're going to stop and oppose, that's a pathway to war unless you have some other off ramps and some plan, some roadmap, or you're at least going to try as we did with the Russians. Remember, during the coldest of the Cold War with Russia, we had the Helsinki accords, we had the SALT treaties. We had all kinds of agreements that we had negotiated with them, and we don't have these with China.
- Demetri Kofinas:** 00:55:38 So, that kind of made me think of something because we used to sell a lot of wheat to the Russians. The Chinese recently bought a huge amount of corn, which probably has to do with all the flooding along the Yangtze River and the heavy rains that have delayed the harvest there. That raises the issue of the Three Gorges Dam, which for listeners who aren't familiar with this, the Three Gorges is the world's largest power station in terms of installed capacity. It's basically made a lake of a huge portion of the Yangtze River.
- Demetri Kofinas:** 00:56:13 The concern is that the dam could collapse. If that were to happen... To be clear, I do not wish that on anyone. But if it did happen, could that represent an opportunity for the US and its Western allies to respond with

a massive aid effort and use it as an opportunity to build goodwill like many other nations did with the US after 9/11?

- Orville Schell:** 00:56:38 Yes, and I think this is something that traditionally United States has done very well. When there's a disaster, it doesn't matter what the country, we go to the aid in terms of humanitarian assistance. I would hope we would do the same with China. Now the dam that you mentioned, there are all sorts of rumors and reports that there's some distorted features on the dam, because of the massive flooding that's been going on. They've been releasing enormous amounts of water in the whole Yangtze River valleys having very severe flooding.
- Orville Schell:** 00:57:11 If the Three Gorges Dam on the Yangtze River did break, it would be one of the most epic forms of global catastrophe the world has ever seen. You'd have cities like Shanghai, very compromised. So, that raises another interesting question that traditionally, Chinese have always felt that when imperial reigns get corrupt and begin to break down, that there is this notion of T'ien-ming, the will of heaven, that heaven begins to manifest its displeasure, its disfavor through things like earthquakes, pandemics, droughts, floods, famines. That these are symbols of the leader being enabled to keep the cosmos in harmony and in order.
- Orville Schell:** 00:58:01 These are very deeply held beliefs that are almost subconscious in Chinese. When Mao died and the Tangshan earthquake hit, a lot of people thought, "Well, this is sort of heaven saying this isn't been a good run."
- Orville Schell:** 00:58:18 So, there's that kind of whole fear in China that when you begin to get a cluster of bad leadership and national disaster, that that symbolizes the end of dynasty. I think the thing that's most interesting about now and the whole depth of engagement is you have to ask yourself, "Why did China in effect not keep its end of the deal up to keep it working when engagement had been the most incredibly beneficial policy for China and allowed it to develop in a peaceful environment?" It had America eating out of its hand, quiet and docile and relatively friendly and sending assistance and foundations helping in this, that and the other, ushering it into the World Trade Organization. Why did Xi Jinping decide that it was time to kill it off?
- Orville Schell:** 00:59:15 Well, I don't actually have an answer except to say that when one looks at what's happened in the last few years, one feels one's reading a Greek tragedy and one of the hallmarks of Greek tragedies. A leader becomes over ambitious, overreaching, hubris, a Greek word, arrogant, and overstretches him or herself, and brings to the wrath of the gods down and brings apocalypse down on his people. There's a bit of that that could be happening in China if in fact, this doesn't work out well, that that Xi Jinping has reached too far, too arrogantly, and to belligerently, and to full of himself too early. It would be an enormous shame if that is what the end game was for China.
- Demetri Kofinas:** 01:00:05 Well, I do want to ask you why you think that is, why they behaved in this way. Because I'm going to move the second part of our conversation to the overtime, Dr. Schell, I do also want to talk about the economic fallout because we are in a really odd time, it isn't just that we've had this trade war and that supply chains have been rerouted. There's sort of a structural changes happening to global trade, but also, we've had this

situation with the virus and we're heading into the fall. We also don't know what's going to happen, and we have the US election. So, there's a lot of uncertainty.

- Demetri Kofinas:** 01:00:41 I mentioned it earlier when we were talking, but 5G is something else I want to discuss because this is really huge. Because the face of the world is changing so much, America's withdrawing and this is not just the Trump administration, that's been happening for a while. There's sort of a paradigm of global disorder. We seem to be ill equipped or we haven't really allocated the time or resources to developing a new plan, whether that is how to engage allies, whether that is how to even deal with escalation a world of cyber conflict.
- Demetri Kofinas:** 01:01:13 We were talking about Taiwan. What happens if China engages in a cyber attack against Taiwan, similar to what the Russians did against Ukraine? How do we react to that? And then you've got also Japan. Japan has been taking on more, more responsibility for its own security, and then you've got North Korea, a more assertive North Korea, and we've had issues there. So, there's a lot to talk about.
- Demetri Kofinas:** 01:01:38 For regular listeners, you know the drill. If you're new to the program, Hidden Forces is listener supported. We don't accept advertisers or commercial sponsors. The entire show is funded from top to bottom by listeners like you.
- Demetri Kofinas:** 01:01:53 If you want access to our premium content, which includes transcripts to every conversation we've ever had on the program, including this one, copies of my rundown which this week is a 40-page document full of notes and pictures and material related to our conversation today with Dr. Schell, or if you just can't get enough of the podcast and you want to hear more from my guests, head over to [patreon.com/hiddenforces](https://patreon.com/hiddenforces) and subscribe. Not only is the content worth it, but it's a great way to show your support for the show and the work we do. Dr. Schell, stick around. We're going to move the second part of our conversation into the subscriber overtime.
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- Demetri Kofinas:** 01:03:12 Today's episode was produced by me and edited by Stylianos Nicolaou. For more episodes, you can check out our website at [hiddenforces.io](https://hiddenforces.io). Join the conversation at Facebook, Twitter, and Instagram @hiddenforcespod or send me an email. As always, thanks for listening. We'll see you next week.