Notes: This transcription is smooth format, meaning that we do not transcribe filler words like um, er, ah, or uh huh. Nothing is rewritten or reworded. Transcriber notes such as [*cross talk*] are italicized and contained within brackets. A word that the transcriber could not understand is indicated with a six-space line followed by a time code like this \_\_\_\_\_\_ [0:22:16]. A word that the transcriber was not sure of is **bolded**. Punctuation is to the best of our ability, given that this transcript results from a conversation.

**Key:**

Chesney Robert Chesney, Director of the Robert Strauss Center for International Security and Law

Eisenman Moderator, Josh Eisenman, Faculty Fellow at the Clements Center for National Security and Distinguished Scholar at the Strauss Center for International Security and Law

Johnson Christopher Johnson, Former Central Intelligence Agency Analyst

Magsamen Kelly Magsamen, Former Principal Deputy Secretary of Defense for Asian and Pacific Affairs

Steinberg James Steinberg, Former Deputy Secretary of State

AQ Audience Question

Chesney: All right, ladies and gentlemen, if you will resume your seats, we're going to go ahead and get started with what Will described quite accurately as the panel we've all been building up to both figuratively and literally. I'm going to turn it over to my wonderful colleague, LBJ School Professor, Dr. Josh Eisenman. Josh?

Eisenman: Great. Thanks Bobby. It's great to be here and having heard the word China so many times today, I appreciate you all sticking around to the grand finale here, the China panel. Here we have as you can see from our bios, an excellent group representing Defense, State, CIA, and actually I served on Capitol Hill. So we've got a quadfecta, if such a thing exists.

 So we were talking amongst ourselves and I think we're going to get right into Q&A. I'm going to ask a couple of questions and then we're going to turn it over to you guys because I feel like there's just a lot of questions about China in the audience and especially from students. I want you guys to get your questions going in your head. But I want to turn to the panel here and ask kind of a place setting question if I will. There's been a variety of reports recently about the changing nature of the U.S./China relationship, the Sharp Power Report, one report yesterday from Stanford. There have been people including my own advisor, Mike Lampton who in 2015, talked about a tipping point in U.S./China relations. That tipping point appears to be upon us. So my question for you as a panel, and we can maybe take it from Chris and come down the line, is was engagement a mistake? Was engagement a failure? If it was, why? If it wasn't, why? And were we hoodwinked by Beijing as many seem to suggest we were, as the President himself seems to suggest sometimes. So with those provocative questions, I'll turn it over to you.

Johnson: Well, thank you and thank you for the opportunity to be here. I literally got off a plane from Beijing last night and turned around and got another one this morning to come here and that's just a sign of my respect for Will and the opportunity to come and serve with this great panel. I'll admit that I'm a bit of an outlier on this subject because I don't think engagement was a failure and that seems to be the common theme and the reason why primarily is it strikes me that to suggest the engagement policy was a failure is to suggest that somehow we were indeed hoodwinked, that 50 years of leadership didn't know what they were doing, that the wily Chinese pulled one over on us through a series of clever leaders who said, "Well, we'll fool them by letting them think we're going to democratize. But in fact, we're going to come up with a plan to dominate the world." No, if you interview Kissinger and you interview Dr. **Burzynski**, who's passed away now, but I did before he passed away and you interview the people who are intimately involved, there was never any suggestion that we thought China was going to democratize. It was a purely strategic calculus that we made. So that's one point.

 I think the second point is the Chinese propagandists actually came up with a very helpful term on this in 2009. The term is historical nihilism. There's a lot of historical nihilism being practiced in the U.S./China watching community as we try to shift blame, protect reputation, talk about who lost China, and so on. The facts are that the regime is ugly in its nature. It has been very consistent. I find it striking, again, there's another narrative that's out there now about how well what happened to Deng Xiaoping? He was a great guy. Now, we have Xi Jinping. He's horrible. Deng Xiaoping was ruthless, right? He was Mao's willing henchmen in the anti-rightist campaign. He single-handedly orchestrated the Tiananmen crackdown. People forget about these things, and they think oh, well it was better than; now it's terrible. There's actually tremendous consistency in the regime and that's very important for us I think to understand because I think the fundamental issue here is a breakdown in the China watching scholarship in this period in the ‘90s and the early 2000s where there was this notion that through intra-party democracy and some of the other sort of things that they were playing around with, that the system was moving toward this sort of more open system. That's actually that period was actually the anomaly. If you look over the history of the regime, what we have now is actually much more consistent with what the regime was headed toward, and the nature of the regime means that it can only go so far. It can only work within certain constraints. So I drag us through that because I think it's very important because what you get on the other end then is the avoidance of a huge pendulum swing in our approach towards China which then causes us to engage in bad policy rather than a steady calm assessment that's consistent over time. **[TIME CODE 0:05:00]**

Magsamen: Great. Well, I come from a more of a defense perspective, but I actually agree quite a bit with you. I actually don't think engagement was a mistake, again, because the purpose of engagement was not about democratizing China. It was a set of strategic calculations and frankly economic calculations as well that we made and when China joined the WTO and as much as people like to point to that as a bad thing, our exports went from $16 billion to $192 today per year. So I think people also need to understand that there was economic benefit to engaging China in the international space.

 I think that Xi Jinping is different. I do think that under his leadership, China has made a set of decisions relating to its national economic enterprise, but also its foreign policy that have shifted significantly from where we were in the last couple of decades when China was much more not as focused about engaging in the world as they are now. So I do think Xi Jinping is very different.

 But the same question has to be asked about well, what is the purpose of competition as well? Say, what's the purpose of engagement? What is the purpose of competition? And I think that there are ways that we can both engage China and leverage China frankly to our benefit and also compete with them when we need to compete with them and I think that that is frankly where we're going to end up as we go through this phase of competition as a sort of the trendy strategy line that everyone's using at conferences. No offense Will.

 But I do think that the more natural state of being going forward is going to be some sort of balance between having to engage the second soon-to-be biggest economic power in the world and just trying to isolate them and contain them and compete with them, which I don't think is necessarily a sustainable course either. So I would fall in the camp of engagement was not a mistake. It still isn't a mistake. I think we still need to do that just with more clear perspective on what the Chinese intentions are. And I think we're starting to get that which is good.

Eisenman: Well, let me amend the question a bit. If engagement wasn't meant to democratize China and some folks have said it is during the ‘80s and ‘90s, etc., but if it wasn't, it was certainly meant to bring them on side so we could work with them in a more cooperative way. I think some of the panelists today suggests that that's not happened. So if we adjust maybe our intention of engagement, has it been successful in increasing and enhancing U.S./China cooperation?

Steinberg: When I teach, I always ask students the question, "What's the alternative?" Right? We can say what was the problem with engagement? What would we have done? We tried this, by the way, from 1949 until 1970. We had a strategy of trying to weaken and defeat China, right, in some form or another. How did that turn out and what would have happened if we had persisted in that? How would that have served American interest? So if you just do a purely national interest characterization, what was done beginning with some thoughts during the Johnson Administration then ultimately which is just a recognition that the other strategy wasn't going to work, wasn't producing any benefits for the United States and to pursue and to persist there, it could have produced war. We could have attacked the Chinese nuclear capability in 1964. That was debated at the time. So you can't debate policies in the abstraction compared to what else you might do. And that's the same problem we have now, as Kelly said so nicely, is we have to think about what the choices are here and not say well this was a failure because you didn't get X. You can't compare what we have unless you can say we would have been better off if we had done something else and that's the challenge that I put to the critics which is what would you have done differently? We have become all richer. China is better off and that's good--could be good for us. It's created enormous potential for global growth. It's created a partner to deal with \_\_\_\_\_ [0:09:05]. It's also created some problems, but we still have to think about what would the U.S. interests have been?

 Now, again, we all recognize there needs to be adjustments to strategy. We have to deal with the fact that we were dealing with a weak China then and a stronger China now. There are different sets of problems. But to say that engagement failed means that there was a different policy that we could have pursued that would have made us better off and I'm happy to have the conversation but I'd like to hear what that would have been.

Eisenman: Well, actually this is just begs the question. I want to go quickly down the line maybe a couple of--just a point or two, of what should the strategy evolve into then? What should it look like that?

Steinberg: So again, we need first of all to have I think two things that should govern our strategy which is what are our national interests. And what is plausible in terms of what can be done with China? We've heard a lot today. I have suspicions as to why Bobby and Will put us at the end **[TIME CODE 0:10:00]** because this panel probably has a different perspective on some of these questions than the others, and I disagree with a lot that I heard today. But one of the things that I heard which Tony Thomas said, which is he characterized China's strategy as being they didn't want to be second fiddle. And by the way, I think that's a perfect characterization of China's strategy and I ask \_\_\_\_\_ [0:10:18] the question which is, can you imagine an alternative strategy that China might want to pursue? Again, when I teach, I ask my students in my grand strategy class to develop grand strategies for other countries so we can see as we try to develop a grand strategy for ours, what you might do. No country that has a choice will choose to be second fiddle. And for a long time, China had no choice and so yes, we had \_\_\_\_\_ [0:10:45] **Yung Way,** and all that stuff. But China now has the opportunity to not be second fiddle and they will pursue that.

 We don't have to agree to that. We don't have to like that, but we have to recognize that that's what China is going to do. That they didn't like a world in which it was second fiddle, that it was oppressive, that it was a taker of the international order rather than a shaper of the international order. So our challenge is to recognize it, whether we like it or not, that China is now in a position to contest its position as second fiddle and for us to say what we can live with and what we can't. What are the things that they are contesting that are unacceptable to us? And what are the things they're contesting that we think are reasonable and therefore we can try to work with? And we need to be clear about that. I think that's where strategy has to be clear as to where our bottom lines and our red lines. What are the things that we will not give up? We will not give up our alliances. They're critical to us and to our partners. We need to make clear that we will not tolerate China's attempt to weaken them or to undermine them, but we also have to recognize that we're simply not going to be able to dictate everything to China the way we could when China was weak. And I think that's the essence of the strategy we need to have now, which is to recognize we do have a near peer competitor that has the ability to influence the international environment and we have to say how much can we live with and how much can we not live with and make it clear to them that on those things that we can't live with, we will contest.

Eisenman: Kelly, on this point, you had mentioned regime type and changes in the Chinese regime. How does that affect the policy the US should take towards China?

Magsamen: I think at the core of when we're looking at China, we have to understand that it's the Chinese Communist party and look at strategy through that prism because that's how they operate. But I would agree with you [*points to Steinberg*] in what you just said, and I would add to it much of what we're talking about in terms of competing with China is going to be about us and not about them. And I think that gets lost in a lot of the foreign policy discussions is that the majority of the things that we're going to have to do to be competitive with China are going to be here. It's going to be education; it's going to be investing in the comparative advantages that allowed us to become the greatest military and economic power in the world. So that's the women and men in this room, the students who are here, so it's innovation, education. It's making our economic model actually work again. The American dream isn't really that great right now and I think until we perfect that economic model, we're not going to win the game. We're not going to be able to compete in any domain if we're not solvent and strong and have a future for next generations that is compelling because I do think at the end of the day, the test of this century is going to be between our model of economic and political development and an alternative more authoritarian model of economic and political development and we have to win that and that's here.

Eisenman: Great. Chris?

Johnson: It's hard to top this those two comments. I guess I would say perhaps turn the question around to think about what the strategy should be by looking at what's happening now. So one thing that's happening now is what we are doing, which is we're very reactive it seems to me. To the point just made, we're focusing an awful lot of attention about what China is doing, but we're not really thinking about what we are doing or what we should be doing and that's problematic.

 And so and to be to be frank, we're having a freak-out. I'm quite surprised. I thought this was a DC phenomenon. So I'm quite surprised to hear that no, it's here too. So it's very interesting. Look, 20 years in the CIA, I know what an influence operation is, okay? What China is doing is not an influence operation. Okay? It's a very overt, very obvious series of actions that they're taking that, in my opinion, we should just allow them to do because they're so absurd on the face of it. It's quite striking to me when you look at the Des Moines Register, for example, one presumes--and I don't know any Des **Moinians**--but I presume when they look at it, they go this doesn't sound like the regular register. Maybe there's something going on here. Well, it's says brought to you by China Daily **[TIME CODE 0:15:00]** at the top, right. Is this an influence operation? I don't think so.

 So calm down, and as Jim was saying, sort out what your red lines are and then operationalize them. This has been the single failure of the last several administrations of China policies. Whether it's Scarborough Shoal or other things that we've been failing to do. And then there the reverse of what we are doing is what we're not doing. We're not in TPP, which was the answer to most of the industrial policy problems we're facing with China, and we're not working with our allies in a united front against the challenge that China presents.

 And then I would just close by saying we have a choice to make in terms of how to structure the strategy because I think the most fascinating thing I've heard today is the running theme about resources through all the conversations and the need to prioritize and think about resources. So we can waste a lot of time and resources largely chasing ghosts because we have a pattern for it from the Cold War, or we can focus the energies and resources on the hard piece, which is the competition with China to dominate the 21st Century knowledge economy. That's where the action is, but it's hard and we don't have a template for it. So we'd rather just go after the ideological enemy stuff.

Eisenman: Well, building on this issue of resources, a recurrent theme throughout our discussion has been one bell, one road, BRI or whatever the acronym we want to use and certainly this one trillion dollar effort that China's engaged in branded as such is getting a lot of attention around the world. And certainly, I study China and the developing world, so in Africa, this is a big issue. The **folk** Hack Summit talked quite a bit about this but most of what we've heard today, quite negative about what China is doing. What is China doing? What does it matter for the United States? Is it good or bad for the United States? Can you put BRI in the context of the U.S./China relationship for us?

Steinberg: I am a Beatles fan, right? And my single answer to this is money can't buy you love.

Eisenman: I thought it was let it be. Let it be?

Steinberg: But it could be let it be, because honestly if China wants to waste its money, let China waste its money. It's largely wasting its money. This is largely--basically what this is--this is a **works** project administration effort for unemployed Chinese workers and to get rid of Chinese excess steel. That's what's happening. They're basically creating jobs and to prop up their own employment numbers. There's a lot of money being wasted and if there's a growing recognition within China that they're wasting a lot of money on projects that they're either being ripped off on or that aren't going anywhere and the notion that somehow they're buying enormous influence, we need to remember that every time we try to do this, the country just nationalized the thing after we spent all the money on it. What happened in 1953 in Iran or in the ‘60s or in 1959 and 1960 in Cuba? The countries that are being exploited by China know they're being exploited. And when the time comes, they're going to take it back, and we've seen this already in Malaysia and the recognition about what was happening there.

 And so I confess that the scale seems big, we talk about billions and billions. It's trivial in **compared** to the overall infrastructure needs. CAIS has done a wonderful piece of analysis on just really what a drop in the bucket this thing is. So the notion that somehow they're buying this vast influence and we've got to worry that they're on our shores because they're in bed with Maduro. They can have Maduro as far as I'm concerned because we saw what happened to Citgo. And we saw what happened to the American investments there. So the notion that they're buying something that's of strategic threat to us in Africa, that they're locking the stuff up, they are going to be as vulnerable to the charges of exploitation within those societies as the imperialists were in earlier days vis-à-vis China. So I am a bit \_\_\_\_\_ [0:18:57]. I do think we have to worry and there was some very good conversation about this earlier about that we do need to be more responsive. We need to have effective aid programs. But by the way, one of the things we learned, and I was very involved in this in the Obama Administration, is that we know that Pakistan has a lot of infrastructure needs, but honestly if they aren't going to be able to organize their government and deal with the corruption, sinking all this money into it isn't going to help.

 So I think again this goes to I think what is our common theme here is, we need to think about what we do in our interest and not be so frightened about all these things, these sort of litany of horrors that we're facing, that they're at our shores and they're going to own the Panama Canal. I do think we are so worried about missing the boat on the threat that somehow we've been sleeping while China woke that we're failing to distinguish what are the real problems and Kelly's talked about them and others have talked about them which are real. I don't mean to suggest at all that there aren't real serious dangers here and especially the attempt of China **[TIME CODE 0:20:00]** to intimidate our allies and to weaken our alliances I think is a big concern. But we need to focus on that and not create the specter that somehow a few billion dollars of Chinese aid through the Belt and Road Initiative is going to undermine our national security.

Eisenman: Kelly?

Magsamen: Yes, I agree with Jim. I do think though that the two best weapons we have with BRI are transparency and collective action. So transparency is working with our friends and allies to impose, to show local countries what is actually being presented to them and exposing, the terms of the investments that China is offering to these countries. And once countries start to realize maybe Country X had more than Country Y in terms of a debt deal and that's going to create a whole lot of problems for China down the road. So I actually think shining a light and putting some transparency on what China's doing is going to be hugely effective with some of this.

 The other piece is again working collectively with our friends like the Japanese in particular who have a strong interest particularly in South and Southeast Asia with India as well in partnering with them to figure out how we can provide an alternative and attractive investment that these countries can choose from because right now, we're not really showing up. The United States isn't showing up very much in this space. Part of it is because some of the tools that we have are atrophying at EXIM Bank. We don't do development finance, which is a real problem.

Eisenman: Well, the Build Act.

Magsamen: Well, we'll see how that goes. But that is a real problem, like American companies aren't even in bidding on projects and infrastructure projects in these countries because they don't have the financing for it and don't want to take the risk. So I think we need to be providing an alternative, working with partners like the Japanese and the Indians who do share our values and our interests vis-à-vis China and putting some more transparency on the it.

Steinberg: And just one quick note on that which I completely agree with, we're all lamenting the things that we could have/should have done. One of it is we should have joined the AIIB and we should have been a voice within the AIIB for transparency and for this and for the DAC principles and all that stuff as opposed to just leaving it free to China.

Eisenman: Chris, did you want to jump in here?

Johnson: Just a couple quick points. I guess I'll break up the radical agreement by being a little darker about BRI. And it's from this perspective. We did a study at CSIS on it when it first was announced I think very early on and one of the things we tried to do with this study was--there was a lot of--and there still is--a lot of commentary about it's a bad neighborhood in Central Asia. There's a lot of these problems. The financing is horrible, but our goal is sort of to try to figure out what is this thing? Where did it come from? How meaningful is it? And what should we think about it? And so we had sort of three main conclusions. The first one was what Jim had highlighted earlier which, if you were doing a balance between economics and geostrategic gamesmanship, it was probably 90/10 in favor of economics getting rid of a lot of sort of over-capacity and so on.

 The second which is very obvious one is that it is Xi Jinping's signature foreign policy initiative and therefore it is too big to fail right? So they're going to keep at it. And then the third one really was this idea of, yeah, they want to pick up some geostrategic benefits along the way. I'll say that now five years in, somewhere in that neighborhood, I think that we're seeing a turn in some of the projects that they're looking at that do have a far more overt geostrategic angle to them. I would simply add though that the reason why they've done that is because they perceive an open playing field because of our absence and I would just really echo what Jim said. Every now and again, you get a stream from the Administration suggesting they're about to come out and fundamentally oppose Belt and Road as opposed to just working with partners to present an alternative. That would be a policy error of the same magnitude of the difference between AIIB as an institution and Belt and Road as an institution.

Eisenman: Interesting. Well, let me change subjects here since we've all been in agreement, engagement was good, the BRI is not to be worried about, except for Chris' caveat at the end, and turn to something that might be a little bit more maybe a testy question. And let me turn to you first, Kelly, because you worked on South China Sea. China has been building islands on reefs. It's been opposing our freedom of navigation. There were I believe yesterday I saw a couple of U.S. ships pass through the Taiwan Strait. Tell us what's going on in the South China Sea. How do you see this issue evolving? And what should U.S. policy be during in this crux of the great power rivalry?

Kelly: So yes, I worked on the South China Sea. Didn't go very well. So caveat everything I say. No, I think **[TIME CODE 0:25:00]** what we're doing right now is the appropriate thing. I think freedom of navigation and demonstrating the importance of that with these operations is very important and getting others to do the same is going to be even more important down the road as the Chinese continue to sort of push and test whether or not we're going to stand up for a rules-based order. So that is part one, but that's not a strategy, right? \_\_\_\_\_ [0:25:21] are not a strategy. But I think it's important that they continue and be regular and not sort of perceived as one-offs. But really, I think the long game in the South China Sea is actually with our partners and its capacity building. It's ensuring that these states have maritime surveillance capacity so that they can monitor their own waters and fisheries and see what people are doing. It’s building out sort of a common operating picture amongst Southeast Asian nations and that's going to be the long game. And we started doing that in the Obama Administration; that's continued into the Trump Administration through an initiative from Senator McCain, actually. So I think that is a really important piece of this and of course, the diplomatic aspects of pursuing one big mistake I think we made in the Obama Administration on South China Sea was after the arbitral tribunal ruling happened, I don't think we actually did enough diplomatically to leverage that in the region. I think we were way too cautious about pursuing that in ASEAN and with others in the region, so I do think that's sort of where we’ve got to head.

 At the end of the day, China is going to have these islands. They're going to use them for military purposes. But we have to put the choice to China. China is going to have to be the one to fire the first shot. So we're going to keep sailing as close as we can legally and it's going to be their decision to escalate militarily and I think we just keep on going and just keep doing it and it puts the choice of them and it neutralizes the argument.

Steinberg: You're not getting the disagreement you want here because I do think the issue of who owns the territory is a disputed one. The United States has not taken a position for good reason. We don't have a view; we don't have a claim, but we do have a set of interests here that need to be enforced and freedom of navigation is an enormously important set of interests here. But we should recognize, as Kelly suggested, that we can put the shoe on their foot right. When China declared an air defense identification zone over the East China Sea, we said, “Excuse me; I didn't hear you.” Right? And we kept flying and it demonstrated that the Chinese did nothing about it because they recognized that they were not going to escalate the conflict. I think we have to be very clear that we will not tolerate interference with freedom of navigation. We need to work with our allies. We need to build a capacity. But I think we would clearly prefer that they not militarize the islands. I think it is a problem for China that having said that it they would not, they went ahead. I think China pays a big price frankly for doing those things and I think the price they pay for doing is much more severe than the risk to us of their having it.

 Again, I've talked to military colleagues about it. There are operational consequences for their having these capacities there, but we should also remember that if there were a conflict, these operational capacities be worth nothing because they would be gone in a heartbeat. And so it is being clear about what we object to and what we think is unhelpful. We need to insist that and keep the spotlight on China's destabilizing actions. We should insist on working with ASEAN towards a code of conduct in the South China Sea; we should make it clear that China is the barrier to achieving that. These are all our advantages and to keep our advantages in our hand and make China be the one who's destabilizing the region.

Eisenman: Chris, let me top that up a bit for you. The quadrilateral dialogue was just held again in Papua, New Guinea was it, or in Southeast Asia? Can you talk a little bit about what, if any, role the quadrilateral might play in addressing some of the issues that Kelly and Jim just mentioned?

Johnson: I think there's a lot of hope that it will do so. In my own discussions which happens ceaselessly in a think tank with the quad partners, we find that two of the quad partners in particular spend a lot of time attacking each other and not a lot of time thinking about the challenge from China, so it's a bit frustrating. And I think we need to understand that in some ways, especially with India, the challenge we face is the Indians are happy to talk about the South China Sea. They want us in the Indian Ocean. That's where they want us and that we're not there from their point of view. They want us to see over that horizon and that's their goal. So they'll play along and play footsie in the South China Sea and so on, **[TIME CODE 0:30:00]** but they really want us over there. So there's some fundamental problems I think in that infrastructure.

 Let me just say a few words about the broader South China Sea challenge. I think I'm a lot more pessimistic I think in part because you never want to focus on--these things happen over long periods of time. You never want to focus on a single decision point of failure or success, but the Scarborough Incident I think really doesn't get enough attention. I can't tell you how many times I'm in China and talk to all people all over the system, military, all the others, uniformly they say we cannot believe that you didn't push back. So basically 2012, a territory that was previously under the control of the Philippines, the Scarborough Shoal, the Chinese got themselves in there. There was a lot of mix up, a lot of potential for conflict. We had an agreement that everybody would just go away under the guise of an approaching typhoon. The Filipinos left and the Chinese stayed and it's still under their control. And so the problem was the signal it sent to them about U.S. resolve, U.S. consistency. And I think they would have done everything they've done but they would have done it over 25 years instead of one, and that's a very big strategic difference.

 The second piece is there's a lot of work, including work done by CSIS, that focuses on aircraft **revetments** and SANS and things like this and as Jim was just saying, boom, gone in five minutes in any real conflict. The real worrisome **debt** and we're starting to see them do this now is they're putting their most sophisticated EW in battle management gear and jamming gear down there which creates a hell of a problem for us in any Taiwan scenario, forget about South China Sea because of course in the ’95, ‘96 crisis, we sailed two carrier battle groups through there completely unimpeded. That would not be the case today. And then the challenge policy-wise that we face with it is, you really have a choice between acquiescence and roll back and rollback's pretty ugly. We can do all the **fine** ops we want and I support those and I think we need to continue doing them. I hope we'll start doing them and we are now I believe. Forget about this innocent passion stuff. Just ram it down there, but I think we need to do a lot more also in sort of the black space that shows them there are consequences for those decisions.

Eisenman: Well, that's great and actually sets me up for my final question before I turn to you students out there for your good questions, so get them all ready. And that's the Taiwan question. For a few years, it seemed that the Taiwan was actually an issue that was more or less taking care of itself. It seemed it was becoming less of a crisis point under Ma Ying-jeou and the previous administration. Now we see a more provocative Chinese disposition towards Taiwan. We see an end to the so-called diplomatic truce, which are unofficial diplomatic truce and we see the president of Taiwan Tsai Ing-wen saying she is facing influence operations. She is facing fake news. And she is saying this in a way which to me at least--I don't know about the panel--is believable. So can we talk a little bit about what is at stake in the Taiwan crisis? What's the developments in the--not the crisis, the Straits, the Taiwan Straits? And what is the propensity for crisis? Is this something we should be worried about or is it something which you think over time is going to work its way out as we did a few years ago?

Steinberg: One should never be overly complacent about the Taiwan situation. It always has the risk of becoming a very serious crisis as we've touched on several times here. Having lived through the '75, '76 crisis, it was a crisis and it was very severe. For better for worse, the Chinese leadership fundamentally believes that the DPP and Tsai Ing-wen have as their goal independence. They've thought this even before the DPP was the DPP and Lee Teng-hui was the president. They will never accept this and she gives them enough reason by not agreeing to the '92 consensus and to make it possible within their internal deliberations just be convinced that their secret objective is independence and that then requires the leadership in Beijing to deter that by raising the threats, by raising the set of activities and raising the tensions. That in turn of course requires Tsai Ing-wen and the forces in Taiwan to respond to that.

 I totally understand why the DPP is in the position that it is and feels that the Chinese should deal with it on its own terms so long as they don't declare independence, but they have their own constituencies. There are deep greens and there are moderate greens. And so it's a fraught environment in which everybody is trying to--I do not believe that China wants to force the issue, but I also believe that no Chinese leadership and the Communist Party can ever be the one who lost Taiwan and they can't and so they **[TIME CODE 0:35:00]** can't wait until it's too late, right, which means they overreact to what's going on. So that's what makes it so dangerous and it makes really subtle effective management by the United States very clear.

 People have been criticizing since 1978 the so-called strategic ambiguity. It's been an enormous success, right? And it comes from the fact that we have been able to manage the fact that we've convinced each side that they risk losing our support if they go too far and we can't be too precise about what that would be because part of the deterrence comes from the ambiguity. We've all studied \_\_\_\_\_ [0:35:34] and all that good stuff. So it's very, very hard to do and I hope that there is an understanding and a sensitivity in the Trump Administration whatever the other objectives are and whatever else it's trying to do in its China strategy that this requires a tremendous amount of delicacy. We cannot abandon Taiwan.

 We don't have a formal commitment but my good friend and mentor, Sandy Byrd, always said to me, "My view is we would not stand idly by," and I believe that's right. And China needs to know that but it's also true that Tsai Ing-wen and the DPP has to know that it's not a license to be provocative at any cost. And the United States has to be able to do that very subtle diplomacy backed up by military things including arms sales. We got into a lot of trouble with our relations with China in 2010 for continuing the arm sales, but that is a part of it.

Eisenman: Thank you.

Magsamen: I would just add I worry a lot about Taiwan. But one thing that China is already doing with Taiwan is basically trying to smother it economically with a pillow. So they're essentially--but they'll lure young Taiwanese to come work in China and in China frankly, the salaries are a lot higher than they are in Taiwan. And so they end up staying and so it's like brain drain is happening significantly right now in Taiwan. So I worry about the slow play that's happening now.

 I think the Chinese are already in it with political influence. I do believe there's a lot of fake news problems going on in Taiwan, especially in the last most recent election. So I think it's a real issue and I think also there's a generational young--you speak to anyone. I was just in Taiwan a couple months ago. All young people identify themselves as Taiwanese. And that's a real problem for Beijing like absorbing Taiwan is not going to be cost-free for Beijing because they're going to have a population of people who don't have the memories of their parents and their grandparents of being part of a unified China and they see themselves as their own national identity. And so if China ever did try to invade the island, they'd have a real problem. So I think the Chinese know that and that's why they're trying to implement this sort of more subtle approach right now combined with the sort of military pressure you're starting to see them saber-rattling because they know that it's a problem that's not going to be solved their way. I think they know that.

Eisenman: One quick thing to add to that was when I was in Taiwan, I heard about we were watching Hong Kong closely. So it seems that the Hong Kong crackdown seemed to influence their perceptions. Chris, you can jump in.

Johnson: Well, on that specific point, when I look at the Beijing's management of the Hong Kong situation with my CCP goggles on, I can understand most of what they did. But the one thing that makes no sense is the demonstration effect for Taiwan, which is if this is one country two systems, no, thank you. I cannot get my mind around that one, try as I might. The other couple points I'd make is I think exactly the slow boil is their approach. It's moving to like a medium boil. The diplomatic allies thing is particularly concerning. I was just there right before the election in Taiwan and it was really striking. There's a real debate on do they want a zero us out and they're really struggling with that and then the fake news thing was quite striking. We received a one-hour briefing on it and they were showing us all these examples and I knew it was going on but it's really scary when you look at the elements of it. And in fact, I think it should concern us as well because some of it is test bedding for future activities.

Steinberg: I have to say though, the fake news thing is worrisome. On the diplomatic allies, my advice to my Taiwanese friends have always been you're playing on Chinese field if you do this. If you think about it, we have a very weak argument. We're telling Panama, we don't recognize Taiwan, but it's terrible that you've stopped recognizing them. It's not a very credible thing. I feel badly. I know how much it hurts Taiwan to lose these things. But I think that **[TIME CODE 0:40:00]** Taiwan should play to its strengths and think about the things where it can hold high the banner, its democracy, its vibrant society, and what no longer true, but when I was still in office one of their proud achievements was they were allied with the brutal regime in Liberia right before the democracy was \_\_\_\_\_\_ [0:40:21]. Yes, you have a **democratic** party. That's the good news. The bad news is that they're horrible human rights violators and is that good for what you are? So Taiwan has to figure out how it plays to its strengths and keeps the global support. In the end of the day, the thing that will most I think deter China is the sense that China would pay a price not just in the resistance which would be fierce but also, but they would be really be a significant international reaction and that will happen so long as the world understands Taiwan to be a country that believes in human freedom, believes in democracy, supports those principles and advocates, is out doing and supporting human rights in other countries, is doing humanitarian work and things like that.

Johnson: Just to amplify that real quickly, I think the struggle that's happening within Taiwan as well the big question, the democracy stuff aside is how do we get out of the economic vortex? You mentioned the people going to China and so on and you do that, you sign an FTA with Japan, the United States, and Europe as quickly as you can. Taiwan has a very protectionist economy domestically and they, as an island trading nation, they need to change that very fundamentally very fast.

Eisenman: That's a great point. We haven't talked about the so-called trade war and other things. We're here to talk about mostly security and politics, but maybe our audience has some questions along those lines. So let me open it up here. Yeah, over here. We need a microphone, please.

AQ: Hi, my name is Claire. Thank you so much for the talk. It's fantastic. I'm a student at LBJ in the law school. So thank you for talking to us students. My question is not to do with trade, I'm so sorry, but it's more pertaining to the idea of regional spheres of influence. So there are powers that fall solidly within the U.S. camp, powers that fall solidly within China's camp, and those that work very hard not to be in the exclusive purview of either. If the United States continues to not show up in the region, how are those spheres going to change and what does that do to America's role in the region? So thank you.

Eisenman: Easy question! [*laughter*]

Magsamen: Well, I think we are showing up. We need to show up more and be present in the region for the foreseeable future. So that's really important and to have an alternative. I think ensuring that there is no regional hegemon in Asia is going to be profoundly important over the next century and we were successful in doing that when China didn't have the capacity to dominate but they now will have that capacity. And so it's going to be especially important that we work collectively with our core Democratic allies--Japan, Australia, Korea, and others--but also build out partnerships. And some of the best work that frankly I did towards the end of the administration was really trying to build more defense relationships in South and Southeast Asia and build them out and it was a peripheral strategy. You can call it containment, but the purpose of it though was so that they had alternative choice between not just having China be the only choice. So that's true on the security side and that's true economically as well. We have to provide alternative choices to these countries so they are not left with one choice. So I think this is the most important fundamental principle as we're looking at Asia is that you don't want to have a dominant hegemon in the region economically or strategically. That's a good question.

Johnson: Yeah, I agree with that 100%. And in fact, I think this is the single achievement of the Obama Administration in the region was the focus on Southeast Asia because that is the battleground for this. One thing that concerns me very deeply about the current Administration's approach is that increasingly, we are going to those countries and we're telling them you need to make a choice. It's us or China and they fundamentally don't want to do it, number one; and number two, we may not like the answer they give us because of our inconsistency.

Steinberg: I think the good news for us is with the possible exception of Cambodia, perhaps Laos and a little degree, **[TIME CODE 0:45:00]** Myanmar, nobody is choosing to be China's ally. And we're not forcing them to do it. They want to be associated with us. And so this is our great strength and we need to build on it. Everybody's piled on TPP and it's so self-evident not just on economic but on political grounds, but we can't--Chris has made a really important point, which is we cannot make this--you have to have a monogamous relationship. You have to be only with us. They're not going to do it. They have too much at stake and we shouldn't want them to, right? We don't want this to be turned into a new Cold War. This would be a mistake. It's actually better--the best thing that's happened to the United States in recent months is Prime Minister Abe going to Beijing. This is good. We want countries to have a good relationship with China but to not be intimidated or coerced by China and that's why we need to be there because they can have a good relationship with China that's not a subservient or a coerced relationship if we're there. And then we do get the benefit of all these interconnections. One of the things--we haven't talked about great strategy enough here from my perspective--but one of my greatest fears now is we're now starting to talk about policies and strategies of disengagement where we have less and less to do with each other and somehow because it's going to reduce our vulnerability **zone**, they're holding our debt, we're vulnerable, we're trading with them. They're vulnerable. Quite the opposite. The best thing we have going for us on both sides is our mutual vulnerability and our mutual interdependence. It is a buffer on what are natural tensions between two powerful countries, and we need to be very careful not to encourage this disengagement but actually recognize in a very classic, political theory sense that this does act as a reason for us to try to resolve problems rather than having little stake in managing the differences.

Eisenman: I think one thing that's just come out from these answers that's worth putting my finger on for a moment is that that these countries, these other countries, not the major powers, but the other countries are selecting. They're choosing, they're protecting their autonomy. They don't want to choose between the two and a lot of choice resides in their hands and I think from the perspective of some IR theorists, we would think of great powers and material gain equals hegemony, but it seems that there are real choices that other countries have to make in the region. And I thought I kind of got that a little bit here.

Steinberg: Yeah, we learned this from dealing with France during the Cold War. It's okay not to have them do everything that we want them to do in the end because they are there because it's their choice. It makes for a much more valuable ally.

Eisenman: The new non-aligned movement. Okay. Wow, this seems like the table over here. Maybe, we'll take you three in succession because you're three students.

AQ: Hi there. My name is Ashish **Tabe**. I'm a freshman student here at UT. Thank you for the discussion. It's fantastic. So my question is regarding military actions specifically. So obviously we've seen China defy international ruling on territorial waters, unilaterally expanding its influence, and then we continue to see its expansion using its ships within the South China Sea. My question is do you ever foresee the United States meaningfully responding to provocation and whether yes or no, which regional allies must we concentrate on building relationships with to deter them from ever taking meaningful action?

Magsamen: So if I understand the question you're asking whether or not we would defend ourselves? Well, yes. I think we would. That's why I spend a lot of time on this, a lot of time on plans. So the answer is, obviously, if China took an aggressive action against a U.S. military vessel or personnel, we would clearly defend ourselves in the region and if they attacked one of our allies or treaty ally, certainly again President Obama clarified that in the case of Japan and the Senkakus. So I think that is core to our pillar of security in the region, is that our alliance relationships are there. The most important ally I think, all of them are important frankly. We're at a stage where we need to be better networking those allies together. So for example, Japan and Australia have very capable technology and industry and their military is very capable. So knitting together that capacity in the region is going to be the next wave I think of American security engagement. It's going to be taking the alliance relationships we've already built over the last 70 years and tying them together more systematically and we started doing that and that's still ongoing whether it's through the quad or through trilateral defense cooperation, which is happening with Japan and Korea or Japan and Australia as well.

 So doing some of that more systematically, that's going to be the wave of the future **[TIME CODE 0:50:00]** and then also connecting those democratic capable allies in Asia to our democratic and capable allies in Europe, which is an under-developed part of the strategy that we need to get on because I think Europe is also just starting to come to understand the scope of the China challenge and we haven't engaged our European allies enough on this particular issue. So networking is the next wave.

Johnson: Just two minutes. I think the natural follow-on to that is, this also speaks to the resources issue. We have a project at CSIS called federated defense that we're working on; we have to radically overhaul our FMS process. We have to radically overhaul how we handle defense technology transfer and integration and so on because we don't have the resources unilaterally to sustain that, and the partners are willing and capable as we just heard.

AQ: Hi. I'm Soren. I'm also a freshman. I'll be quick. Relating to the engagement you spoke about; today, we've heard a lot about military engagement, intelligence, security. And I was curious since China hasn't been particularly friendly to us, as we move forward what role will diplomacy, citizen diplomacy, or diplomacy by foreign services officers play in securing a future that's good for America?

Eisenman: Role of diplomacy, sir.

Steinberg: You wouldn't be surprised from the State Department guy to say that the diplomacy matters. You touch on a little bit about the civilian diplomacy. One of the things that's really important is the people-to-people side of this. The two big differences between the problems we have now with China versus the problems we have with the Soviet Union is, one, we have this economic interdependence, which gives us a stake in each other, which we did not have with the Soviet Union. But second, we have much more people-to-people interaction here and I have to say we've heard a lot of talk here about influence operations and Confucius institutes and stuff. But I have a lot of Chinese students. I'm not worried about them. I'm glad to have them because it's an opportunity for them to see what we're doing and hear how we talk about and debate issues and I go over and teach in China a lot because I want to talk to Chinese students and I want our students to go over to China. This is enormously important because it creates an environment where the ideas are there and it's the greatest, by the way, antidote to the great firewall of China because it's the one thing that they can't--if they let the students come over here, they're going to hear it. They're going to hear it from you as well as from their professors and they get to--they get--I know their people worry that they're in enclaves on our campuses and we need to do a better job to make sure that the Chinese students don't just interact with each other. All our campuses are dealing with those kinds of issues. But I think that the interaction is so important.

 And I must say, I know we're worried about the sort of the Chinese ideologies and the like. And the Chinese students I know, most of them are patriotic in the sense that they believe in their country. They want well for their country and their people but they are not robots and they do listen and hear and they see, and so I think this is so important that as we have to protect some technologies. There may be some labs we can't let them into, but we need to keep this openness. Mary Beth touched on this before but it's so vital. I would take the risk. I would take the risk except for a very, very, very, very small numbers of our technologies. Yes, they're going to steal it. Yes, they've got people over here grabbing assignments to go get it. Fine. That's who we are. We're open, right? And we're going to win at this by staying open and having these interactions and diplomacy facilitates that. It allows us to have more interchange.

 I go over to China a lot. I have no illusions that I'm persuading them at all, but I want them to hear from me. And I want to hear from them frankly. I must say that that one of the things that I wasn't hearing a lot of today is hearing from the Chinese leaders. We sort of treat them as sort of these devious figures who are out to undermine us and sneakily having us--no, they're actually political leaders in their own system who are trying to manage a lot of problems and when you talk to them and hear from them, you understand this. You may not agree; you may violently disagree and in our diplomacy, by the way, we violently disagree a lot. This is not lovey-dovey or Panda hugging that goes on when striped pants state department folks go over there. We tell it like it is, right? And we tell them what the consequences are, but we don't refuse to talk to them.

Eisenman: I'd just like to add to that the LBJ School has great Chinese students and we have exchange students and some of my best students are Chinese. So I completely concur with that, especially at a place like the LBJ School, a place where you teach public policy. So any other comments on that point? We'll let the state department pick it up. And the third of the Musketeers.

AQ: **[TIME CODE 0:55:00]** So as a musketeer, I'm also a freshman here at UT! My name is **Nicola** and I'd like to ask, so China recently ended its one-child policy and is facing an aging population and it has a massive gender disbalance. I want to ask how does these demographic transitions in China, how does that affect the calculus in dealing with the long-term plan for the China challenges you said?

Eisenman: Great question. Demographic.

Johnson: Didn't know I was demographer, but apparently so. The terminator, I guess is their answer--no. Lots of robots. That seems to be how they're thinking about it. No, it's a serious problem and of course they now basically acknowledge the foolishness of the one-child policy, and they've abandoned it and they're trying to go back but they figured out that their society is doing what most societies do as they get wealthy which is to have fewer children, especially with property being very expensive and jammed and so on and so on so that policy is not going to work.

 I think it's going to create a lot more pressure for us. This is why I think this issue--that's why I highlighted it in my remarks earlier, this issue of sort of how do we deal with the competition over this 21st Century knowledge-based economy because it is really going to be where the action is primarily because the demographic gift as it's often called that they've enjoyed for the last 30, 40 years is turning into a demographic burden very quickly. You hear the throw-away line a lot, "They've got to get rich before they get old," and so on so on. But these are really fundamental challenges that they're facing and frankly, I think it's going to do certain things. We make a lot of straight-line assumptions. It's a danger in the business. One of those is the military powers--they're not going to have anyone to put in there in the fighter aircraft and so on. So it's a fundamental challenge that they're facing and frankly the government doesn't have a good policy response other than try to move up that value chain as quickly as you possibly can to try to counteract some of that and unfortunately their model, their playbook only has a few pages in it. So I think it's actually going to intensify these challenges that we're facing between the two countries on the trade and economic stuff.

Eisenman: Either if you want to weigh in on it. Okay, let's turn it back. All right this gentleman over here.

AQ: Thank you very much. I just have a very curious question since the process seems to be shrouded in not much transparency at all. What's the process of experience like working with Chinese state officials? Do you get to know any of them personally, or is it very much just a very business-oriented, stoic work environment whenever you do meet or negotiate with Chinese officials?

Magsamen: I could say for my experience, because I deal with the PLA, a little different. It was very just business. We would have occasional social dinners, but the PLA officers were not in the sort of share-y, chatty mode. And also dealing with me as a female in a senior defense position, they just sort of marveled at me. Serious, many of them asked me like why aren't you just married and having children? It was very awkward. So yes, but PLA I think is very different than I think--I expect you [*pointing to Steinberg*] have much more nuanced engagement than I did.

Steinberg: I have to say, one has no illusions. They are government officials. They have to represent their country, but they also recognize, and I do think this is goes back to your question, which is just reading the talking points and the note cards isn't going to get them anywhere and I believe over time that I've had a lot of personal relationships with senior leaders that I've learned a lot from them. I don't expect them to betray their country or tell me things they're not supposed to tell me. I know that they're under constraints, but I have had the experience of knowing them as individuals and human beings. I met their families. So there is this level I think especially if you've been doing it--it's **now** been 25 years since I had my first diplomatic engagement with China and so some of the people who I first knew as junior officers when I was a fairly junior officer are now very, very senior people and so it is important and it's valuable and it's useful especially in moments of crisis.

 In 2010, when we had a pretty serious downturn in U.S./China relations after President Obama's visit and we decided to go forward with the arms sales to Taiwan and to meet with the Dalai Lama, it was pretty tense and they imposed sanctions and they cut off dialogues and Jeff Baylor, who is even more experienced than I at this, went over and spent several days in Beijing and we were able to go to places and to have conversations with people that were different in kind I think than what Kelly was talking about and where you could really again without somehow **[TIME CODE 1:00:00]** betraying your country or not being consistent with your guidance from your leadership to be able to have somewhat more of an honest and open conversation.

Johnson: I'll just say I've had both experiences, so dealing with the intelligence **opposite** numbers, yeah, not a lot of love going on there. Although the intelligence business is unique in that there's a certain brotherhood element to it, I suppose, where in fact you can have very candid conversations with them sometimes and the back-channel issue that Jim raised is exceptionally important obviously in the intelligence channel. And then others mainly since I've left government, I've actually developed very good relationships with them, some of them are very senior also because of my time--20-plus years ago--in the embassy the same--most of them like me have gone nowhere, but a few of them have gone very high and that's important.

 But I think the main issue is what I find really valuable is they're curious; as you were saying earlier Jim, they're curious. They want to try to figure this out. They have a policy system that they need to explain this stuff to and try to get some angles. So there are meaningful conversations. I will say I think that has gotten a lot tougher in the last five years. That's definitely the case.

Eisenman: The only thing I would add to that is that I do think there's also a generational difference when I've dealt with younger folks and dealt with them in Chinese, I feel that's a much more open dialogue than when I deal with people who are a couple generations older and who don't have much experience externally. So I think--

Steinberg: And I also, having given a fairly optimistic view of this, I do agree with Chris on this last point. It has gotten worse. It has definitely gotten worse and it's gotten worse not just in official channels. It's also gotten worse in non-official channels, which is very worse. When people who I've known academics and think-tank types who I've known for 25 years, who I had very, very open and candid relationships with, there's a lot more caution of the Chinese side. This is worrisome, and we've said some less--I think this panel is somewhat less alarmists than some of the earlier ones--but I don't want to underestimate the negative side of the Xi Jinping era. This is way, way, way more repressive of individual freedom and liberty than what we had seen in the previous 20 years. I don't think it's sustainable frankly, but one should not--I don't want to give any impression that I don't think it's terribly worrisome. The view from the leadership now and Xi has very much--that there is no room for free thought and we're seeing this and it becomes it's just across the board. The sense of fear. People are not necessarily toeing the line completely. They're just being really cautious. They just don't want to say anything about anything and that really hurts dialogue.

Eisenman: Yeah, indeed. Okay, last question.

AQ: Hi. Thanks for your time. My name is **Partha**. I'm a junior here at UT. A lot of the previous speakers and panelists have been very critical of U.S. companies, particularly technology companies, that are working in China. Critics say that they are working in a way that undermines U.S. interests and also supports China's more nefarious activities. Do you all see this as a problem as well? And if so, is this a problem that the U.S. government should try to curtail either through legislation or regulation?

Johnson: I'll take a stab at it. I think it is a problem. I thought the tone earlier today though was too harsh, myself. It's a bit, sort of nefarious that these guys are aiding and abetting and so I think the situation is actually much more difficult on the ground for technology companies. I think one of the things that's interesting is that, as with everything else, the pendulum is swinging hard. So in the previous administration, I think it's relatively fair to say these guys were left out there without a whole lot of support and to fend for themselves in a very hostile environment with the creation of the National Security Commission in China, the National Security Law, the Internet law, all of these sort of tools very, very difficult environment. Now, they're getting the opposite; it's sort of stop loving me. Right? And so the challenge is how do we create an environment where our companies can protect their IP and the things that make them valuable while still being able to access to a very dynamic market? This actually, I think, is the space where we're at the greatest risk of decoupling because there really aren't very good solutions for this because China has been completely unwilling to bend at all, to give these companies some room to breathe and help them sort of protect themselves.

Steinberg: I have a lot of sympathy with the critique of these companies. I have to say, I've spent most of my life of public service and when I hear Google employees refusing to work for their country, I have no time for that. None at all. They want to go and make money selling bad technologies to China to impress those people, but they won't work for us to try to protect ourselves. I have no sympathy. I do think that we need to **[TIME CODE 1:05:00]** engage more with Silicon Valley and these companies, but as long as they're here, they're Americans; and they need to step up to the plate which is both being sensitive to the cost of they're doing business in these countries. To get rich is marvelous. They are all following it, but they don't think about what it means for us. And so I am very, very unsympathetic to their view which is, it's okay to go on with the dictates of the CCP and the standing committee; but when we ask for help, they say well we can't dirty our hands with dealing with U.S. government. [*applause*]

Eisenman: Little red meat!

Magsamen: Completely agree.

Eisenman: Would you like to have a stab at it?

Magsamen: I do. I completely agree with Jim. I would also say it'll get us to a point where we're going to have to do outbound technology screening. And that's what companies don't want. So I think there has to be more of a dialogue on these issues with corporate America, for sure.

Eisenman: Well, join with me in thanking our panelists for an excellent discussion. [*applause*] I think we're being asked to stay.

Chesney: While, we still have you here, on behalf of Will Inboden, Steve Slick, the Strauss Center, the Clements Center, the Intelligence Studies Project, and UT Austin in general, we love everyone who came today, but we especially love those of you who are still here at 5:30. So give yourself a round of applause. [*applause*] And one last round of applause for the staff who will continue to be working hard cleaning up the aftermath of all this. [*applause*] We'll see you all next year for the 6th Annual Texas National Security Forum.

[*End of Recording*]