

ARNE WESTAD: Good evening, everyone, and welcome to tonight's event where we are going to discuss *Destined for War*, I hope with a question mark connected to it, *Can America and China Escape Thucydides's Trap*. And this is the new book just about to come out from Graham Allison.

My name is Arne Westad. I'm going to be the moderator tonight, and I teach here at the Kennedy School. Let me just briefly introduce the other speakers. Graham Allison, who has written this book. He's one of the people I probably learned the most from since I arrived here at the Kennedy School. He's the director of the Belfer Center, and a former dean of the Kennedy School.

Ambassador Samantha Power who just stepped down as this country's representative at the United Nations, but who has also been a faculty member here at the Kennedy School in the past and we hope also in the future.

And Niall Ferguson, who hasn't been a faculty member at the Kennedy School, but very much a faculty member at Harvard who is now, as Graham likes to put it, on temporary leave out in California. But we also hope at some point to see back here very often, very frequently.

So we have a solid group of people who will be discussing this tonight. You will also have a chance to join in, as you've heard. We have microphones around in the room; two down here and two upstairs. But I wanted to start first by Graham introducing the book and then to have brief comments from Samantha and Niall. And then a little bit of a discussion up here, and then I will turn to the audience for questions. So we'll have a two-part series with regard to the discussion today.

So Graham, first of all, congratulations on the book. Looking forward to hear more about it.

GRAHAM ALLISON: Well, thank you very much, and thanks for the fellow panelists. The book is finished, it's going to be published on May 30th, but you can go to Amazon now and do early orders if you're interested. And Arne asked me to take about six minutes to give you the kind of core of the argument, or at least interest you in the subject. And given the limited amount of time, I'm going to make three points.

First, I'm going to offer a big idea, a concept, that when one uses it can help clarify what's happening in the relationship between the U. S. and China. Secondly, I want to introduce you to a serious thinker. I hope for most of you this is a reintroduction, but just in case, and to try to encourage you to read his book. That doesn't include any of the people here. There are many good books to read on the panel, but this fellow's been dead for quite a long time.

And third, I want to give you starkly three facts that will help sketch for you the cardinal challenge in international affairs for the rest of your professional lives. So, that leaves about 5 ½ minutes left. This is going to be at a fast pace.

First, what's the big idea? What's the concept which if you use it will help better understand what's happening in the relationship between the U. S. and China that you see in your face every day, as Xi Jinping comes to visit for the summit with Trump in a couple of weeks, or as you read or hear China has moved ahead in this direction or that direction.

So here's the concept. When a rising power threatens to displace a ruling power, alarm bells should sound, extreme danger ahead. This is a big insight earned for us by Thucydides. And Thucydides said, famously, it was the rise of Athens and the fear that this instilled in Sparta that made war inevitable. This was the war between Athens and Sparta that basically destroyed classical Greece.

So, in the Thucydides Trap study here at the Belfer Center, we've developed a Thucydides Trap case file. And if you go to Thucydides Trap case file, you could look at the file and you could look at the cases, and you're even invited to provide additional cases. In any case, in the last 500 years, which is what we've looked at, there have been 16 instances in which a power, a rising power, threatened to displace a ruling power. This starts at the end of the 15th century, early 16th century, with Spain rising to challenge Portugal and goes down to current events where in the post Cold War period, Germany has emerged as the dominant power in Europe with whatever consequence that's had for France and for Britain.

So in 12 of these cases, the outcome was war. In four of the cases the outcome was not war. If you want to think about the cases of war, think back a hundred years ago today, what was happening? So, there was a rise of Germany, there was the fear that this instilled in Britain. This was the major factor producing World War I in 1914. This was a conflagration that became so devastating that historians were required to think up a whole new category so they called it world war. That's why it's called World War I.

And actually, if you go back a hundred years ago today in the U. S., what was going on? There had just been an election in 1916, Woodrow Wilson had been reelected. What was the principle platform for his reelection? He kept us out of war, and he'll keep us out of war. So he was still struggling to stay out of the war as late as today, though by the 6th of April, 1917, the U. S. was in the thick of it. So that's the big idea.

The serious thinker, so the first thing is how do you pronounce this fellow's name?
[laughter]

WANG XUESIAN: It's trap, I find difficult because I even don't know how to pronounce his name. [laughter]

GEN. MARK MILLEY: You know, the Thucydidean Trap that people talk about.

XI JINPING: [through translator] Thucydides Trap.

MALCOLM TURNBULL: Thucydides Trap.

GRAHAM ALLISON: Okay, so how do you say this fellow's name? Thucydides. Now, let's see if you can say that, Thucydides. So if you didn't learn anything else tonight, you should learn how to pronounce the name of a very serious thinker, Thucydides, okay? Even though you have to practice a little bit.

So who is Thucydides? First, he was the founder of history as we know it. As the founder of history as the account of factually what happened and why. You can have a little bit of debate about Thucydides and Herodotus, but Herodotus still has a theme and arranges an occasionally mysterious elements that come into the picture. Thucydides thought his job was to document what happened and why.

Secondly, we have the founder of what we're calling here locally applied history. So applied history is the explicit attempt to clarify current challenges by reflecting on and examining the historical record, particularly precedence and analogs. The foundation of this was a book by two great Kennedy School professors, Ernest May and Dick Neustadt in a book called *Thinking in Time* that, again, you can buy and read, it's a great read today.

In any case, Niall and Arne and myself, Fred Logevall and a number of others here, had been trying to revive applied history. But Thucydides was actually the first practitioner of it. He says, "I'm writing this book so that future statesmen and generals and citizens will not have to make the same mistakes we made." Now, that requires, of course, reading to discover what those mistakes were and thinking about. Thirdly--

SECRETARY JAMES MATTIS: We're going to have to manage that competition between us and China. There's another piece of wisdom from antiquity that says fear, honor and interest always seem to be the root causes of why a nation chooses to go to hostilities.

GRAHAM ALLISON: This is our Secretary of Defense in his confirmation hearing. And as he's quoting Thucydides, Thucydides says, "Why do nations fight? For three reasons: interests, fear and honor." Now, from that a long tale follows. But in any case, a very crucial insight.

And thirdly, Thucydides was the founder of what we think of as real politic, or realism in current international affairs. If you look at this [00:09:39] dialogue quote, and again lot of follows from that, as he says, "Right, as we think about it, is really a concept that only arises between equal powers. Otherwise, the strong do what they will, and the weak suffer what they must." So, Thucydides. Do you know how to pronounce it? Yes. Spelling it, that maybe is too hard.

Third, what will be the defining challenge for the rest of your professional life? Well, terrorism is a big issue. Resurgent Russia's a big issue. Maybe an uninhabitable environment can be a huge issue. Certainly, the global inequality, perhaps a Hobbesian struggle for water and food. You can think of a lot of categories. My belief is that the cardinal challenge for the rest of your professional lives will be the rise of China and its impact on the U. S. and the U. S.-led international order that has been the foundation for the 70 years of peace that is not great power war that our colleague at Yale calls the long peace. A very unusual period, if you go in a broad historical sweep.

So, if you can read this, the question is first, when will China become number one? So for automobiles, for-- let me see, since that one's too hard for me to read, I'll read this one-- manufacturing, trading, middle class millionaires, patent filings, super computers,

artificial intelligence, primary engine of economic growth, economy and GDP. So when could that happen?

And the answer is already. So, automaker in '29, but if you jump down to the economy and GDP measured by purchasing power parity, which is the yardstick that the CIA and the IMF say is the best yardstick for measuring international economies, at the 2014 meeting of the IMF and the World Bank, the big headline news was China now number one.

So therefore, what? What does this have to do with the U. S. place in the world and the way the world works? So if you think about this in terms of a seesaw, that's what this graphic does. So U. S. is on one end of the seesaw, China's on the other end. In 2004, you can see China was about a quarter the U. S. In 2014, equal, and in 2024 is going to, on the current trend lines, will be about 40 percent larger. So again, in your lifetime, that's what's happened. And the U. S. has been having an argument about a pivot to Asia in which we talk about whether we put more weight on our left foot, which is the Middle East, where we've been entangled, or our right foot, which is Asia. But all the while, the seesaw just seems to be moving to the point that our feet are not on the ground.

So, finally, our China's leader series about displacing the U. S. as the predominant power in Asia in the foreseeable future. If you're talking to Xi Jinping when he's talking privately, does he say that's what we're doing? The world's best China watcher was Li Quan Yew. I asked him this question back in 2013. Most people when you ask them this question, especially China specialists, say, "Oh, on the one hand, on the other, it's complicated." He says, "Of course. Why not? Who could believe otherwise? How could they not aspire to be number one in Asia in the foreseeable future?" And in time in the world.

So to conclude, the question of well, how's this going to work out, and the answer is I would like to say read my book and you'll understand the answer. That would be false

and incorrect. I would say this is going to be the challenge for the rest of our lives. And the question is whether will we follow business as usual? And if we do, I think we'll get history as usual. Or, could we imagine a surge of imagination if we recognize a dangerous situation, a surge of imagination as remarkable that that occurred as the U. S. created a Cold War strategy for dealing with the soviet surge, in which we had "war," but not really a war like Thucydides Trap file, a war in which there were not guns and bullets.

So I think that'll be the challenge for all of us, and especially for younger folks at the school, both Americans and Chinese thinking people to wrestle with.

ARNE WESTAD: Thank you, Graham, that's excellent. What's interesting about Thucydides is that he himself, of course, opens up for that possibility in the first book. I mean, he says it destiny brings this forward, and he was a strong believer in destiny in the broad sense. But he does in no way believe that the people who made the decisions themselves were brought along on this wave of history that they could do nothing about. It was their decisions that led to war and the ideas that they took on board.

GRAHAM ALLISON: One of the great things he does, and in fact in that last slide, I was pointing out to you that you can just go down tonight and download for free the *Peloponnesian War*, Thucydides' book. And if you read just book one, you'll see he gives an account of the debate both in Athens and in Sparta in which it's clear it could go either way. And so people are making choices on the basis of their understanding and their analysis and he's blaming some choices and favoring some others. So when he says the war was inevitable, that's hyperbole. It's exaggeration for the purpose of emphasis, and I think for a read, I would say if you download *Peloponnesian War*, which you could have for free. And if you read only book one, it will be worth your Harvard tuition for the week, for sure. For sure.

ARNE WESTAD: You can read that one first, and then you read Graham's book afterwards, right? You can get the connections between all of this. So Samantha, I was thinking just about that. I mean, the general forces that are pushing in the direction of conflict, maybe not war but certainly conflict between the two. But obviously there are other sides to the U. S.-China relationship today as well, which you have observed first hand which seems to be more complex than that patent rule [?].

SAMANTHA POWER: Well, let me first say it's great to be back at the Kennedy School. And when I was last here, I used to sound off and speak my mind very freely. Then I went into government and I learned-- Cases, my husband, and I both went into government having been academics speaking freely and it was so risky every time we opened our mouths while in government that we decided as a couple that we would begin every sentence when we spoke publicly with the following clause. "As President Obama has said from day one." So no matter what we said, it was likely to draw less scrutiny. So I just would like in the spirit of that, which I don't get to do anymore, as President Obama has said from day one, buy Graham Allison's book. Okay, people?

So before I get to your question and give you sort of the vantage point I would have after eight years of working on multilateral issues, the last four of which were up close and personal with my Chinese counterpart, I do want to do what Graham really can't do for the book himself, or could do, but is showing great restraint in not doing. Which is I really want to advocate on behalf of this book.

So this book is a very important public service and it's a public service in two forms. I think one, on substance, which I'll touch upon. And the other, inform, which he has touched upon and I will underscore. On substance, it's just a public service, frankly, to have in one place the qualitative and quantitative analysis of what is happening in the geopolitical system with China's rise. And it was interesting, Graham, when you read out your chart there and then you asked people, in effect in their heads, to think about when

would China be number one, and then you said they were already number one, everybody gasped.

That was my experience of reading the book, and I know a fair amount and have read a fair amount about China. And I give you one even more gasp-worthy statistic that really stood out at me, which was just emblematic of so much, I think. Between 2011 and 2013, China both produced and used more cement than the United States in the entire 20th century. So every page in this book has little factoids like that where you're like, "Whoa." I mean, that's whoa worthy.

And so that's its own service. I think then what you've heard here, and fundamentally the thesis of the book, drawing on not only the Athens-Sparta conflict, but these other cases where a rising power challenged a ruling power, and looking structurally at the, as Graham put it in the book, the discombobulation that that is inevitably going to cause the status quo power, the power that is benefiting most from the status quo. And I think you put it, transitional friction, right? Which is the sort of optimistic way one can imagine in the cases that didn't turn into conflict, it proved to be friction that didn't produce conflict. But nonetheless, these are gravitational pulls that have to be managed as a structural matter.

But what I think makes Graham also unique in writing a book like this is he has served our country in the government and ever since he left government has been in constant contact with policymakers. So what you also get in the book is a combination of this analytic backdrop, the historical sweep and lessons from history, but also an operational understanding of the limits to which policymakers are actually bringing this kind of history and this kind of structural and tactical understanding to bear.

And it is not as blunt as it could be, but it does make the point about how uncomfortable much of what lies within the four corners of this book, how uncomfortable it makes

policymakers. And I think there's a deep truth in that. I mean, nobody wants to grapple with any conception of the sun setting of their influence or their power in the world.

But he also, because he's served in government and is a watcher of real world current events, I think the familiarity, particularly in the back of the book he gets into some scenarios about how it is that conflict could happen or could get diffused, but the appreciation for how small an initial incident or how mild an initial trigger, or how mild seeming an initial trigger can be and the appreciation for the proximity with which the United States and China are operating together in terms of their leadership, our shared leadership in the world, but also even just militarily, how the proximity of our ships traversing what we believe to be free and open sea lanes and so forth, and they have a different historical conception of freedom of navigation and what it entails for them and their sovereign rights.

But that proximity and the risk of an accident or something small that turns big in a hurry, I think that, again, sort of cautionary cloud, if you will, that you will carry with you as you go forward only underscores, I think, the urgency of the point that Graham made in closing, which was how we have got to wrap our minds around this. And I think this is a great foundation, but it sets us forth to do more strategizing.

And on that score, in terms of form, because that's on substance, I think what the book is, and what I think the effort that Niall and Graham and others are making, and I certainly would support in every fiber of my being, but history is not present enough in senior decision making discussions. There is just not enough knowledge of history in the room. It's not as if people are dismissive. Frankly, when people chime in, in my experience at the highest levels of government with historical perspective, it is actually a breath of fresh air. But for whatever reason, what has been adaptive in how people ascend in their career trajectories does not appear to have been a CV like Niall's. It is, again, a different kind of backdrop.

So I think it's going to take more than-- it's going to take historians and students of history, you don't need to be a professional historian to bring history to bear. Being more energetic in projecting forward their perspectives, but it's also going to take more thinking at the highest levels of government about how to seed this and incentivize it.

If I may briefly, because Graham really should be doing all the talking tonight here, but just to speak about the rise of China from the standpoint of having worked with them so closely, as you ask, it's curious, actually at the United Nations because China-- if you read this book and you look at the trend lines, the fact of the matter is the United States was the primary architect of the structures, the post-World War II institutions that I think the book argues, rightly. We also are primary beneficiaries of. And there's a kind of stated and implied thrust to this, that China's going to want to renegotiate the rules in the international system once all the trend lines that you've described, the gaps between them and us on the economic front, become more great.

One doesn't really see that yet. Indeed, I would say that China-- there's the famous expression of hide your capabilities and bide your time. I think we are only, in my last year in New York out of four years, only then did I really start to see China asserting itself outside its narrow sphere of North Korea, Burma to some extent, certainly anything Taiwan related, I mean really using its leverage to make sure that citizens of Taiwan did not have full access to the U. N. and so forth.

I mean, the core neighborhood issues and primal issues for China drove them. But, what also started to happen is within the system on Graham's telling, over time they should want to reshape and the rules that they should want to rewrite, they really started to embed themselves more and more within the U. N. structures. And the best and least heralded example of this is peacekeeping where they went from being a non-factor a decade ago to now having nearly 3,000 troops active in peacekeeping missions around the world, including infantry for the first time, which has just happened in the last couple years.

They just last summer took their first-ever casualties in U. N. peacekeeping. And that raises a really important question about when China is in the world, and this is true in the economic development sector already, how are they in the world? Are they in the world bunkered and insular and inward-looking and superior? Or are they out and about doing the bidding of the U. N. principles as we traditionally have understood them? In taking casualties, their instinct, I think, has been to bunker down. But president Xi has also made an announcement that in addition to the nearly 3,000 that they have acted in some of the world's most dangerous places, they're also going to create an 8,000-man, and woman maybe, rapid reaction force which they announced two years ago and the U. N. is in negotiations with them to create that.

Now, if that is neither rapid-- if that exists as a rapid reaction force and doesn't deploy rapidly and doesn't use force, it's not going to fit the bill. But I think it's an example, a sort of-- at least a-- I don't want to call it a trend because right now, they're still in the hide your capabilities and bide your time framework within the U. N. coming out of it slowly. But so far, you have not seen China seek to rewrite the rules of the road as they have evolved. But peacekeeping is a good example of a cutting edge field where if they were to deploy that 8,000 along with their 3,000, they would be the number one peacekeeping force in the world. They are now the number two donor to U. N. peacekeeping. And of the P5, the veto holders, we're constantly creating peacekeeping missions, changing mandates, trying to respond to issues on the ground.

They're the one now who get to say to the other members of the Security Council, "What do these other countries know? Like, we're actually there in South Sudan, we're there in Mali. Listen to us as to how that mandate should be rewritten." So if they end up going in a more traditional, a more conservative and less active direction, that's going to have a major impact on the extent to which civilians get protected.

And very last point, because there's lots to say about China at the U. N., but I did want to move away from that and just note that the most chilling part of this book is the close where Graham reflects on domestic politics in both countries; the brittleness although I think your-- because you know the American system and our foibles and flaws and trends right now so much better, I think that reads as an even more chilling dimension to this encounter, this historical encounter between these two countries.

But, how we can have that kind of enlightened, strategic thinking within government, given some of what's going on in government right now, but well beyond that, how our politics, and this is the point you make very sharply, but how our politics will handle an assertion of power and strength and an attempt to rewrite the rules. And one example is we actually modestly adjusted the IMF voting rules back, when was it, 2010, and we couldn't even get it through Congress for five, six years? These were just to actually give the emerging powers more weight in voting commensurate with their economic clout because Congress is like, "No, we don't feel like it." And notwithstanding the fact that we, the executive and using our foreign policy judgment deem that good, all things considered for U. S. interests as well for the international order.

So I think this point about politics is the most damning and worrying dimension of the trends that Graham has put forward. And, I should say, sorry, last point, but the assumption, Graham, in this book, and Trump was elected, you managed to get in a fair amount about Trump and amend the book to encompass some of what he's up to, but the assumption in all your cases is that the ruling power wants to stay a ruling power and that the rising power is challenging that ruling power.

Now, we have ruling power that's walking away from-- so what does that mean? How does that fit into the history if it's us ourselves who are cutting U. N. funding and saying to China, "Okay, now you become the largest donor," taking away our own influence. If it's us walking away from the Paris agreement on climate, allowing China to lead the world on energy and the environment as well as in all the issues, the other issues, you

mentioned? I mean, that's to me a major own goal in terms of our interests, but it's also an interesting dimension to who's displacing whom. If it's something that's self inflicted in the way the current administration is doing seems to be.

ARNE WESTAD: Excellent, those are some of the really big questions to discuss here. I mean, the [00:31:18] China do, well it actually has risen and there might be some disagreement in terms of whether that has already happened or is about to happen. I guess that depends a little bit on where you see it from in terms of intentions of capabilities.

The other one is, is there something in the domestic policies, particularly of these two countries, that seem to draw away from any kind of understanding in terms of the broader implications in a global sense? Now, you've underlined integration as part of this, but as your own work in the past dealing with World War I, integration in economic terms is not enough to prevent conflict and in some cases might actually be a stimulant for conflict. Yes?

NIALL FERGUSON: Well, thanks very much for inviting me to come back to my old haunt here. And it's a great pleasure to come back and find Samantha back at the Kennedy School. I must say if somebody had told me eight years ago Samantha's going to have tremendous success in Washington and then in New York in the Obama Administration, so successful that by the end, she will be the guest of honor at Henry Kissinger's Christmas dinner, I would have thought they were smoking weed. But there you were in December of last year being toasted by Henry Kissinger.

And I have to say, I thought that was a great sign of how you had matured in your attitude towards international relations. Because that was certainly not the Samantha Power of *A Problem from Hell*. I'm teasing you.

SAMANTHA POWER: Thank you very much.

NIAL FERGUSON: It was certainly good that you were in touch with him because let's face it, no western statesman has thought more deeply about the U. S.-China relationship than Kissinger, who in many ways was the man who opened the door that had been closed between the U. S. and China when he went there in 1971. So, this seems an appropriate moment to allude to his contribution.

You know, I was reading Thucydides here teaching a class and it suddenly struck me how American the Athenians sometimes sound in the way that they rationalize their empire. "Oh, we didn't really want this empire, but we had to do it. Why aren't you more grateful for our empire?" I thought why does that sound familiar?

I do think it's, therefore, very well worth reading Thucydides and reading Graham's excellent book after it. It's a terrific read, and it's a perfect illustration of what I think we're trying to do when we talk about applied history. If you go to that chart that Graham showed you at the back of the book, there you have 16 cases, all but four of which end in war. So I spent a bit of time perusing these thinking, "I'm sure I can find some holes in this list." But let me focus on the four exceptions because I think they'll help us think about what might be the options today for the U. S. and China if they're going to avoid the Thucydides Trap.

So you've got Spain and Portugal in the 15th century, the U.K. and the U. S. in the early 20th century, the U. S. and the Soviet Union in the Cold War, and then the U.K., France and everybody else and Germany in the period of the late 20th century. And these are the four cases that Graham suggests didn't lead to war since all the others did. Maybe we should focus on those.

How did that work? Well, one was an agreement to divide the world, and that's what Spain and Portugal did. One was a sort of tacit agreement to cooperate, which is really how the U. S. and the U.K. managed the rise of the U. S. The Cold War which is pretty hot in the third world but stayed cold in the developed world, stayed cold because of

deterrence. And then the final case, which is western Europe, conflict was resolved through integration.

Now, I'm not sure just how many, if any, of those models are applicable to the U. S.-China case today. I agree with you, Graham, there is certainly some truth in the argument that they're on collision course, which I think is your central theme. I don't think there's ever been a rise in economic terms as rapid as China's. Think back to 1980, it was 2.3 percent of world GDP, using your favored measure. And now it's more like 18 percent. That's extraordinary, that's meteoric. Even Germany and the United States in the late 19th century did not close the gap with the U.K. that rapidly.

And I think in that sense, this is a very worthwhile historical analogy to explore. In *On China*, Kissinger really emphasizes the parallel between China and Germany, the U. S. and the U.K. A hundred years ago, just a little bit more, he argues there was a very similar situation. Britain was somewhat self confident, suffering from some fiscal strain. There was the politics of populism and progressivism and there came Germany building its navy, its economy growing significantly faster than Britain's. A sense maybe internally of a potential domestic political crisis, but a reservoir of nationalism that could be tapped by the leadership. That does seem like the best of all the cases, the best fit of all the cases to the U. S.-China relationship today.

I think if one reflects on how things have changed since you left office and the Trump Administration came in, I'm quite glad I don't need to begin any sentence by saying, "As President Trump has said from day one," but the people who do have to say that include people like Steve Bannon, who very clearly has the intention of confrontation with China, has talked in confrontational language, and so have many people in the administration. You know, that's a very striking feature of the situation that has changed in the space of just a few months.

But having said all that, we do have to be a little bit careful of what I'll call Paul Kennedy syndrome. Paul, who teaches at a rival liberal arts institution in Connecticut famously published the *Rise and Fall of Great Powers*, which was applied history in its day back in 1987. But it implied that West Germany and Japan were about to overtake the United States and the United States had better shape up if it was to avoid what the Italians call sorpasso [?].

I think we need to be a little cautious about replaying some of Kennedy's analogies when we make this analysis. Number one, the U. S. is still miles ahead militarily. The gap is far wider than it was even in 1914 between Germany and the U.K. To Arne's point, economic interdependence was very high in 1914, but it's even higher today. The exposure of the major U. S. multinationals to the Chinese economy, their dependence in globalization was wonderfully illustrated just a few days ago in Beijing. I was at the China Development Forum and there were the CEOs of all the major companies paying homage, if not tribute, to Premier Li Keqiang. There is a lot at stake, more I think at stake for American business than was at stake for British business in 1914.

And let me add one final point and then we should throw it open to discussion, China's leaders know that they do not need war, to positively avoid war and Cold War in order to surpass the United States. They watched as the Obama Administration pretty much failed to execute a pivot to Asia. And now they watch its successor, essentially as you rightly say, Samantha, the [00:40:27] role of global leadership, walking away from the international institutions that have served the United States so well since 1945.

And I was very struck in Beijing, I'd just been there for a week, by the self confidence I encountered amongst China's leaders. The history is going their way. There are a whole bunch of respects in which this is true. Just think of one, which I wrote about the other day, the way that China kept Silicon Valley at bay. The major companies of the United States technology sector, which took over the rest of the world were successfully excluded by Chinese policy. And now, all the major functions that are performed for us

by Google and Facebook and all the rest, are performed by Chinese companies for the Chinese. I think they will probably leapfrog us in financial technology the way things are going.

So they look at the world today and they, I think, feel a lot less trigger happy than their German counterparts were in 1914. And there's a reason for that, and this is what I'll conclude by observing. Unlike our leaders, China's leaders apply history. There is no more historically minded leadership elite in the world, to my knowledge, than the standing committee of the Politburo of the Chinese Communist Party. And that may be why we won't end up in the Thucydides Trap, there I nearly mispronounced it, because they know about it and they're really carefully formulating strategy to avoid falling into it even if Donald Trump and Steve Bannon are wont to jump in themselves.

ARNE WESTAD: Thanks, Niall. I must confess referencing Paul Kennedy that one of the things which has worried me with China's newfound confidence in a lot of areas is what Paul termed imperial overstretch, certainly with regard to its own region. This is happening a bit too soon in many ways for what China is capable of doing, at least in an integrationist or deliberative kind of framework within eastern Asia.

I wonder, Graham, would it be possible, because we're running a little bit late, is to open up for questions from the audience, take a few of those and then turn to you so you could respond to what Samantha and Niall have been saying. So we have one question over there, someone I recognize. Nick, please go ahead and do line up behind the mics. We've got two down here and then two up, yeah, right in front there. Please?

NICK ACKERT: Good afternoon, and thank you all for joining us. My name is Nick Ackert [?] and I'm a senior concentrating in classics, so I was delighted to hear Thucydides and getting a secondary in government.

ARNE WESTAD: You're one of the few people who know something about Thucydides here.

NICK ACKERT: I don't think anyone does, he's kind of confusing. But in all seriousness, actually, I had a question that was inspired by both Ambassador Power and Professor Ferguson's point, which is I think that the amount of evidence so far seems to display China as a form of revisionist actor. And we've seen Martin Jacques *When China Rules the World* and Richard McGregor, *The Red Machine*, similar kinds of arguments.

But I heard an interesting counterargument that I'd like to hear your opinion on, which is in order to be a revisionist actor, it seems like you have to be upset with the status quo. But the U. S. and China tend to support similar institutions. It seems like the U. S. does not support the ICC, the ICJ. The same thing is true of China. They don't support the Ottawa land mine treaty. And so my question is to what extent can we really perceive China as revisionist? Because it seems core to the thesis of your book?

ARNE WESTAD: Thanks, it's a good question. Please, sir?

TOMA: First of all, I'm Toma with an MPA at the Kennedy School. My question is about the next eight years are probably going to be with a Trump Administration. I'm wondering about security. Shouldn't we welcome the fact that there's a passage of baton towards China because I'm thinking about your article, Professor Power, "Bystanders to Genocide." And I'm wondering if we, in the last years looking at the state of the world, if we are to put ourselves in the frame of your article, if we haven't been in a way bystanders to very unacceptable situations with regards to Syria, with regards to a serious involvement in Africa. I'm wondering, therefore, if it's not a good thing, given what may be perceived as a failure, the fact that there's a passage of baton towards China. Thank you.

ARNE WESTAD: Thanks. One final question up there, and then I'll turn to Graham.

Yeah, please?

KEVIN: My name's Kevin from the Kennedy School. Building on what Niall said with the analogy to the rise of Japan and our similar analysis back in the '80s, now are we kind of overestimating or mis-projecting where China will go? And how much does this thesis depend on China's continued trajectory with rapid growth? And in particular, how do you react to the analysis by Larry Summers and Lant Pritchett about regression to the mean and how China's growth this past decade and a half is unprecedented. Should we continue to expect that, or is it just an anomaly that's going to disappear?

ARNE WESTAD: Okay, thank you. Graham, I turn to you, then. We're going to take a few more questions and then bring Samantha and Niall back into it.

GRAHAM ALLISON: Just given the time, I'll try to be quick. On the question of what has happened to date, I think the main point is we haven't yet had time to be astonished. So if you just look at what has happened over the last 30 years, basically every two years, China's increment of growth is bigger than the economy of India. So that was two years ago, and two years ago and two years ago. But, we talk about India and China as competitors. So, I think we haven't recognized what has happened, that's point one.

Point two: is this going to continue? Will trend lines continue? The answer is of course they won't, but the question of when will they change? So, a number of people, including many of our colleagues here, have been bearish about China for at least a decade. I've been bullish about China for at least a decade. That's been a very good bet, okay?

So if you look at the main storyline in American press, if you'd have called the elite press the last three years about China and economy, what's the main storyline? We do a word cloud, it's called China slowdown. And if you look at it about the American economy for the last three years, the main storyline is American recovery, right? So China has slowed

down and America has recovered to what percent-- how many times U. S. growth is China's growth? So U. S. is growing at X, China is growing at-- which slowed down at what? The answer is 3X plus. And actually, in the period since the financial crisis, that gap has grown, not shrunk. Not shrunk. So the U. S. has hardly grown at two percent, all of the 21st century. And China has been growing this year, it's going to be-- oh, it's not going to be so good, it'll be 6 ½ percent. And you say, oh well, what's 6 ½-- that's three times two.

Secondly, on the bystander point, I think while there's a lot to be said of the things that the Obama Administration didn't do as a bystander, if you asked in what instance have China involved itself in resolving anybody's problem other than its own narrow terms, I can't think of an example. So, if it's China rules as compared to U. S. rules, if that's the comparison--

SAMANTHA POWER: Ebola maybe would be the one you could give them.

GRAHAM ALLISON: Okay, ebola. And that's a good-- that's being fair. But as a general matter.

SAMANTHA POWER: The general matter, totally right.

GRAHAM ALLISON: And then finally on the revisionist PowerPoint, seems to me that if you look at the Chinese perception of their region, and you and I, I think, would say the same thing. If you ask why is it that the American Navy is the arbiter of events in a sea that's called the South China Sea, and then another sea called the East China Sea? So one of my Chinese colleagues asked me, he said, "Go back and look at your map." He says, "How are these oceans called? It's not called the American Sea, it's not called the Asian Sea, it's called the South China Sea."

So when China looks out, they see the American Navy there as an anomaly. And we say to them, "But this has provided the most stability and the greatest opportunity for growth you've ever seen." They answer, "That's true." But they say, "Well, but that was then and now is now." And if you look, I have a very interesting chapter on if China's-- if Xi's China were just like us. So if we go back to Teddy Roosevelt a hundred years ago and look at the way he thought about the Brits providing, they'll just take care of the oceans around the Caribbean or even in the Atlantic. He thought, "It was great that you did this for me for a hundred years. I appreciate it a lot," though he didn't say that. But in any case, be gone or else fight.

ARNE WESTAD: I guess part of the problem is that when it comes to the designation of the seas, while people locally say Vietnamese, Koreans, Japanese, who'd have all the names for these maritime areas as well. So, it's not just on the U. S. side. We're going to do a few more questions, and I'm going to turn over to Niall and Samantha. Yes, please?

SAM BENJAMIN: Hi, thank you. Sam Benjamin from the Kennedy School.

ARNE WESTAD: Please be very, very brief now because we've run out of time.

SAM BENJAMIN: I will, okay. So the last 70 years was not just about the U. S. world order, it was also the peace also created by this commitment to globalization. In 2016, and that has created what [00:51:06] has said, antagonism and stuff like that. Last year in 2016, we had seen the U.K. and the U. S. adopting anti-globalization attitudes, in particular economic nationalism and protectionism. How do you think that-- what does that mean for conflict between America and China? Would that mean that the U. S. and U.K., the west, would slowly decrease relevance in the world? Or would a trade war with China trigger some accident that might cause something bigger to happen?

ARNE WESTAD: Okay, thank you. Sir?

DAN HANRAHAN: Dan Hanrahan, a student at the Kennedy School and someone who's not at all surprised by Ambassador Power's successes. [applause] A lot of American allies in Asia such as Australia increasingly becoming economically integrated into China, how should they manage the Thucydides Trap?

ARNE WESTAD: Good, concise question. Good, concise point as well, actually. Yes, please, over there?

NIEMA GREEN: I will try. My name is Niema Green [?], I am a Ph.D. student here and a former Kennedy School student. I've got a question for both Professor Allison and Ambassador Power. And it has to do with norms. So you talked a little bit about how China's rise has affected or not affected the international system structurally. But what does a rise of China mean for norms like norms of governance, norms of human rights? Some have said that as they've gotten more integrated into the United Nations, they actually become more socialized towards western values. But I wonder what's going to happen as they get more powerful?

ARNE WESTAD: A very good question. Yes, please?

ALI WINE: Hi, my name is Ali Wine. I'm a second year MPP student here. And there was a chart that appeared earlier in the PowerPoint presentation showing different metrics by which China has eclipsed the United States. But I still suspect that most people wouldn't call China's the world's preeminent power. So if and when China becomes number one, however we define it, what should we be looking for? What would be the characteristics of international system or U. S.-China relations in which China has indeed become the world's preeminent power?

ARNE WESTAD: How do we see it when it's happened, or has it already happened? Steve?

STEVE: Steve [00:53:16] on the Kennedy School faculty. How should we interpret the fact that the senior Chinese leadership constantly says they do not believe in the Thucydides Trap and that China and the U. S. have far more in common than it separates them?

ARNE WESTAD: Maybe I can do some reversal and start with you, Niall, and then do Samantha and Graham as well, if you want to do it, yeah?

NIALL FERGUSON: I didn't say I was surprised by Samantha's success; I was surprised by her friendship with Henry Kissinger. [laughter] Let me take that last point first because-- rather the penultimate point first. Because it's absolutely right that China is not number one because those are not the most important measures from the vantage point of power. Let me just throw out a few that aren't in Graham's table. If you do gross domestic product in current dollar terms, you find the United States is far ahead. If you do gross domestic product per capita, the U. S. advantage is four to five to one.

The U. S. currency is the world's reserve currency. As long as the Chinese have capital controls, the renminbi is not going to displace the U. S. dollar. I could go on. There's a sense in which even with Mr. Trump as president the U. S. owns the international order and plays a key role in international institutions, however much he may despise them. Who called the shots at the G20 meeting this weekend? Steve Mnuchin. When he said we're not putting free trade in the communiqué, guess what happened?

So I think we need to recognize that we are still quite some way away from a sorpasso that would put China in a position of being the preeminent power. And above all in military terms, it is still far behind.

One of the first questions asked, if we should think of China and the United States as being in some measure similar in their attitudes towards the international order, your question about revisionist powers and Martin Jacques book, I think that's a good insight.

In many ways, with their insistence on national sovereignty, the United States and China have much in common. They have, I think, a potential for closer collaboration.

When Kissinger has written about co-evolution, I think he's driving at this point and late last year after the election results, he and I collaborated on a piece that was published in the "American Interest" arguing that the logical thing for the Trump Administration to do would, in fact, be to pursue closer relations with China rather than to play hardball in the way that Steve Bannon recommends.

And I still think that's an option on the table. Because when you think, just to turn to the Syrian question for a minute, when you think about Middle Eastern stability, the Chinese have an increasing interest in that, not least because they are becoming the most important importer of fossil fuels from the Middle Eastern region. The real pivot that would make strategic sense would be one in which the Chinese were obliged to pivot to the Middle East and make even more of a contribution than they've begun to make in stabilizing the region.

I remember Martin Dempsey coming here when he was Chairman of the Joint Chiefs and said, "Do we even have a strategy? Is our strategy just trying to hang on?" And I said, "Look, the only thing that makes any sense is to try and get the Chinese to own a proportionate stake in the international order that they benefit from because in many ways they're free riders as long as we are providing what passes for stability in the region."

Somebody asked, and I forget who it was, are we actually in danger of overestimating China? Now, this is a really, really important point. Imagine the scene. It's, I think, Saturday, we're in a hutong in Beijing, me, Michael Pettis, Larry Summers, and Martin Wolf, with about 30 of Michael Pettis's students debating precisely this point. Michael is somebody who's argued for ages that China's just bound to come to a grinding halt

eventually. Not to suffer a massive crisis, but to slow down because of the sheer arithmetic of rising debt and slowing growth.

And so we spend a good two hours debating this point. It's absolutely the case that China has achieved its most recent period of growth with a rising burden of debt. And there's a certain irony here. Once upon a time, China and America looked like economic opposites. Ten years ago, when I first published an article about Chimerica, I joked that it was a kind of marriage of opposites because one did the exporting, the other did the importing. One did the saving and the other did the spending, and so on.

They have grown alike, like some married couples. It was either divorce or convergence. They chose convergence. And now what is the Chinese economic growth model? Rising burdens of debt, shadow banking, real estate bubbles. Is this sounding at all familiar to you Americans? So there's a sense in which China has shifted its economic model and its increasing reliance on debt and its vulnerability to financial complexity, I think are real reasons to expect trouble ahead.

Chinese leadership is more focused, I think, in the end on resolving these economic or broadly domestic problems than on becoming a super power. I think that's not their top priority. The top priority is how do you deal with overcapacity in heavy industry? How do you deal with all this complexity in the financial system? How do we keep the show on the road in a sustainable way? That is really their number one preoccupation. Because if they fail to do that, their nightmare of dongdang, of turmoil, suddenly becomes a reality.

And in that sense, too, and here I'll stop, there is a possibility for U. S.-Chinese cooperation. I wouldn't be at all surprised if after all the chest beating and the aggressive rhetoric, when Xi Jinping comes to Mar-a-Lago [laughter] which is kind of like Nixon in China only a kind of farcical version, but when Xi Jinping comes to Mar-a-Lago, there'll suddenly be a great deal. And there will be a handshake and we'll suddenly realize that

despite appearances to the contrary, Donald Trump thinks that he's a great leader. That's a distinct possibility. From the vantage point of the Chinese, they kind of think that's where it's going. They've read *The Art of the Deal*. Has anybody here? Put your hand up if you've read Donald Trump's *The Art of the Deal*. So it's like what are you people doing? Do you have no interest in the way this man thinks? He's the most powerful man in the world. I know you would rather just watch Colbert and fun at his expense.

But he has a theory of the case, and the theory of the case is in a negotiation, you open very strongly and then you negotiate. That's what the Chinese think that Trump has done since his election. All the aggressive rhetoric they see as being opening play which will culminate in a great deal. So don't be surprised if instead of the Thucydides Trap, we end up with a great deal.

ARNE WESTAD: In Mar-a-Lago, of course. [laughter] Samantha?

SAMANTHA POWER: Well, the only footnote I'd offer to Niall's last point is that there will not be a great deal to be had in Mar-a-Lago any time soon in part, because drawing on something Niall said earlier, to actually-- foreign policy and geopolitics are hard enough when you're paying attention. You know, when you're steeped in the details and when you have the discipline to pull back and think longer term. When you study history and no-- I mean, it's really hard. But, they cannot be ripe to take advantage of some of the structural forces in the world that actually do push us together, pull us together. They will not be ripe to take advantage of those opportunities until they value knowledge and professionalism, period. So, that's on that. [laughter]

On the larger set of questions, one of which has been touched on by Graham, but to dwell on it a little bit, first there was a great question, I thought, about are we more alike than we think within international institutions. Is China as revisionist-- I was sort of trying to get at that a little bit also in my opening comments.

And the ICC, land mines were invoked. I do think we have a powerful attachment to sovereignty, culturally almost theologically, and we have that in common. Even though a lot of the statistics that Graham brings forth and that we know about China in the post-World War II period or pre-1980 or pre-21st century, they're not in the game, they were grandfathered in within the U. N. after World War II. They got the veto, not this China, subsequently this China. But nonetheless, a China got grandfathered in. And so they are the beneficiaries of the same rules of the road sort of almost as if someone were taking a snapshot of the power dynamics today.

Now, that doesn't mean the rules-- that all the rules are rules they would have written, needless to say. But that veto is a very powerful thing. And they have had it for some time. They have used it relatively sparingly. It has been disappointing, frankly, to see the kind of mimicry that has characterized, I think, their policies towards Syria and Ukraine. There's been some divergence with Russia, but not as much given China's attention to sovereignty and to territorial integrity. There was a period where it looked as though they would break with Russia on that, and in the end, ended up just falling back into, again, relative deference.

But I think what's the best example of the premise behind the very good question is China's violent opposition-- not yet actually violent-- but vehement opposition to Security Council reform. I mean, they are the most conservative-- they will throw their bodies in the tracks to prevent the Security Council from being "modernized." And, of course, that has less to do with the abstract idea of whether rules should be renegotiated and much more to do with Japan and India.

But in order for Security Council reform to happen, the countries on the Security Council have to be prepared to support that, and I just can't see that happening any time on my time horizon, anyway, on this earth.

So, to draw that question together with the excellent question about norms and then what does it mean if they begin to lead more within the institutions for norms, I think that's a key difference. So on this question of do we converge, they fundamentally do not agree that that-- or do not act as though they agree, I don't think they can afford to given the domestic situation, they do not act as though they agree that bad governance is itself destabilizing. So their form of stabilization, their idea of how you get peace and security, which is what we're all nominally for, is more governance, more government.

And over the course of the last couple years, and this is, of course, true of Russia also, but it really wasn't clear whether there were lines that governments could cross and forfeit China's relationship. So, you would think that the gassing of 1,500 people, even if you're not human rights people as such, likes that's just bad from a disarmament standpoint to have chemical weapons used as a weapon of war, even in a relatively routine manner. They just didn't get that worked up about it. You know, that didn't affect their relationship with the Syrian government in any real respect.

South Sudan, where they have a lot of leverage that they could be playing right now with the oil investments that they're making, they've appointed an envoy, the envoy travels there often. They're really investing in their diplomacy and their kind of cadre of envoys. But, it's not clear what happens behind-- we know they don't publicly criticize, fair enough, they have their own approach. But it's really-- one has rarely seen the needle move in the wake of a Chinese diplomatic deployment. You know, you don't get the sense that much is being leveraged.

And it's just a deference to the state that fundamentally, at least my understanding of how these conflicts arise, if the state is killing its people or stealing its country's national wealth, there's going to have to be some more pushback from China for it to be a constructive player.

And the very last thing I'd say is sort of a stark example, I think, of the concern behind the question about norms. I mentioned in my opening comments that China has now moved in terms of its financial contributions to the U. N. to being number two behind the United States in the peacekeeping budget and number three behind the United States and Japan in the regular budget. And we, again, I watched these budget negotiations, participated in these budget negotiations for four years in New York, and by and large, until last year China tended to sit relatively quietly in the budget negotiations on the side of developing countries who tend to just want more budget, more money for more jobs, for some big programs. But that's the traditional tension, right, between the developing G77 countries and the big donor countries where we try to discipline the process and it ends up being very tense.

And China has tended always to even sit physically on the side of the room with the G77 countries. And this last year, for the very first time in the negotiations that I've been privy to, and I imagine decades of negotiations that preceded me, China moved its chair away from the G77 but not with the donors. So they sat in the middle, but their positions were positions by and large, and again we the Obama Administration really wanted to fund good U. N. programs so we weren't being ruthless from the standpoint of just slashing and burning, or whatever. But we were very budget conscious given our share and given the amount of bloat in the system.

And the arguments, even though they would not sit on the donor side of the ledger, and for the first time were sitting apart, they were for the first time genuinely budget conscious, which has something to do, probably, with their economy but has a lot to do with their share of the U. N. budget and needing to be responsible, given that it was going up. And the peacekeeping budget is an 8 ½ billion dollar budget of which they're now 10 or 11 percent.

In any event, so that seems-- so when my budget team came back, "The most amazing thing just happened. For the first time, this just happened." I said, "Wow," I said, "We're

going to have an easier time now in these budget negotiations.” He said, “Yeah, there's just one problem. All the budget cuts that they were arguing for was to cut the human rights positions from U. N. peacekeeping missions.” So where they were looking to find savings were not a place that we were going to look to find savings.

So we will find these marriages of convenience and mergers of interest up to a point, but unless, again, we converge in some fashion in believing that when you're abusing your people or stealing from your people or you name it, that that is over time not going to be good for the country, not going to be good for stability, never mind human rights. You're going to see that leadership exercised in a manner, I think, that continues to create tension.

NIAL FERGUSON: Just a footnote to add to that. One of the most striking things about last year in China was discovering that the Chinese elite actually wanted Donald Trump to win. And the reason that I heard most often adduced, aside from Hillary Clinton's association with the pivot strategy, was human rights. That she would bring up the issue of human rights, had done it in the past, and Donald Trump-- “he’s a businessman, we can deal with him.” And that's something that wasn't widely appreciated here.

ARNE WESTAD: No, I think that's totally right. Not just for the connection to the human rights issues, but in more general terms as well. So Graham, Samantha’s saying that China's chair is moving. And Thucydides tells us that the performance of power is something that is very important, right? It's not just about what you say, it’s not just about the rhetoric, but it’s also how you actually present this. So is that a sign in Thucydidean terms, that things may be moving?

GRAHAM ALLISON: Well, it's a good question. Let me connect it to agree strongly, both with what Samantha said about the norms and Niall’s point about the convergence because I think every day we will see more evidence of a China that is more powerful

and that behaves like China. And that will be extremely uncomfortable because China is quite like us, so this convergence-- now, this book was written without-- it took me five years to write this book, so I've worked on it for a long time. This was not written with Donald Trump in mind.

But, as I say in the preface, if Hollywood were producing a blockbuster on China and the U. S. on the path to war, central casting could not have come up with a better lead for Team America than our president. And actually, if you look, the similarities between our president and President Xi Jinping are way underappreciated. So both are driven by a common ambition, and Xi said this first, to make China great again. That was his line before it was Trump's line.

Two, they identify the nation ruled by the other as the principle obstacle to their own greatness. Three, they take pride in their own unique leadership capabilities. Fourth, they see themselves as playing a central role in revitalizing their nation. Fifth, they've announced daunting domestic agendas that call for radical changes. And finally, they fired up populist nationalism support to “drain the swamp” again. In Chinese, they have their own version of that, of corruption at home and confront attempts by each other to thwart their nation's historic mission.

So I think Thucydides would say I'm sitting on the edge of my chair watching this development. I don't take away from this any fatalism or pessimism. The purpose of the book is not to forecast some catastrophic future, but as the line would say, to prevent it. The proposition that in four of the cases, this didn't turn out badly, as Niall reminded us. Means that if we were smart enough to look at those cases, and look at the other cases, and look at the situation, and look at our interests, the interests of the parties, if they should find themselves at war, no one after the fact would think this is a good idea.

It reminds me hugely, and I'll just stop with this one, of World War I. At the end of World War I, how did that work out? So, the Austro-Hungarian emperor, gone. Empire

dissolved. Kaiser, gone. Russian czar overthrown by the Bolsheviks. France, bled of all of its youth for a generation. And England, shorn of its treasury. So if you had had allowed people a do-over, nobody would have made the choices that they made that produced this outcome.

So I would say if we think about that, and you think about the agendas as both Samantha and Niall said, that press-- I mean, Xi Jinping has way more to do than worry about the U. S. So if somehow everything could be-- and the U. S., if you look at our society, has way more to do than worry about China. I would say there'd be more than enough for the parties to work on in their domestic agendas in ways that would actually be cooperative. I think that's the challenge.

ARNE WESTAD: So, read the book. You can't get a better introduction to applied history [01:16:04] Graham, you actually have a copy of it here, than this one.

GRAHAM ALLISON: This is just a galley.

ARNE WESTAD: But even so, you can see the title. Congratulations on the book. My thanks to everyone on the panel, Graham Allison, Samantha Power, Niall Ferguson. Thank you for great instruction.

[applause]

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