

The Wire *China*

Q & A

Nicholas Burns on Managing the Competition with China

The ambassador to China talks about the airing of grievances; the military-to-military stalemate; and if there is really a 'thaw' in U.S.-China relations.

BY BOB DAVIS — JUNE 4, 2023

ECONOMY

INVESTMENT

POLITICS

TECHNOLOGY

TRADE

*R. Nicholas ("Nick") Burns (<https://china.usembassy-china.org.cn/ambassador-nicholas-burns/>), the U.S. ambassador to China, is one of America's leading diplomats. He has held important posts dating back to the Clinton administration when he was the State Department spokesman. He started his posting as NATO ambassador in August 2001, just a month before the 9/11 terrorist attacks, which would tax NATO in ways it hadn't been since its inception. For the first time, NATO invoked its Article 5, which calls for countries to come to the aid of a member under attack. (A personal aside: I attended a party at Burns' ambassadorial residence in Brussels the evening before the 9/11 attack.) Afterwards, he was undersecretary of state for political affairs from 2005 to 2008. After retiring from the U.S. Foreign Service in 2008, he advised corporate clients at the Cohen Group, headed by former Secretary of Defense William Cohen, and taught at Harvard's Kennedy School of Government. He began his stint as ambassador to China in April 2022. This interview is part of **Rules of Engagement**, a series by Bob Davis, who covered the U.S.-China relationship at The Wall Street Journal starting in the 1990s, in which he interviews U.S. officials and policymakers about what went right and what went wrong; and what comes next.*



Nicholas Burns.
Illustration by Kate Copeland

Q: When I think about your career, I think of you as a Russian and European specialist. When you were undersecretary of state for political affairs [2005-2008], that was during perhaps the high point of engagement with China. Now you are dealing with a very different China. How did you prepare yourself?

A: One of the advantages of a very long Senate confirmation process was that I had a lot of time. I was able to have literally dozens of Zoom calls with really smart lifelong China experts. That was the Covid year, so you really couldn't get together with people personally, but you could get together on Zoom; it was very efficient. I think I spoke to all my predecessors, save one. They had a vantage point that was different from people who had been watching China but who were not engaged in the business of trying to run the U.S.-China relationship.

Of course, before I went out, I had long conversations with Secretary of State Tony Blinken, Jake Sullivan, our national security advisor, and members of the cabinet. I met with more than 25 members of the Senate and many in the House – that was invaluable. I also read a lot of books, including two by the late Jonathan Spence, and Henry Kissinger's book (<https://www.amazon.com/China-Henry-Kissinger/dp/0143121316>) on China. I also talked to Kissinger personally, several times. John Pomfret has written a great book called "The Beautiful Country and the Middle Kingdom," (<https://www.amazon.com/Beautiful-Country-Middle-Kingdom-America/dp/0805092501>) which is a remarkable survey of the history of the relationship from when the first trading ship left New York for Canton [now called Guangzhou] in 1784. And [works by] Susan Shirk (<https://www.thewirechina.com/2020/07/19/susan-shirk-on-xi-jinpings-overreach/>), Bonnie Glaser (<https://www.thewirechina.com/2022/07/10/bonnie-glaser-on-what-deters-china-vs-what-provokes-china/>), and Jude Blanchette (<https://www.thewirechina.com/2021/08/29/jude-blanchette-on-the-enduring-intellectual-puzzle-of-china/>).

I have been coming to China for 35 years. I first came here in 1988 with Secretary of State George Shultz, when I was a young foreign service officer. I knew the official China. But there's no substitute for living here. That was the change for me. My wife and I have become students of Mandarin Chinese. I'm struggling

to master the tones.



Illustration by Sam Ward.

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- [Charlene Barshefsky on Why Engagement with China is More Important Than Ever](https://www.thewirechina.com/2022/05/08/charlene-barshefsky-on-why-engagement-with-china-is-more-important-than-ever/) (<https://www.thewirechina.com/2022/05/08/charlene-barshefsky-on-why-engagement-with-china-is-more-important-than-ever/>)
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- [Lawrence Summers on the Principles of a Multipolar System](https://www.thewirechina.com/2022/07/17/lawrence-summers-on-the-principles-of-a-multipolar-system/) (<https://www.thewirechina.com/2022/07/17/lawrence-summers-on-the-principles-of-a-multipolar-system/>)
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- [Stephen J. Hadley on Keeping China Relations on Track](https://www.thewirechina.com/2023/04/02/stephen-j-hadley-on-keeping-china-relations-on-track/) (<https://www.thewirechina.com/2023/04/02/stephen-j-hadley-on-keeping-china-relations-on-track/>)



At the recent G7 meeting in Japan, President Biden suggested the U.S.-China relationship would “begin to thaw very shortly.” But the Chinese quickly threw cold water on that, saying the G7 was smearing and attacking China. And most recently, [China’s Defense Minister] Li Shangfu said he wouldn’t meet with Defense Secretary Lloyd Austin at the Shangri-La [defense conference in Shanghai]. Where do things stand now?

The two countries have a highly competitive relationship across a number of areas. [That includes] the security realm in the Indo-Pacific, technology — which in many ways is the heart of the competition now between the two countries — economics, trade, and human rights. We have to assume that is going to continue.

We've been talking to the Chinese about [the need] to acknowledge this competition and try to manage it effectively. That takes up a lot of time in this relationship. The majority of my job is to defend and advance our interests, and to make these arguments to the Chinese.

We also want to try to engage them when we can. When President Biden met President Xi Jinping in Bali last November 2022, they agreed that we would try to work on climate change. [John Kerry and Xie Zhenhua](https://www.thewirechina.com/2021/04/04/the-climate-crusaders/) (<https://www.thewirechina.com/2021/04/04/the-climate-crusaders/>). [China's climate envoy] have a practical, constructive relationship on climate change.

[The two presidents] also agreed we would try to work on global public health — the battle against infectious diseases, for instance. They agreed too that we ought to be working on food security. That's been such an acute problem in parts of the Horn of Africa, sub-Saharan Africa, and South Asia. It's been exacerbated by changing climatic conditions, and also by Russia's illegal war in Ukraine.

And we have a very robust relationship in agricultural trade. Last year, our farmers, ranchers, and seafood industry sold \$40.9 billion worth of agricultural products to China. China is the largest export market for American ag products.

Another issue the two leaders agreed that we would work on in Bali was narcotics. And the reason for that is the extraordinarily destructive impact of fentanyl on American society. We've been pushing the Chinese to shut down the flow of precursor chemicals from black market Chinese firms to drug traffickers in Mexico and in Central America. That hasn't happened.

Before I got here in 2019, the Chinese government classified fentanyl as a controlled substance. That was a request of the Trump administration. In the last several years, our request has been that the government here use its own powers to shut down the flow of precursor chemicals to the drug cartels in Mexico. That is a direct responsibility of the PRC government. They have not done it.

I've had many, many meetings on this with Chinese counterparts, and have pushed them to use the powers that they have. We've not seen action yet. It's a major problem in the relationship. I am going to continue to push very hard on this issue.

So, where's the evidence of a thaw, or is it just wishful thinking?



Footage from a [CGTN video](https://www.youtube.com/watch?v=C-ZXOpK6nrM) (<https://www.youtube.com/watch?v=C-ZXOpK6nrM>) showing live-fire missile drills, August 4, 2022, one day after Nancy Pelosi's meeting with Tsai Ing-wen in Taipei. According to CGTN, "all missiles hit the targets off the eastern coast of Taiwan accurately."

There's a realization, certainly in our government, that we need to have deeper, more consistent channels to the Chinese leadership. It's precisely when you have a competitive relationship, it's precisely when you have a crisis such as the one that followed Speaker Pelosi's visit to Taiwan when the PRC launched a barrage of

missiles over the island of Taiwan, that you have to be talking. Our view is to open up the military-to-military channels. Three important military-to-military channels were shut down by the PRC in the wake of Speaker Pelosi’s visit and have not been opened up.

You’ve just seen that they turned down a possibility that their defense minister might meet with Secretary Austin in Singapore at the Shangri-La [Dialogue]. That is a mistake. While we compete with each other, we’ve got to communicate and we’ve got to have the ability to talk to each other when a crisis occurs. That’s been our view on the military side, and on the economic side, of the relationship. And we hope that at some point, it might be possible to have deeper conversations at the cabinet level.

BIO AT A GLANCE	
POSITION	U.S. Ambassador to China
BIRTHPLACE	Born in Buffalo, New York. Raised in Wellesley, Massachusetts
AGE	67

Since I arrived 15 months ago, I’ve had continuous contact with the foreign ministry. I invited Xie Feng, who was vice foreign minister and is now the very new PRC ambassador to the United States, here [in Washington] to dinner two weeks ago. He said, this was our 23rd meeting. We reflected on the fact that many of those meetings had been two, three, four-hour meetings, many of them quite contentious, [including] those following Speaker Pelosi’s visit, where we had fundamentally disagreed with each other. But that kind of contact is really important.

We’ve begun to see a willingness to talk on their side in the last couple of weeks. Jake Sullivan held an important round of conversations with Wang Yi, the most senior foreign policy person in China, in Vienna a couple of weeks ago. They were constructive talks. That same week, I had a two-hour meeting with Foreign Minister Qin Gang at the Diaoyutai State Guesthouse. We covered most of the major issues in the relationship.

Just a couple of days later, I was invited over to see Minister of Commerce Wang Wentao. We had a very detailed conversation about trade differences and some of the punitive actions taken against American firms here recently that have been so disturbing to us. It was an opportunity to get into the details of some of those issues.

So, I do think they’re sending a signal to us that we have to open the doors to deeper communication channels. And that’s certainly something that President Biden and Secretary Blinken want to see happen.



Left: Chinese Foreign Minister Qin Gang and Nicholas Burns. Right: Chinese Minister of Commerce Wang Wentao and Nicholas Burns. Credit: Ambassador Nicholas Burns via Twitter

But is the signal that they want to open doors? Or is the signal that they want to open doors perhaps a little bit in the economic realm, but not really at all in the military or foreign policy realm?

Well, it’s disturbing that they have continued to close the doors to talks between our military officials. Our militaries operate in fairly close proximity to each other. We’re in international waters in the South and East China Sea, for instance, and in the Taiwan Strait, and so are they. You want to have our two militaries be in fairly constant communication.

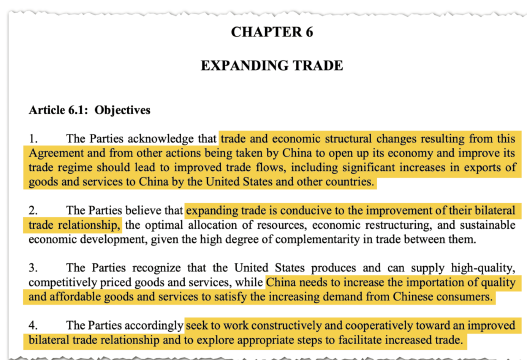
[On the other hand] the State Department, myself, and my colleagues here are in constant contact with the foreign ministry about Taiwan, and about our objections to some of what the Chinese are doing to support Russia in the Ukraine war. We also talk about Iran and North Korea. We are talking about those security issues. They are signaling great interest in the economic side, but we have the ability and intent to carry out a conversation on a wide variety of issues.

Your meeting with the Commerce Minister came just before Commerce Secretary Gina Raimondo and U.S. Trade Representative Katherine Tai met with him. Was that coordinated?

MISCELLANEA	
BOOK RECS	<i>Chip War</i> by Chris Miller <i>The Beautiful Country and the Middle Kingdom</i> by John Pomfret
FAVORITE FILM	<i>Casablanca</i>
FAVORITE MUSIC	Classical – Rachmaninoff, Tchaikovsky, Grieg Classic Rock – The Beatles, The Allman Brothers, Bob Dylan
MOST ADMIRE	My wife, Libby.

Minister Wang had a trip planned for the APEC Trade Ministers meeting chaired by Ambassador Tai in Detroit. He also had a meeting planned with Secretary Raimondo in Washington. My meeting with him was a really good chance, over a couple of hours, to review the major issues that I knew he was going to hear about from our two cabinet secretaries. We haven't had enough discussion on the economic side. Here we are, two-and-a-half years into the Biden administration, and the Chinese have not made themselves available for these kinds of talks. So, I think it's a positive sign that we now may be on the verge of having more sustained discussions at the cabinet level.

The agenda is pretty rich, and it's pretty important to talk about global macroeconomic stability and the debt problem. Secretary [of Treasury Janet] Yellen obviously is our leader on those issues. To talk about technology and some of the export actions that we've taken, by necessity, to prevent the acquisition by the Chinese of technologies that would be injurious to our national security. Secretary Raimondo has some of the responsibilities on our side to manage those export actions. Ambassador Tai is our leader on the Phase One trade commitments that the Chinese made to the Trump administration, and we still expect them to be met. [Editor's note: The two countries signed the Phase One trade agreement in January 2020.] So, we hope to have this whole conversation on the economic side.



An excerpt from Article 6 of the Phase One Agreement, which focuses on expanding trade between the U.S. and China. Credit: [https://ustr.gov/sites/default/files/files/agreements/phase%20one%20agreement/Economic And Trade Agreement Between The Un](https://ustr.gov/sites/default/files/files/agreements/phase%20one%20agreement/Economic%20And%20Trade%20Agreement%20Between%20The%20United%20States%20And%20China.pdf)

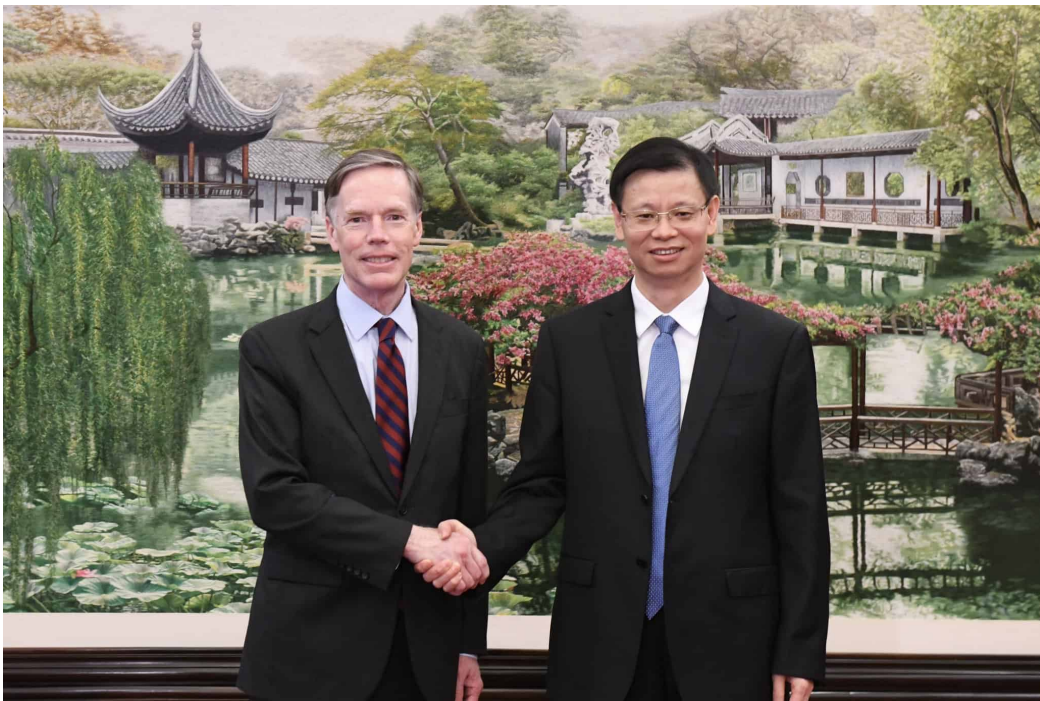
Wouldn't trade talks be a simple way to start things? There is the Phase One agreement. [The two sides] could talk about the agreement.

When Ambassador Tai met Commerce Minister Wang last week in Detroit, I know they had a conversation on some of these issues. We've been very clear: China made commitments to the United States under Phase One. Those commitments should be met. But it's Ambassador Tai who leads us on that, and we are just at the beginning of conversations on those issues.

When you're in my position and you read the statements made after official meetings, you get the feeling that the meetings are like Seinfeld's Festivus — the airing of the grievances. Is that what they are?

It depends. In the weeks following Speaker Pelosi's visit, I defended her right to visit Taiwan and to meet with [Taiwan President] Tsai Ing-wen. I defended House Speaker Kevin McCarthy's right to meet with Tsai Ing-wen in Los Angeles. Following those two events, for instance, the meetings could be hours long and filled with grievances and really difficult conversations.

There are other times, [including] the meeting I had with Minister Qin Gang, and the meeting with Wang Wentao, where it is more of a discussion of what we can do, either to handle a difficult problem or maybe even work on an opportunity where we can combine efforts. [That could include] climate change, global health and some of the other issues that I mentioned.



Nicholas Burns met with Jiangsu Governor Xu Kunlin to discuss the challenges and opportunities for trade between Jiangsu and the U.S., and the U.S.'s goal of increasing the number of American students in China. May 10, 2023. Credit: Ambassador Nicholas Burns via [Twitter](https://twitter.com/USAmbChina/status/1656240983082688512/photo/2) (<https://twitter.com/USAmbChina/status/1656240983082688512/photo/2>)

On the economic front, it's a good sign that the Commerce Minister met with cabinet officials, but as you know in China the Commerce Minister is relatively low ranking. Vice Premier He Lifeng would be Xi Jinping's representative on trade. Ding Xuexiang, a member of the Politburo Standing Committee, is basically in charge of technology. If American cabinet officials traveled to Beijing, presumably they would meet not just at the minister level, but at the most senior levels. Are we any closer to an American cabinet official coming to Beijing, and who do you think it might be?

There's a new government in place. What we want to do is to get to know and begin to talk to the premier, Li Qiang, and to Ding Xuexiang and He Lifeng. Those discussions are obviously ahead of us. We've taken a step forward with some of the meetings we've had here in Beijing at my level and the constructive talks that Secretary Raimondo and Ambassador Tai had in their meetings with Wang Wentao, the Commerce Minister.

These other meetings are ahead of us. I can't predict when they will happen, but it certainly is in the interest of both countries to see high-level cabinet level discussions take place.

Do you think that trade and economics will play their traditional role of opening and easing what is now a very tense relationship?

It's a more complicated area, certainly, than it once was. The irony is that at a time of substantial strains in the political and diplomatic relationship between the two governments, we've seen an increase in two-way trade to \$690 billion in 2022. China is now the third-largest U.S. trade partner after Canada and Mexico. So, it's certainly a major issue in the relationship, but it's complicated,

We're going to protect our most important technologies and prevent the export of those technologies to China when it impinges in a negative way on our national security.

Jake Sullivan gave a very important speech at the Brookings Institution a couple of weeks ago, when he talked about the need for what he calls a small-yard, high-fence [Editor's note: That refers to erecting high barriers against China obtaining a limited number of technologies.] We're going to protect our most important technologies and prevent the export of those technologies to China when it impinges in a negative way on our national security. That's why we took action to shut down the flow of advanced semiconductors to China. It's in our national security interest to keep that technology away from the military.

When I looked at the Sullivan's speech at Brookings and his speech last fall [where he talked about keeping China several generations behind the U.S. technologically], it seems as if the U.S. is pulling back a little bit. Maybe the administration thought it went too far in its message about how much it was going to limit advanced technology to China. It seemed to be a signal to China that the U.S. position wasn't quite as draconian as they may have thought.

I would see it this way: in the last few months, the U.S. has had two very important speeches. One by Secretary Yellen at Johns Hopkins SAIS, where she made the case that in certain areas national security has to take priority — therefore, the export actions that we've taken. But she also said that we want to continue a trade relationship with China, and we're not seeking to decouple the two largest economies in the world.

Jake Sullivan's speech, which quickly followed — and I see these speeches as bookends of our policy — made the point that we are not decoupling, we're de-risking. We're seeking to diversify supply chains in critical minerals and that kind of thing, so we're not entirely dependent on China or any other country for that matter.

0:00 / 0:23

Jake Sullivan discussing America's supply chains, April 27, 2023. Credit: Brookings
[\(https://www.brookings.edu/events/the-biden-administrations-international-economic-agenda-a-conversation-with-national-security-advisor-jake-sullivan/\)](https://www.brookings.edu/events/the-biden-administrations-international-economic-agenda-a-conversation-with-national-security-advisor-jake-sullivan/)

Those are important speeches. I think they have sent a signal to the Chinese that in technology we're going to have continued competition. I know the Chinese leadership, at least some of the leaders with whom I've met, have read those two speeches very closely. It's positive that they've done that because that sets up the need for more detailed conversations between us on a whole array of issues.

Let's talk about the business environment. The Chinese premier and others have said that China is open for

business but yet there are the raids on due diligence companies, an expansive reading of the new anti-espionage law, the branding of [computer chip maker] Micron Technology as a national security problem, limitations on who can access even basic market data. What are the Chinese signaling to the U.S. and the West?



Beijing's Latest Crackdown Deepens Foreign Business's Confusion

BY ELIOT CHEN

The moves against consultancies and due diligence firms will make it harder for multinationals to operate in China, even as local governments are desperate to...

[\(https://www.thewirechina.com/2023/05/14/beijings-latest-crackdown-deepens-foreign-business-confusion-due-diligence-consultancies/\)](https://www.thewirechina.com/2023/05/14/beijings-latest-crackdown-deepens-foreign-business-confusion-due-diligence-consultancies/)

The fact that we've now seen punitive actions by the government here against five different American companies is very troubling. We've protested these actions and we'll continue to defend these companies.

Second, the amendment to the counter-espionage law that the Chinese announced a couple of weeks ago, and that will go into effect on July 1, is going to send chills through the American business community and the business community of other nations. They've written this amendment in such a broad way that normal business activities — due diligence, the search for data to try to understand whether a joint venture deal makes sense — could now be construed as espionage under the laws of the People's Republic of China. That's going to affect businesses here. It's going to affect academic researchers. It could affect scientists. I've made the point to senior members of the government here that they should rethink this, because it's going to depress investment in some quarters here.

It's going to make people worry that if they engage in activities that are legal in every other country in the world, that could expose individuals to potential criminal prosecution. That is disturbing, it's wrong, and we hope that the government will reflect on this.

It's part of a larger picture here. Many firms are withholding major decisions on investments because they're not quite sure about the direction of economic policy here. On the one hand, you have statements out of the Lianghui [Editor's note: The annual sessions of the National People's Conference and the Chinese People's Political Consultative Conference,] the Bo'ao Forum and China Development Forum that, 'We're open for business. We want to treat the private sector on an equal basis with state enterprises.'

That's a welcome message to the business community. But on the other hand, you see at the 20th Party Congress the messages that national security will trump everything else. It's really incumbent upon the government here to clarify for the business community, which one of these policies is going to be the dominant policy.



Nicholas Burns visits the American Chamber of Commerce in Shanghai, April 25, 2023. *Credit: Ambassador Nicholas Burns via Twitter*
<https://twitter.com/USAmbChina/status/1650829461699592192>

What do you advise companies looking to invest in China? It has become a frightening place for Western companies to do business.

We talk to the business community frequently about these issues. I've spoken to the American business community in Beijing, Tianjin, Shenyang, Guangzhou, Shanghai, Hangzhou, and Chengdu, just in the last two months. There is a lot of concern about the opaque nature of some of these decrees and laws being put forward.

The first bit of advice is try your hardest to understand what some of these restrictions could be and what some of the potential penalties could be. Second, it really depends what sector they're in. Agricultural trade is fairly straightforward. Trading in consumer products or healthcare is also fairly straightforward. Technology is a contested area where we now have very significant export actions by the U.S. that shuts down trade. American companies need to be very aware of that.

Notice on the Addition of Entities to the Uyghur Forced Labor Prevention Act Entity List

AGENCY: Department of Homeland Security.

ACTION: Notice.

SUMMARY: The U.S. Department of Homeland Security (DHS), as the Chair of the Forced Labor Enforcement Task Force (FLETF), announces the publication and availability of the Uyghur Forced Labor Prevention Act (UFLPA) Entity List, a consolidated register of the four lists required to be developed and maintained pursuant to Section 2(d)(2)(B) of the UFLPA, on the DHS UFLPA website. The UFLPA Entity List is also published as an appendix to this notice. Details related to the process for revising the UFLPA Entity List are included in this **Federal Register** notice.

DATES: This notice announces the publication and availability of the UFLPA Entity List as of June 17, 2022, included as an appendix to this notice.

A notice from the Department of Homeland Security announcing the Uyghur Forced Labor Prevention Act Entity List, which includes entities engaged in forced labor in Xinjiang. Credit: GPO

(<https://www.govinfo.gov/content/pkg/FR-2022-08-04/pdf/2022-16754.pdf>)

Another example is the Uyghur Forced Labor Prevention Act (<https://www.cbp.gov/trade/forced-labor/UFLPA>). It went into effect nearly 12 months ago. I sat in the very room where I'm talking to you and over two days talked to several hundred American, European, and Japanese businesses and said, 'Here is our new law. The bar is very high. If you wish to manufacture and export a product in Xinjiang, you have to prove that no part of the supply chain is [there] forced labor. That's a very high bar. We'll be watching. Our government is going to enforce the law.'

So, we've been counseling American businesses to understand where we've drawn the red lines, concerning the Uyghur Forced Labor Prevention Act, the October 7th, 2022 export action on advanced semiconductors. Obviously, don't cross those lines. Also, make sure that as they invest in China, they're aware of some of the negative actions that have been taken by the government of China. It can be a confusing landscape for many American businesses. It really depends on the sector in which they're operating, however.

Let's talk about the issue of economic coercion, especially given your experience as NATO ambassador. That was a big issue at the recent G7. Some in the last administration and some academics have talked about an economic Article 5. [Editor's Note: NATO' Article 5 commits NATO countries to aid an alliance member under attack.]

The G7 countries took a big step forward on this issue at the summit in Japan. You saw President Biden and the other leaders aligning on this issue. The G7 created a coordination platform on economic coercion. Certainly, that is part of the support for states that are targeted with coercion — Lithuania in the last 18 months, Australia over the last couple of years. [Editor's note: In both cases, China blocked imports to pressure the governments to change policies with which it disagreed.] The Australians are an interesting test case. They stood firm against economic coercion and benefited from that.

Second is building resilience in supply chains, diversifying supply chains, and looking at dependencies on critical minerals to make sure that we have diverse supplies. In effect, [we are trying to] deter and deflect efforts to coerce our country and countries friendly to us. This is a major effort.

Secretary Yellen and Jake Sullivan's speeches are guideposts for us on economic policy. We are not trying to separate the two economies. We are trying to introduce a de-risking element into our policy, as are the European Union and other states in the Indo-Pacific. And this has been a very important evolution of G7 and U.S. policy over the last couple of months.



The G7 leaders at a working dinner during the 2023 Hiroshima Summit held in Hiroshima, Japan, May 19, 2023.

Credit: [G7 Japan \(https://www.g7japan-photo.go.jp/en/images/64/\)](https://www.g7japan-photo.go.jp/en/images/64/)

But do you think Article 5 specifically is a good guidepost?

I don't think it really applies because NATO is a unique institution. It's a collective defense organization. It operates by consensus. In the Indo-Pacific we have a different set of arrangements. We have mutual defense treaties with a number of countries out here. And the G7 is a very different entity than NATO.

What do you tell the Chinese who say America is the leader in economic coercion? It has sanctions on countries all over the world, including Iran and Russia.

I've been on the receiving end of a lot of demarches from Chinese officials. My response is that if [Chinese] companies break American law, we're going to sanction those companies. Just last night on May 30th — and you and I are talking on the 31st of May — the U.S. announced sanctions against 13 Chinese companies and individuals for having violated our law in the provision of illicit precursor chemicals to drug cartels in Mexico, who are producing the fentanyl that is poisoning and killing Americans. That's very different, obviously, than the issue we were talking about before.

We have a very important economic relationship with China, and China's playing an important part in the world. We want to see, however, a China that's willing to play by the rules of the WTO.

Treasury secretary after Treasury secretary, president after president has said that a strong and prosperous China is in America's interest. Do you think that's still the case?

China is the second largest economy in the world. We have an interest in stabilizing the global economy, fighting inflation, [and dealing with the global] debt problem. We're working with China on those issues. We have a very important economic relationship with China, and China's playing an important part in the

world. We want to see, however, a China that's willing to play by the rules of the WTO. That gets to intellectual property rights enforcement, forced technology transfer, and economic coercion. So, like everything else in the U.S.-China relationship, it's complicated. Complicated, complex, and challenging. I use all those three C words.

Let's talk a bit about the [spy] balloon incident [A balloon the U.S. alleges was engaged in espionage and shot down earlier this year]. How did that incident get turned around so that China sees itself as the aggrieved party?

Everybody knows what happened. That was a PLA [People's Liberation Army] surveillance balloon. That was the responsibility of the government of China. In the wake of that, Secretary Blinken felt compelled to postpone his planned visit to China. Every country has a right to protect its territorial integrity, its sovereign territory, which the United States did. To suggest that somehow this was the fault of the United States, well, that's just wrong.



Sailors recover the balloon off the coast of South Carolina, February 5, 2023. Credit: [U.S. Navy](https://www.navy.mil/Resources/Photo-Gallery/igphoto/2003157461/)
(<https://www.navy.mil/Resources/Photo-Gallery/igphoto/2003157461/>)

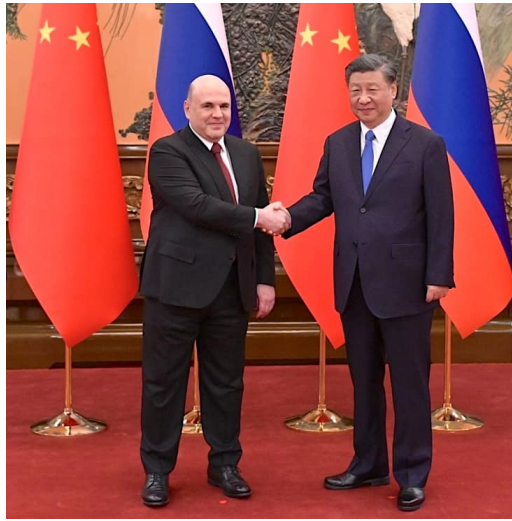
When will we see this FBI report on the balloon? It can't possibly be that difficult to analyze the equipment. Some argue the U.S. government isn't releasing it because the relationship is so rocky that we don't want another irritant. Is that the case?

I just don't know when that report might appear. We continue to have conversations now and then with the government here when they raise the issue. We've been very consistent that this was a violation of our sovereignty. We had every right to identify the problem and then take the action that the President did, shooting down the balloon over our territorial waters off South Carolina.

Let me ask you a question that I've always had about Chinese foreign policy. In some ways, it has struck me that they are either brilliant or incredibly lucky. Here's the sense in which I mean it. The Chinese pressure Australia and Lithuania in ways that are clearly out of bounds. But meanwhile, Russia sends 200,000 troops across the border. So, what is the U.S. going to focus on? The Chinese build up islands in the South China Sea. Again, that is something they shouldn't do. Meanwhile, the U.S. is involved with Iraq and trying to chase down ISIS. It's always like this. Their actions are just below the boiling point. Is that being really smart on their part or just lucky?

Well, I do think that they have a long-term focus, if you look at them analytically, as to what they've been trying to do both in the Indo-Pacific and in other parts of the world. But just to pick up on two of your examples, we've had a difficult series of conversations with the Chinese leadership about Russia's illegal war in Ukraine. We've urged, and continue to urge to this day, the Chinese to pressure Russia to end their bombings of civilians, of schools, of hospitals in Kyiv and throughout Ukraine. And we've urged the Chinese to use their influence to push President Putin to withdraw Russian troops from the theater. As you know, back in February, we began to talk publicly about our concern that China might provide lethal military

assistance to Russia. We have not seen indications of that, but we continue to watch. This has been a difficult series of conversations that I've had, and obviously that Secretary Blinken and the President and Jake Sullivan have had. We're going to continue to focus on this issue.



Russian Prime Minister Mikhail Mishustin meets with Xi Jinping during his official visit to China, May 24, 2023.

Credit: The Russian Government
(<http://government.ru/en/news/48560/>)

Do you think the U.S. has had any effect on the way China has conducted its relationship with Russia?

Well, we'll see. It's a very close relationship. You've seen the visits back and forth, between Moscow and Beijing, of the leadership of both countries. This is a relationship that's important to them. And we continue to make it clear, privately as well as publicly, that the Chinese need to do everything they can to dissuade the Russians from continuing this barbaric and very bloody and destructive invasion of Ukraine. So, the jury's out on that issue.

Why do you think China has sided so strongly with Russia at the possible expense of ruining their relations with Europe and Japan, even if they think the U.S. is lost to them?

It's not my job to explain what the Chinese are trying to do strategically. I'll leave that to them. But I will say, look at the effects that this decision to grow closer to Russia has had. The European Union and NATO are calling China a systemic rival. Europe, seeing what's happened in Ukraine, has focused now more on Taiwan and focused on some of the negative actions of the government here in Beijing to disturb the stability of the Taiwan Strait and the status quo there. We're seeing Europe think and act strategically towards China in a way that had not been the case for many decades in the past.

And if you combine that with the substantial strengthening of the U.S. alliance with Japan, the creation of AUKUS [Editor's note: the security pact among the U.S., Australia, and the U.K.], the strengthening of our already strong alliance with Australia, the emergence of the Quad where India, Japan, Australia, the United States are acting together on a variety of issues, the strengthening of our treaty alliances with the Philippines and South Korea, you have a substantial strengthening of the American strategic position in the Indo-Pacific.

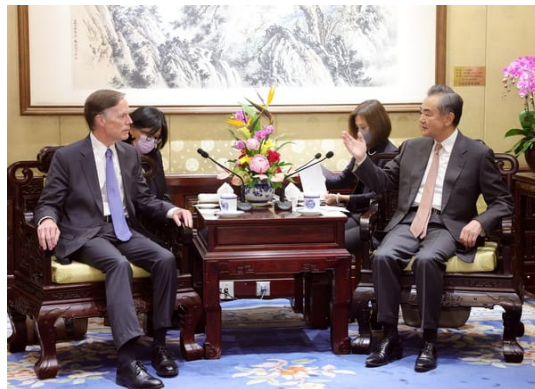


Prime Minister of Australia Anthony Albanese, U.S. President Joe Biden and UK Prime Minister Rishi Sunak, during a meeting at Point Loma naval base in San Diego, US, to discuss the procurement of nuclear-powered submarines. Credit: [U.S. Mission China \(https://china.usembassy-china.org.cn/joint-leaders-statement-on-aukus-2/\)](https://china.usembassy-china.org.cn/joint-leaders-statement-on-aukus-2/)

The EU and NATO and individual European states are very supportive of what we are doing out here. I'll give you one example. Obviously, Taiwan is an extraordinarily difficult and important issue in our relationship with China. But to see members of the European Parliament, the Bundestag, the French National Assembly traveling to Taiwan to support the right of the authorities there to have a peaceful cross-strait relationship with China, that is new.

And to see the focus that a lot of countries have had, not just on the fact that we all expect that China will commit to a peaceful resolution of cross-strait differences. But countries also are anticipating that if there ever was an action to shut down the Taiwan Strait, it would have a very substantial impact, negative impact on the global economy. You're seeing a focus now from Europe that you haven't seen before.

On Taiwan, why wouldn't it be reasonable for the Chinese to think that since Biden has — four times — talked about the U.S. coming to the aid of Taiwan, that there is no longer a policy of strategic ambiguity, that the U.S. is committed to defending Taiwan?



Nicholas Burns meets with Chinese Foreign Minister Wang Yi, October 28, 2022. Credit: [Ministry of Foreign Affairs \(https://www.mfa.gov.cn/web/wjbx_673089/xghd_673097/202210/t20221028_10793776.shtml\)](https://www.mfa.gov.cn/web/wjbx_673089/xghd_673097/202210/t20221028_10793776.shtml)

I have spent hundreds of hours, as have my colleagues here, talking to the Chinese government about Taiwan so they understand our position from the President on down. And that is that our one-China policy remains. It's the basis of our policy. We've been ceaseless in our view that the Chinese need to commit themselves to a peaceful resolution of the dispute, the cross-strait dispute. There's a status quo that's been in place since the 1950s in the Taiwan Strait. It's been routinely violated by the PLA since Speaker Pelosi's visit. And our view is that China should return to that status quo, cease its provocative actions, and cease its military activities so that there can be a reasonable dialogue between Taiwan and the People's Republic.

You have talked about the need for people-to-people contacts. You have said that 10 years ago, there were 14,000 American students in China. Now there are only 350. COVID obviously is a big reason. Do you see any improvement?

We do think it's important, President Biden has talked about this. It was one of the issues at the Bali summit. We agreed that we needed stronger people-to-people contacts. The numbers are arresting. There are 295,000 Chinese students in the United States, and there are now 350 American students in all of China, and I've visited most of the 350 in the last couple of months.

We approach it this way. This is going to be a very competitive relationship for a long time to come and we have to learn how to manage that competition so that it's peaceful and we don't end up in conflict with each other. But we're going to have to continue to compete and disagree on many issues. We need some ballast in the relationship as well. Some of that comes from working on big global issues together like climate change or the battle against infectious disease. But some of it starts with people too. Because of Covid, there's almost been a decoupling in the people-to-people ties between the two countries. There are very few American tourists here. And the Chinese government has not allowed major Chinese tour groups to visit the United States. They still haven't lifted the prohibition that comes out of the Covid crisis.



Elon Musk, CEO of Tesla, SpaceX, and Twitter, meeting with the president of the China Council for the Promotion of International Trade, Ren Hongbin in Beijing, May 31, 2023. Credit: @JayinShanghai (<https://twitter.com/JayinShanghai/status/1663919748403347466?s=20>)

We just saw our first American CEOs here [in Beijing]. They had not been here for three years. It's a problem when our two societies are not communicating. There needs to be a foundation in place, in a very difficult but critical relationship, where people can continue to communicate.

I am working to see if the Chinese will help make it possible for more American students to study here. That means giving visas and encouraging summer programs and junior year programs to reemerge. There's some American universities who want to resume them. It's really important that we show interest in Chinese culture and Chinese history.

I've been traveling around the country, now that zero-COVID is over, to communicate with average Chinese that there are ties that bind us to them. Those ties are numerous and they go back, in some cases, several hundred years. There are American institutions, private institutions all over this country.

Have you had any success in getting the Chinese to issue more visas for journalists?



(<https://www.thewirechina.com/2021/02/14/the-great-expulsion/>)

We're trying very hard to do that. We've had this unequal situation where many of the major American newspapers, news services, and television channels have not been able to have correspondents here. We've worked hard to defend American journalists and to get them multiple-entry visas so that they can be here.

Another issue that's been very important to us is that we have hundreds of American citizens in prison here. A 1980 Consular Convention gives us the right to have consular access, meaning a young consular officer will be able to go visit these prisoners. For most of the last three-and-a-half years, we've been denied access to those prisoners. We've made a substantial push to get our consular officers into the prisons now that zero-COVID has ended, so that we can talk to prisoners and make sure that their health is okay, and their rights are being respected. I have visited several of what we call wrongfully detained Americans over the last couple of months to make the point to the Chinese that we've got to abide by the agreements that were made, and we're going to continue to insist on access to Americans here.

It's very important to keep these two societies connected. We're the two largest economies. We're the two strongest military powers. We're the big innovative science and technology powers. The U.S. and China are going to write a lot of the history of the world in the next couple of decades. While I certainly believe it's going to be a very difficult, competitive relationship, the people of the two countries need to stay connected.

One more question, one that I never, ever used to ask. What are the odds in the next decade or so that the U.S. and China go to war?

I would answer it this way. First of all, I learned as State Department spokesperson back in the Clinton administration, never to answer a hypothetical question.

It is in the best interest of the United States to see a relationship where we defend American interests — and that's my primary job here — and have a lot of difficult conversations with the Chinese leadership.

President Biden has spoken continuously that we're going to defend American interests in a very complicated relationship. This is a tough-minded administration. We've defended American interests on the economic side, on the military side, on the diplomatic side.

The President has also talked about wanting to avoid a new Cold War with China, and we certainly want to avoid conflict. Obviously, we want to prosecute this relationship in such a way that it's a peaceful relationship.

It is in the best interest of the United States to see a relationship where we defend American interests — and that's my primary job here — and have a lot of difficult conversations with the Chinese leadership. And yet to make sure that it's a peaceful relationship going forward. There's nothing more important than that.



Bob Davis, a former correspondent at *The Wall Street Journal*, covered U.S.-China relations beginning in the 1990s. He co-authored “[Superpower Showdown](https://www.amazon.com/Superpower-Showdown-Battle-Between-Threatens-ebook/dp/B07Z3RZ9NY) (<https://www.amazon.com/Superpower-Showdown-Battle-Between-Threatens-ebook/dp/B07Z3RZ9NY>),” with Lingling Wei, which chronicles the two nations’ economic and trade rivalry. He can be reached via bobdavisreports.com (<http://bobdavisreports.com/>).