

Xi and Biden's Diplomatic Dance: APEC Summit and the Future of U.S.-China Relations

Featuring Matt Pottinger, Craig Singleton, Rayhan Asat & The Hon. Nazak Nikakhtar,
Moderated by Michelle Jamrisko

SCHANZER: Welcome and thank you for joining us for today's event hosted by Foundation for Defense of Democracies. It is Wednesday, October 18th. And today's panel will discuss China's assertive moves in foreign policy, defense, economics, and human rights over the past year, which have reshaped geopolitics and international dialogue.

I'm Jonathan Schanzer, FDD's Senior Vice President for Research. We're pleased to have you here in person, some tuning in live for this conversation.

With US-China relations at a crossroads, the upcoming meeting between U.S. President Joe Biden and Chinese Leader Xi Jinping at the Asia-Pacific Economic Forum in San Francisco promises to be more than just a bilateral meeting. It could be a defining moment for international diplomacy.

To discuss the US-China relationship, we are joined today here by a really impressive panel. A feature today, our guest feature, Matt Pottinger, Chairman of FDD's China Program. Matt, for those of you who don't know, served in the White House for four years in senior roles on the National Security Council staff, including as Deputy National Security Advisor from 2019 to 2021.

He previously served as Senior Director for Asia, where he led the administration's shift on China policy. Matt has been a reporter for *Reuters* and *The Wall Street Journal*, and he also served as a U.S. Marine with three combat deployments in Iraq and Afghanistan.

Great to have you back. Great to see you, Matt.

Our next panelist is the Honorable Nazak Nikakhtar — and I'm sure I just butchered that and I deeply apologize — who's partner at Wiley Rein LLP and Co-Chair of Wiley's National Security Practice and Committee on Foreign Investment in the US.

Nazak served as the Department of Commerce's Assistant Secretary for Industry and Analysis at the International Trade Administration, ITA. She also fulfilled the duties of the Undersecretary for Industry and Security at Commerce's Bureau of Industry and Security, or as we like to call it here, BIS.

We're also joined by Rayhan Asat, a human rights activist who brings a spotlight on international rights norms, particularly concerning Xinjiang. A graduate of Harvard Law and Osgoode Hall Law School, Rayhan serves as a Senior Fellow at The Atlantic Council, and Tom and Andi Bernstein Fellow at Yale Law School. Her legal and policy work centers around enforcing international human rights norms, civil liberties, curtailing forced labor, and promoting corporate accountability.

Our last panelist is Craig Singleton, FDD's own Senior Fellow here working on China. With over a decade of experience serving in sensitive national security roles, Craig regularly briefed federal law enforcement, U.S. military, foreign governments, congressional oversight committees, and the White House on a wide range of issues, including China's overseas military expansion, Chinese maligned influence, and North Korea.

Today's conversation will be moderated by *Bloomberg News* reporter Michelle Jamrisko, who tracks regional and global developments, primarily across trade, monetary policy, and economic growth and development.

Before we dive in, just a word or two of — couple of final thoughts about FDD. For more than 20 years, for those of you who don't know, FDD has operated as a fiercely independent, non-partisan research institution exclusively focused on national security and foreign policy. As a point of pride and principle, we do not accept foreign government funding. For more on our work, please do visit our website, which is [FDD.org](https://www.fdd.org), and follow us on Twitter, or X, as it's now known, just @FDD.

That's enough from me now. Michelle, over to you.

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JAMRISKO: Thanks very much, Jon, I appreciate it. And welcome. There's a lot going on in geopolitics this week, so appreciate your attention to this very big event this week over in Beijing, Belt and Road.

We've got — I'll just jump right into that because we have the 10th anniversary, and here we have someone who was at the very first Belt and Road Forum. So Matt, I want to start off by getting your thoughts on, you know, where have we come in the past decade on Belt and Road? What does it mean? And more importantly, where are we going on Belt and Road?

POTTINGER: Yeah. Well, it — it's complicated because on the one hand, Belt and Road was starting to run out of gas. The nature of the loan agreements that were being made were corrupt, opaque, and increasingly unpopular and unserviceable.

But what we're finding now from that Belt and Road Forum that I was asked to attend a few — you know, back in — I think it was 2017, compared to now, is that Beijing is actually trying to super-size it. Even though it didn't — it even though it wasn't a — it was a — really, a raw deal for most countries who got involved, Beijing's now moving towards a global and — but you're — they're using this word a lot.

You're going to see from Xi Jinping's remarks overnight, from all of these different initiatives that he's launching, including a global security initiative, which is designed to discredit the American alliance system globally and replace it with a new hierarchal order.

So the Belt and Road's running out of gas, but it's led to something that is much more ambitious in many respects because it is now a direct challenge to the order that we've mostly benefited from after World War II.

JAMRISKO: So to your point, you mentioned the global security initiative, and I want to turn to Rayhan to ask about human rights because we see these other global blank initiatives coming up. We have Global Civilization Initiative. Belt and Road is kind of tied into Global Development Initiative that China's trotting out.

I mean, with all these sorts of initiatives, they don't seem to be prioritizing universal values. I mean, how do you see human rights maybe fading into the background amid all these different Chinese initiatives?

ASAT: Yes. Thank you so much for having me. Well, first and foremost, I am a human rights lawyer. And so I'll rely on the international law principles to answer your question.

And I think in the past few years, what we saw is China's really repackaging what is human rights or redefining the human rights norms and Global Civilization Initiative. Like, just if you look at the concept of it, it's so wonderful, it's very attractive. It's easy to get countries to buy in, but underneath of all, what they're emphasizing is really a redefinition of what should be the universal values of human rights.

The sovereignty, non-interference of the Chinese rules and which of the Chinese characteristic of what should be human rights would be defining characteristic of what this initiative is. You know, the — under the international law, sovereignty is not absolute, especially when it comes to atrocity crimes. Genocide Convention details this very clearly. When a country commence — countries are obliged not to commit genocide to their citizens, but also to member states, you have this — obligations to other states to not commit atrocity crimes.

And yet what China is using these concepts of a Global Civilization Initiative to say that "when I commit atrocity crimes, other countries cannot interfere. This is my internal affairs." No. These atrocity crimes shock the conscience of the world, and we have to interfere because of the international law obligation of the member states.

So yeah, I'm deeply concerned, and, you know, global community needs to reject this, however China is trying to package it and resell it.

JAMRISKO: So clearly, a priority of sovereignty over any common ground on human rights.

Craig, should we be worried? Should the US and the Western world be worried about the attendance at this Belt and Road Forum? More than 120 countries represented.

SINGLETON: Sure.

JAMRISKO: We have the likes of Taliban, Russia, and others very welcome, whereas the US and Western powers are not. Is — does that say something about the support that China might have for this sort of vision?

SINGLETON: I think so. I mean, with war raging in Ukraine and a new war potentially opening up here in the Middle East, I think Xi Jinping is very focused on presenting BRI [Belt and Road Initiative] as a force for unity, cooperation, prosperity, the same sort of buzzwords that we're hearing in the other initiatives.

And I think for far too long here in the West, we sort of only thought through Belt and Road through the infrastructure lens — roads and airports — and we really lost touch and faith with the fact that this is being used as a platform for a new world order, one that's China-centric, one that reflects China's values, China's interests.

And so increasingly, the problem is that, and the challenge, I think, for us is that lots of countries, 120 countries in this case, are finding common ideological cause with sort of denouncing, and in many ways, sort of defying the United States with the purpose of a reformed global order.

And so the challenge of BRI is not so much that its projects are unsustainable from a debt perspective — of course, that's a problem — or that they damage the environment. Instead, BRI is being used as this platform for Xi's grander global ideological ambitions, and it's impossible to divorce those ambitions from China's domestic political environment, which is dependent upon repression and illiberalism. And you have to take both of those together, I think, to wrap your head around what Xi is planning and what he's constructing.

JAMRISKO: So I think one of the big questions that I and my colleagues have, particularly on the White House beat, is how do you combat that as the US? You know, what can you do to kind of push forward the vision of the world order as it has been versus what China is pushing?

So I think one area that we've looked at is global infrastructure. And, you know, we've talked about this before, but projects around — you know, like, the India to Mediterranean deal that was unveiled at the G20 [Summit], or President Biden talking about building rail across Africa, I mean, are these infrastructure projects run by the US, led by the US, are those realistic? Are they going to do something to kind of change the conversation that China is trying to lead around a different world order?

I'll put it for anyone.

SINGLETON: No, go ahead.

POTTINGER: Look, the nature of this new order that Xi is in the process of building, attempting to build, is something that is now overt. You remember when he visited Vladimir Putin back in March, he visited the Kremlin? This was at a moment when there was a lot of sort of false start headlines in the US, the press saying "gee, I think Xi Jinping is actually cooling on Vladimir Putin." We — Craig and I know this — were writing "no, he's doubling down, tripling down, quadrupling down."

And back in March, what he said was — he was departing the Kremlin, he said to Vladimir Putin "there are changes occurring that we haven't seen in 100 years," by which he means "this is our chance to wrest the leadership globally from the West, and from the United States specifically." And he said "you and I, Vladimir, are the ones driving this change."

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So that should have been the moment — the wake up call. I mean, a late wake up call at that point, that we're now near the end of the year and they're pushing forward with a much more dramatic sort of vision.

Remember, it's — this is significant, in terms of what Xi Jinping is basically telling the world, which is "I am now actively moving to try to render the United States irrelevant. We're going to humiliate the United States. If we can humiliate the United States at the expense of people suffering right now in Israel, in this — after these Hamas terrorist attacks, they'll do that too."

And so if you look at — if you look at how China's postured itself in Ukraine, it's been to say in their sort of public-polished remarks "gee, it'd be great if everyone just calmed down a little bit. We're happy to come mediate." Meanwhile, they're providing material support, they're providing hard currency from off-taking all of that Russian oil, and they are a bigger voice for pro-Russian propaganda than Russia itself globally.

They're going to attempt to do right now the — exactly the same thing in the Middle East. And also to say, you know, Ukraine was America's fault — that's their narrative — and they're saying what just happened in — in the Mid East is also America's fault.

So — but we have to remember how hollow that vision really is. I mean, what — what's behind it is actually the things that were characteristic of that original infrastructure and — and loan program. It's corrupt, it's about co-opting and corrupting elites in order to advance on a one-way road Beijing's interests, which are geostrategic, it's about bringing in raw materials so that Beijing could become the sole supplier of high tech goods in this century.

So we've got to — we — we've got some catch up to do, but ultimately, the — what — what's on offer is not something that people — sometimes, corrupt governments like what they hear and they show up in Beijing. Populations don't. So the more that we can be democratic and tap into democratic impulses, the less mileage they're going to get out of this whole global vision.

JAMRISKO: So I do want to talk about the high tech stuff, specifically for Nazak, but of — just for a minute, if we can back up and get at that hollowness but from a different angle. Economics is kind of getting in the way of both Xi but also Putin, but let's tackle Xi, the Chinese economy.

Where are we going here? A lot of people have their own views. Some say, you know, this is overblown, China's economic malaise over the past couple of years. Others say it — this is real, that they won't end up overtaking the U.S. economy, and maybe at least not for the foreseeable future. What's your take on how to read the economy right now?

POTTINGER: Yeah. So there are two things you have to bear in mind, is that on the one hand, Xi Jinping is directing massive resources into a narrow but very important set of sectors of the economy. It's high tech. Most of it's dual use. It's designed to make China the main provider of things like EVs [Electric Vehicles], and they've pulled it off, by the way. China's now producing twice as many EVs as they can consume. The world is going to be flooded with these things.

The United States, fortunately, we have a 25 percent tariff in place, which is why you're not — you're not seeing that. Europe is going to have to emulate the policies of President Trump that they criticized, which was to protect our industries from subsidized — subsidized through both money but also theft of intellectual property. You know, that flood.

So some of these pockets are going to actually perform, right? They're — Huawei is back, sort of outmaneuvering our rather slow-footed export controls, the export controls that aren't very well enforced — and Nazak knows a lot about that. I want to hear her views because I learn something every time.

But then if you look at the broader economy, the consumer economy, remember the — what we thought — what was billed as China's migration to a great consumer-based economy, emulating sort of the U.S. model, Xi Jinping has contempt for the consumer economy. He thinks it's frivolous. He's talked about what he calls the — his desire to move away from excess materialism and to move towards things like common prosperity.

But really, it's about centralizing economic decisions and the allocation of capital literally using what he calls a stoplight chart. Green light, you can go into military stuff, red light if it's about property or Alibaba and, you know, those sorts of platforms.

The problem he's running into is that over time, the — that economy's going to grind slower and slower and slower because he's depending entirely on an export model of dominating these tech sectors and assuming that we won't respond to that. He's had good reason to think, you know, Europe won't because they haven't until now.

I think that we're going to — it's going to be significant tariffs in our future and in Europe's future, to say, look, we're not going to let you become the German model of just exporting to the whole world. And I think that's where we're at.

JAMRISKO: So more pain to come.

Craig, you wrote recently about, you know, "Xi is Prepared to Eat Economic Bitterness", as I understand it, from *Foreign Policy*. Some in the audience may have read that analysis, but for those who haven't, what did you mean by that? And what can Xi do to stimulate the economy?

SINGLETON: Yeah, I mean, I think Xi always knew it was a matter of when, not if, China would reach its current, like, economic zenith. And so he's really been battering down the hatches and laying the ideological groundwork for I think his boldest gamble yet, which is, as Matt mentioned, is just sort of transform China into this resilient, self-reliant economic powerhouse.

The challenge here in the West is we assume that our leaders will take immediate action to drive economic results, but Xi's perspective is different. It's rooted in comprehensive national security, right, the idea that the strategic autonomy of this — of the party state takes precedence over economic growth and increasingly that the former is a precondition for the latter.

And so I agree, he's — I — we're not going to see the massive stimulus that we saw from his predecessors. He's not going to temporarily be juicing the economy. What he's thinking about is very meager sort of supply side, sector-specific stimulus, with a very defined goal of controlled economic contraction.

And on the other end of this, I think he believes that there will be some sort of a more balanced, party-first economic model in place that will sort of have rid itself of what he believes are these corrosive capitalist forces that really did drive all of China's development and that he resents so strongly.

I — he referred to another — another way he's described this, moral poverty is consumerism. And so he's not interested in transferring wealth to households who will then demand a say and what agency. He's thinking about driving those resources into the party and to the military and to things that the government can control.

And so I think, in his mind at least, whether this is a short and sharp contraction or the long, slow grind that maybe Japan had, he has faith that at the end of this, the party will succeed ...

JAMRISKO: So ...

SINGLETON: ... so long as he's in control and the party is shaping policy. And so that's where I think we're sort of going.

JAMRISKO: A little bit of hare and tortoise, slow and steady wins the race there. It seems like so long ago we were talking about coming out of COVID zero.

SINGLETON: Yeah.

JAMRISKO: And particularly, I was in Singapore for the past six years. You — there was a lot of excitement about the Chinese economy coming forward, saving the global economy, and we're in a very different place now, but — especially in the tech area.

NIKAKHTAR: May I?

Yeah, please.

NIKAKHTAR: ... but can I add to that? So I think it's important for the — I mean, at least my perspective is this sort of concern about China is maybe economics slowdown, meltdown, depending on where you read. I think it's overblown.

And when you think about this — the following facts, which is China has the second largest GDP in the world, but per capita GNI [Gross National Income], it's one of the lowest in the world, so to Craig's point, where does that money go? It doesn't go to the people, it doesn't go to the company, it actually goes to the Chinese government, the CCP [Chinese Communist Party], which is how they fund Belt and Road, which then brings me to a couple of comments about Belt and Road.

There are ways — and I really want to emphasize this, and we'll — we can get into details sort of after this discussion — but there are ways for countries to get out of Belt and Road with little to zero economic costs to them.

They just don't understand sort of the legal abilities that they have and the legal abilities they have to challenge what China is doing in international institutions, and China certainly doesn't fully understand what the laws are actually capable of doing.

But again, countries aren't aware of all of this to basically figure out how to engage in self-help, but I want to stress that countries who are being crushed by Belt and Road right now with the massive debts are very much able to get out of Belt and Road with very minimal costs.

I mean, what China's doing around the world — it's offering to them what we're kind of not offering, which is economic prosperity to a lot of the countries that we've abandoned, which goes to the other point, which is in the last administration, we launched the América Crece initiative, which is we went to Latin American and Caribbean countries and we engaged in MoUs with them to help them develop the regulatory framework so U.S. businesses would want to invest there.

What are U.S. businesses great at doing? Making money. And if we create the regulatory environment abroad in Africa, in South America, in the Latin America and Caribbean, for our countries to invest, we now — we're never going to have the amount of money that the CCP has, for all the reasons I just said, but we can really weaponize our business industries to help them get there to those countries to help them develop their economies.

The difference between what we will offer and what China will offer is that when China goes and develops the economic prosperity, it's — control is still very much in the CCP's hands. When our businesses go there, we actually help the countries share from the economic gains that they have, right?

And so this is more of helping countries stand up their own economic independence and partnership with U.S. businesses. We're not doing enough of it, but when you think about it's diplomatic visits, it's working with them to improve the regulatory framework, bilats with U.S. businesses going there, it's — the solution is really not that hard. We have just become lazy and we don't do these things.

JAMRISKO: So Nazak, I want to keep it with you because I do want to tackle the tech sector. And of course, you know, that's — you mentioned self-help in a different context, in BRI, but let's talk about self-help in the Chinese context on tech.

I mean, they're going to have to rely — they have relied on Western technology and U.S. technology that they're now being cut off from for — you know, they suffered some restrictions during the last administration and now are undergoing a — more of that pain.

Can you talk about your assessment of how that's going and whether or not those restrictions are — have been effective?

NIKAKHTAR: Yeah. So let's start with sort of the philosophy behind export controls, right? I mean, anybody who's studied China knows that what the CCP wants — the CCP will eventually get, right, but it's just a slowdown technique. So then the question is are our laws effective and are we utilizing our law — the regulatory framework effectively to slow them down, and are we doing the right things we need to run — race faster, right? Like, that's the fundamental question.

And the other thing that I wanted to say, cause it just drives me crazy, is that this notion that the alternative to our export control rules, there's a lot of sort of policy behind high fence, small yard, right? But then that's — assumes that the alternative is big yard, right? I'm sorry — yeah, big yard, little fence. But that's a false comparison. We can actually have a bigger yard with a higher fence.

If an adversary is coming after you, do you want to just put one hurdle in front of them, or do you want to put many because they might overcome that one hurdle? So that — just for those who are kind of new to this philosophy about export controls, that's sort of the fundamental discussion.

I also want to say that our export control regulations work just fine, kind of like our international laws, like the WTO [World Trade Organization], right? It works fine with like-minded partners, the ones who really want to sort of adhere to the rules. They do not work with an adversary who has, I don't know, like all these national security laws and anti-foreign sanctions laws that actually mandate that you violate U.S. laws.

So when we have export controls, what is export controls? OK, I give you permission, Company X, to export your item, your technology to China. But if within China, the Chinese recipient wants to re-export that item, that technology, or conduct an in-country transfer, maybe from innocuous company to an entity listed company — by the way, you need to come get a license from BIS [Bureau of Industry and Security]. Well, what does China's anti-foreign sanctions law say? No, you don't. Right?

So fundamentally, our export control rules are inconsistent with the way that the Chinese laws work, and that's what makes them ineffective. Well, then we say, well, we have end use checks. We have two people who can run all around China and make sure that our countries aren't violating our export control rules. Well, wait a second. Those end use check — the end use check is highly regulated by MOFCOM [Ministry of Commerce, PRC].

And I say this just to juxtapose how ridiculous this sort of — our government system has been. At the International Trade Administration, where I used to work, we used to go audit Chinese companies. That was regulated by MOFCOM. I had three weeks access to any record I wanted at the company, including personal emails of sales representatives, or whatever, to make sure that nothing was hidden in personal emails.

By contrast, our two end-use check people who are supposed to run around China and make sure that our export controls are being adhered to — are — can only conduct a check for half a day and MOFCOM says when they can do that, right? And in modern day of sort of — hiding technology, if you can't do a forensic audit and image computers right, you're not going to find anything. So we just fail to modernize our rules. China — the last thing I'll say is that China is very very adept in circumvention, in trade, in export controls, et. cetera.

So it makes no sense that our controls continue to be narrow, continue to have broad exceptions, we — the rules fundamentally lack in terms of, for example, if you want to export a type of computer that has really exquisite chips, even if the chips are controlled, but that computer isn't controlled then it can go to China, right? So we lack what's called the see through rule. We lack the see through rule where the export license doesn't see through to the components of the item. There's so many improvements we need to make.

The U.S. government regulators know this, but there's enormous pressure from Industry to continue those channels of trade engagement open. Because Industry believes that if I get that ten-million-dollar sale from China, all is gonna be well. I'm gonna invest that in RND [Research and Development].

Actually, we don't make productive investments in the United States so like really how much goes into the RND and versus when you capitalize the value of the technology that we transfer, plus the enormous amount of subsidies that the CCP is going to pour into it, plus the enormous amount of human resources and talent the CCP is gonna pour into it. It pales in comparison to the little ten million dollars the company got.

And I'll leave you all with this example. One company's tech transfer to China years ago, enabled China to leap ahead of the rest of the world, including the United States, in hyper weapons — hypersonic weapons capabilities. One company's short-term profits imperiled the rest of the world. Right? This is how our rules are failing and this is how Industry capture has prevented the entire U.S. government — and I don't want to put a blame on a bureau because the bureau reports up to the chain of command. It's how our government leaders have failed us.

JAMRISKO: Well, let me just get your very quick take on what happened yesterday. We had the Biden administration announcement, additional restrictions on advanced semiconductor chips being sent to China from the US and that sort of technology. Did this do anything for you, or is this a — still a tale of a big fence with a lot of holes in it?

NIKAKHTAR: I want to give everybody — thank you for that question, too. I want to give everybody here words of encouragement. Over the last year, many of us have been talking about the loopholes in the rules. And what was one of the main points that the Commerce Department made about issuing these rules? We're trying to close the loopholes. And I really want to stress that because our collective discussing this is pushing our government to try to do better.

At the end of the day, personally, I mean, the rules are 400 pages. So I'll tell you in a week when I've had, you know, seven full days to digest them and map them out, because they're very convoluted. And it usually takes mapping out to understand them fully. But sort of, at first glance, the rules tighten things up in many ways. They also untighten things in very certain ways. And so, it's kind of a mixed bag.

But I'll give one specific example. So with respect to the export controls on, you know, semiconductor capabilities to China, the Commerce Department has now pulled in licensing restrictions to embargoed countries to deal with the Chinese affiliates, right? But it's not just Chinese tech affiliates in embargoed countries. Much of the embargoed countries are kind of poor nations who are not going to have exquisite technology, right?

We need to be imposing the stringent licensing requirements on ultimate beneficial owners — a — you know, a UK company, a German company, if it's incorporated in the UK or German — but the ultimate beneficial owner is in China, that's how we need to regulate it. And we're not thinking that strategic way yet.

JAMRISKO: OK. Rayhan, I want to bring you in because a lot of this involves work that may or may not be done by forced labor in China, which remains a big issue today. We saw earlier this year Outlaw Ocean Project came out with a big report on seafood coming from China to US and other Western countries involving Uyghur labor.

I mean, where do we stand on these issues? What do you think the Biden administration needs to do to kind of come back after these allegations?

ASAT: So I'm going to combine forced labor and as well as on this issue about American tech companies' corporate accountability together and address it.

So, you know, in the U.S. court, courts tend to be reluctant to extend its jurisdiction over companies' operation overseas if they are involved in human rights abuses. But there is a case right now in the U.S. court. The reason why courts are reluctant is because there is a foreign policy consideration, right?

And actually, in one of the cases, the judge really wrestled with this idea of — that right now the US-China relationship is so frost, so contentious, should it be up to the court to step in and resolve something that there is huge ramifications for U.S. foreign — China foreign policy? But at the same time, there is a federal law obligation, which is American companies should not be engaged in aiding and abetting repression overseas.

And in this case — and if we combine what happened over the past few years in relation to the concentration camps, American tech companies should not be involved in creating this surveillance technology where China is repressing people at home. So that's a major, major issue right now.

I could foresee future where, you know, activists or human rights lawyers bring cases in the U.S. court to say, but for American technologies, China or Chinese companies would not be able to produce this kind of mass scale of surveillance or racial profiling, DNA harvesting of the Uyghur population.

So that's something that we really need to think about as, you know, American corporations. Like, do you want to find yourself in that situation? This is not just a reputational cost of the companies, but there is a legal obligation.

Second, on the issue of forced labor — and I strongly recommend everybody to watch this really wonderful project that the Outlaw Ocean Project — piece that they — investigative piece that this nonprofit actually produced — but at the crux of it, if you look at the video, what — how they were able to do this investigative journalism is because of the support of the victims themselves.

So, many people who are working against their will in these fish factories, they film themselves, but they added lyrics to what's happening. They tried to tell the world, and they realized they're trying to say something and why there is, like, music behind these, like, very snapshot of what's happening in these factories, and people's — you know, their lyrics about "why I'm here," like, "why can't I go home?" And that's how they were able to look at where these videos originated. So often I hear people commenting on, like, you know, we're helping the Uyghurs. No, you're helping your own humanity.

The international law landscape was moved forward because victims had been the primary evidence and victims are telling us what's happening. So I really want to make sure that — whether this administration or last administration have — for anybody — whenever I hear people, like, "we're helping Uyghurs." No, you're not. You're helping us to push the boundaries of the international law and as well as preserving evidence, but also our collective humanity.

So far, despite the American companies lobbying against the Uyghur Forced Labor Prevention Act, which ultimately became a law, the enforcement has been very slow. Many civil society, like nonprofit organizations and researchers, have done wonderful documentation of preserving evidence against Chinese companies or companies that are implicated in forced labor. But the enforcements agencies need to step up.

We need to impose more sanctions against companies that are involved in forced labor. You know, this is modern slavery. Forced labor is modern slavery. And there should be no room for slavery in the global economy. And especially it shouldn't survive with the Uyghur slavery, right?

Like, the slavery is something that a concept dated, it shouldn't be in today's century. We shouldn't be even talking about it. And right now, unfortunately, because — I mean, it's really disheartening for me to see that my people's suffering is exploited in the global economy.

But what the administration should also do and, you know, I think with the collective effort of everybody, make sure, like, other countries, likeminded countries, adopt a similar legislation. The Uyghur Forced Labor Prevention Act has this standard where it really imposes the obligation on the imported proof that there is no forced labor in their supply chain. But there is a loophole in the legislation, too, and we need to close those loopholes to make sure that there is no impunity gap for corporations involved in forced labor.

So I want to see more effort on the enforcement side. I think we need to make sure that there's enough resources allocated to the enforcement agencies and they work closely with the civil society to make sure that, you know, we — we're going to see the full force of this legislation in effect.

JAMRISKO: Well, we've had — yeah, please.

NIKAKHTAR: I just wanted to underscore some of the brilliant things that you said. So the Uyghur human rights — the Uyghur Forced Labor Prevention Act amended the Uyghur Human Rights Policy Act of 2020 to make forced labor among the gross human rights violations that are sanctionable, right? Really have only sanctioned the XPCC [Xinjiang Production and Construction Corps].

But now, the Commerce Department's entity list has designated a bunch of companies for their involvement in forced labor, including providing technology surveillance capabilities for these internment camps. Yet, we haven't sanctioned them, we continue to allow their products into the United States, and we allow our capital to flow into those companies.

I mean, how inconsistent and ridiculous are our laws? And it really just underscores we have the ability to cut it all off by sanctioning these companies, because we've already — the U.S. government has already flagged these companies, many of them, like dozens, for being involved in forced labor. We can sanction them. We just refuse to do it. And that's why all of the things you're saying are perpetuating, because we just don't have the will and the resolve to do this.

ASAT: And there has been — and I think later, like, they walked back on this — but there has been discussion, even lifting sanctions on some of those companies. There hasn't been an improvement. If there is a behavior improvement, then we need to see, like, there's a good faith effort on the company's part to mitigate those damages are done. But none of that exists, you know?

So we — we need to really step up our enforcement mechanism, including imposing sanctions, and also just, like, secondary sanctions — that's something that hasn't been really utilized — because that is what allows Americans companies or American person, individuals to refrain from engaging with those companies who are involved in gross human rights violations.

JAMRISKO: So you both are getting at holes at the enforcement level. I wonder — and we're going to talk in a few minutes about the high-profile US-China meetings — we've had several this year and, of course, we're all waiting for the — prospectively the big one between Xi and Biden.

How do you think this has been addressed in this administration at the high level publicly around Uyghurs, around forced labor? Is it satisfactory? Is there more to be done in just public statements at the leader level?

ASAT: So I would say that for any administration — and right now, since this administration's in power — I mean, there was a readout with Secretary Blinken's high level meeting before Qin Gang was in power, that human rights was addressed. But the problem is, your human rights cannot be a footnote.

You know, you talk about many other issues, like there has been a lot of discussion, I understand that — that there are different school of thoughts. Like, some people talk about decoupling and now, like — now it's become derisking. And there is a school of thought that is engagement potentially, perhaps even help those human rights violations.

Xi and Biden's Diplomatic Dance: APEC Summit and the Future of U.S.-China Relations

*Featuring Matt Pottinger, Craig Singleton, Rayhan Asat & The Hon. Nazak Nikakhtar,
Moderated by Michelle Jamrisko*

Again, like, a lot of issue — a lot of these school of thoughts has their own problems and exist. And so I wrote this piece and — in the *Atlantic* to address this issue. So, for me, what China is doing really massively is separating certain issues.

Like for example, China says if we're going to talk about climate change, let's talk about this issue as a standalone issue. You're not going to discuss human rights with me on this issue. Like, when John Kerry goes to visit China, he has to talk about climate change, not human rights. That is utterly wrong. And when we talk about trade, then we cannot talk about human rights. That is China's approach, and we have to reject that.

During Obama administration a couple of years ago, when there's a discussion about incorporating Vietnam to the Trans-Pacific Partnership [TPP], there is a requirement that unless you release political prisoners, you cannot be part of this TPP agreement.

And we need to use those tools to make sure that, you know, if we're going to deal with China on trade or some sort of — the fentanyl crisis, we need to make sure that there has to be a human rights lens to it, which means that you need to close the concentration camps. And that hasn't — I don't believe that has been really discussed.

And some people may disagree, to say that with engagement, there shouldn't be conditions. I do believe that there should be discussions, at least, on human rights and we need to make sure — like, I mean if Xi Jinping is coming to — here, I hope, like, at least Biden administration, prior to the — this visit, to ensure that the founding members of Uyghur-Americans are released from the camps. That is, like, the — at least minimum we owe it to our citizens.

And so I want to see in every sort of level of engagement, whether trade, whether on the fentanyl crisis, when our congressional delegates visit China, human rights has to be the core principles that should be discussed at the table.

JAMRISKO: I want to turn to defense, of course the story of the week. Matt, we're following, of course, what's happening in Israel and Gaza. You know, the administration already has been very focused on Ukraine funding, on the threats of having to help defend Taiwan and, of course, on its own U.S. defense needs. I mean, can the US do all of this at once?

POTTINGER: So just like China has a — the problem with BRI, they're enlarging the problem to try to leapfrog the entire global order. We can enlarge problems as well, and we should. So, in the case of something that people have been talking about, a Ukraine supplemental, I know there's an effort on Capitol Hill to move away from that language and to say, wait a minute, we're — why would we just talk about one tentacle of this problem when we literally have all of these people meeting together? You've got Putin and Xi Jinping together, they talk to the Ayatollah and his team.

This should be a countering autocracies approach. Our defense spending is small historically right now. It's actually shrinking in real terms, when you account for our inflation, right? Under President Reagan, who did pretty well — he had brought the Cold War to a conclusion, we're in another Cold War now — he was spending significantly more as a percentage of GDP.

We just — someone told me — I don't know if it's someone — you should fact-check me on this — that our debt — servicing of our national debt has just overtaken our entire defense budget. So what we owe on our national debt ...

JAMRISKO: Looks like it could be right...

POTTINGER: That's extraordinary. I mean, if we want to deal with, as we should, our fiscal problems, deal with the real big spending, which is the recurring entitlements in these things, there's — we've got to tackle this.

We — if we don't increase our spending, which we can do, in order to create more munitions, to make sure that we would be able to fight multiple — in multiple theaters and to sustain a war in multiple theaters, if we don't do that, we're going to get a war in multiple theaters. That's what we're on the edge of right now with, you know, Iran's blood-thirsty proxies attacking Israel.

JAMRISKO: So I want to ask specifically on Taiwan, because I want to get Craig in here on your thoughts on that specific could-be conflict.

But I can't believe it's already been more than a year since Nancy Pelosi visited and then, of course, provocations continued. I — where do we stand on that? And, of course, having been in the region, it's a daily concern, obviously, particularly in Taiwan but even outside of Taiwan and in Asia. But what is the level of the threat right now as you see it?

SINGLETON: Pretty high. I mean, I think one of the things that we're really seeing is a concerted attempt by the Chinese to influence the outcome of the upcoming Taiwanese presidential election.

And so China's political warfare is elegant in its simplicity. It's like a think tank in DC came up with it, right? A vote for the DPP [Democratic Progressive Party], the ruling party, is a vote for war. So this massive uptick in Chinese military maneuvers, many of which are quite dangerous and provocative, is intended to reinforce that messaging and to scare the Taiwanese people that reunification will happen one way or another.

I think it's too soon to tell who's going to win this election in Taiwan, but I fear that there seem to be two possible outcomes. One is that China succeeds, its political warfare machine, all-in approach, yields an outcome that is favorable to China's long-term political interests. Or China fails, in which case China goes back to the drawing board and its new baseline is that we just threw the whole kitchen sink at this problem with political warfare, we were unable to achieve our objective, and therefore we need to take even more escalatory and provocative actions, potentially kinetic actions, to achieve that outcome.

And I — I'm not convinced that the United States or Taiwan are prepared for this very near-term eventuality, because this election is coming up in January, and I don't expect that the Chinese will sit back and truly maybe reflect on the outcome. They will consider moving very fast and perhaps swiftly in some of this domain.

JAMRISKO: And yet with all these sanctions, we're still talking about Xi and Biden meeting perhaps next month.

SINGLETON: Yeah.

JAMRISKO: I'm going to do something that's a little unfair, but I want to ask each of you, just yes or no, do you think, if you had to choose today, will Xi attend APEC [Asia-Pacific Economic Cooperation] and meet with Biden? Matt, we'll start with you.

POTTINGER: I don't know. I think it's good when the President is talking to Xi Jinping because it — Xi Jinping's the only person who's going to make decisions in that system, but we shouldn't have high hopes for that and we certainly shouldn't be wasting time with these lower-level dialogues that Beijing is resuscitating, which is their old Jedi mind trick to basically lure the Treasury Department and Commerce and State into the tyranny of the calendar, saying, "well, we've got another meeting coming up, so we better not — we better refrain from taking steps that would actually defend American interests because we've got another meeting. We don't want to spoil the atmosphere."

Beijing's starting to lull the administration in — back into that dynamic, which I think is a shame. I don't know if he's coming. I don't know.

JAMRISKO: We'll have to talk about that separately with the — Yellen and — secretaries Yellen and — and Raimondo this year in — in their visits, but ...

POTTINGER: Well, we sent five Cabinet officers to Beijing this summer ...

JAMRISKO: Yes.

POTTINGER: ... to include John Kerry as a Cabinet officer, CIA director, State. Kerry is the climate guy, right? Janet Yellen ...

SINGLETON: Raimondo — Raimondo.

POTTINGER: ... and Raimondo. I mean, how does Beijing interpret that? It's not like they were treated with tremendous courtesy either, right? Many of them couldn't get meetings with Xi Jinping even though Xi Jinping was meeting with Bill Gates the day — by — you know — or he's meeting with Henry Kissinger, but Raimondo's not getting, you know, one of those meetings. John Kerry's certainly not getting in the door. Tony Blinken was put behind a desk, so — and with photos released characteristically by the Chinese propaganda to make it look like he was sort of a pupil in there, which he's not.

I think they're underestimating the United States in treating us like this, but we shouldn't feed into that.

JAMRISKO: So you — do you think the optics might be reversed if Xi comes? Are they fearing that, perhaps, he will be portrayed as a sort of a lesser?

POTTINGER: I don't think so because, as you know, the US can't control its message.

JAMRISKO: That's for sure.

POTTINGER: We've got a free press. And I just don't know that I would have high hopes for what would be achieved, but it's good when they're talking.

JAMRISKO: OK. Nazak, what do you think?

NIKAKHTAR: I actually don't know. I think Xi plays this game really well. He knows how to project power. We do not. And so it's actually to his detriment to come. I think he had us where he wanted us. We basically went and, as Matt said, we sent delegations with our tails between our legs. They got concessions out of these meetings, you know, these tech tag export control working groups where, you know, we give them more and more information about what we're doing and they're — they continue to be a black box, all of that.

And so why would he undermine the enormous power that we've given him by us going there, by doing anything to reciprocate it? I don't think it would be smart for him to do it.

JAMRISKO: Craig, what do you think?

SINGLETON: I think he comes, but he does so with a clear message — that if the current U.S. policy towards China continues, there will be no hope for improvement. And the idea will be to shackle and seek a reprieve from additional coercive measures that they perceive are being placed on them.

And to Matt's point, I think they're right. They — they've — Beijing's, like, back-to-basics approach is to weaponize those working groups because they love to gum up the bureaucracy and constrain decision making. They're experts at it.

And I think he's also thinking a little bit about the broader sort of macro picture. He's very keen to present the message that China is open for business. He's very keen to weaponize and, I think, propagandize pictures of Xi and Biden holding hands for the business community, to say the US certainly isn't cutting China off.

And I think Secretary Yellen this week even doubled down on some other sort of unusual comments that, of course we're not decoupling, de-risking, we want China to be very prosperous. Well, I think the Chinese are keen to weaponize that language to the business community to prevent and sort of stymie capital flight.

And so while I totally agree that there is a huge potential loss of face in some of this, I think the propaganda machine will be very keen to portray it as the US showing deference.

POTTINGER: Yeah. She was just carrying Beijing's message whether she intended it or not. After her visit ...

SINGLETON: Yeah. Right.

POTTINGER: ... she said we want to deepen...

SINGLETON: Our ties.

POTTINGER: ... our economic trade and engagement with China.

SINGLETON: Right. It was just sort of like...

POTTINGER: It — it's ...

SINGLETON: It's unmoored from our values, and it's also unmoored from, like, the — I think the lack of clarity about what great power competition with China implies, like the desired end state. And I think that those confusing signals are ones that the Chinese will be keen to weaponize.

JAMRISKO: Rayhan, what do you think? Prediction?

ASAT: I — my response, it's a really complicated one. Just as a — I know many in the human rights world is perplexed by this.

One is the optics of it, normalizing a regime that is being accused of committing atrocity crimes. But second, we also worried about — you know, some may argue we're already in Cold War. What are the implications of absolute non-engagement? We're pretty worried about that.

And so it's very difficult for me to respond to this question, but if he were to come, and probably he will, what I would like to see is a very strong engagement prior to him coming here, which is I want to see a real progress on the human rights violations in China before the visit.

Are we going to see, like, at least the Uyghur-Americans' family members being released? Is he going to make some sort of pledge that, you know, he would close the camps? Because Chinese leadership has been saying that people, quote-unquote, "graduated from these camps," but graduated to where? What we saw is that — people being removed from the sort of internment camps to permanent prison camps or forced-labor factories, and that is so-called graduation.

POTTINGER: They're graduating from genocide to slavery.

ASAT: Yeah.

POTTINGER: So the two most evil things that humans have invented, which is probably genocide and slavery ...

ASAT: Yeah.

POTTINGER: ... you know, that's the step up that they're offering, at the same time that Beijing is preaching about the need for justice in the Middle East. Where are Muslim leaders around the world that are playing footsie, they're at the — they're right now sipping cocktails at Belt and Road Initiative while there's a genocide taking place within the borders there, a genocide?

Xi and Biden's Diplomatic Dance: APEC Summit and the Future of U.S.-China Relations

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This is — we're talking about not only children who have been taken from their parents and put into squalid, state-owned orphanages where they're deprogrammed of their family histories and their culture, you have a collapse in the birthrate engineered by Beijing — so massive missing population in the form of no new births — and there's going to be — I talked to someone today. I don't want to front run his research that'll be coming out, but there's — there will be research that — that's suggesting that the number of people who have died in these camps is very high. Many tens of thousands of people who've perished in these camps. This is a genocide.

ASAT: And I agree with Matt's point on this because, you know, President Biden during his presidential bid did say that he would make the atrocity determination. So both administration did actually make atrocity determination, to call it genocide. So we have to treat it as such.

And, you know, as somebody from civil society who's been documenting, yes, there are a lot of deaths in the camps. In fact, people with pre-existing conditions and as well as people with disabilities have absorbed into the camp system right now.

And I deeply worry, if the situation continues, what's going to happen to people? At least there are 1,500 people who are about the age of, like, 50 to 60 are in the camps, and these are elderly people with, you know, many health problems, and there are — people with mental health problems are in the camps. So what's going to happen to them?

We cannot — one thing I really worry is that when atrocity crimes continues, it becomes normalized, not just the — in the eyes of the beholder, international community, but also diplomatic engagement. We start to accept things as they are.

You know, initially, many journalists have been documenting and illuminating what's happening, but the issues start to drop from the media attention as well and obviously there are — different crisis start to emerge in the Middle East or elsewhere.

But for me, like, I need to make sure that the Uyghur issue remains as part of the global discussion on human rights in general. So I truly want to make sure that when we say genocide, we need to mean it. When we say never again, we need to mean it, wherever it occurs, not just in China but elsewhere.

NIKAKHTAR: Can I also just add — so 20 years ago, when I worked at the Commerce Department, we used to audit these Chinese companies and we saw forced labor, right, we saw the conditions under which these people worked, where they lived, et cetera.

The problem there — and I want to emphasize this because it's not a problem of today. This existed back in 2002, 2003, 2001. This existed when we let China into the WTO [World Trade Organization], right? The U.S. government was seeing it when, after the financial crisis here, we then embraced China even harder and tried to expand trade with China even more. All of this stuff existed, and we looked away.

And so I — you know, shame on us, and I really just emphasize this again because I think it's — there's a way for people to just kind of read about it in the news and think about "well, what can we do right now? We're entangled, and this is what's happening in the country."

We purposefully entangled our trade, our economies with the country when we knew this was happening, and I — from my vantage point, I will tell you I saw it with my own eyes.

JAMRISKO: Well, thank you, all our panelists. We — I have to cede my questions to — to the audience now. I could ask 100 more of you guys right now but let's see if anybody else has questions in the audience. If you could just state your name and affiliation and throw one to anybody on the panel?

MARTINA: Hi there. Thanks to all the panelists. Michael Martina from *Reuters*. Two quick questions for anyone on the panel who wants to grab it.

China's response to the Israel/Palestinian situation, are you expecting any sort of proactive or constructive response there or are they happy to see the United States tangle itself up in potentially another war?

And if I could ask about the prospect of the APEC meeting with Xi-Biden and throw it forward to 2024 — after that meeting, I don't think a lot of people are expecting a whole lot of deliverables. Where do you see relations going in 2024, when the U.S. election is ramping up and the Taiwan election is happening? Are we headed for a really — a souring in relations after this past year, where the Biden administration has tried to increase engagement? Thanks.

POTTINGER: Do you want to pick one?

SINGLETON: Sure. I'll do the Israel one. I mean, we've seen a much sharper critique of Israel just in the last few days, but securely in Wang Yi's conversations with the Saudi Foreign Minister, and I suspect what the Chinese are seeking to do is to channel the cause of Palestinian statehood to advance its broader objectives and strategic objectives in the Middle East, with the ultimate goal to undermine U.S. influence. I think for them, it's sort of a two-part objective.

We are seeing today in Belt and Road a strong focus, both from Xi but also Putin and other world leaders there, many of whom have been silent on Hamas's atrocities or have outright condemned Israel for sort of its initial reaction, and I think that is speaking to a broad base of support in the developing world that China is keen to tap into, especially as it thinks through deepening influence and access in the Middle East.

So I suspect China will attempt to position itself as a peacemaker in a sort of disingenuous, self-interested sort of way, but I have very low probability belief that it will actually result in peace to this current conflict.

I'll defer to others on the outcome ...

ASAT: Can I just add one quick response. No country who presents itself as a responsible stakeholder should collectively punish any population, period. But the greatest irony in China's response is that the country is actually collectively punishing entire population, now talking about this principle. I only wish that China practice what it preaches.

NIKAKHTAR: I'll maybe add that I think there's nowhere else to go but for the relationship to sour. China is — has been flexing its muscles, it's continuing to flex its muscles when Gina Raimondo, Secretary Raimondo there, with the sort of unveiling of the Huawei phone and the Huawei chips.

And I — it's worth taking a second to mention what happened there. We failed to control technology that we actually thought wasn't important, these DUV [Deep Ultraviolet] tools, and basically the Chinese took that and made it — even better technologies from the DUV tool, that we actually — it's more complex, as I understand it, than even the EUV [Extreme Ultraviolet], but they took that and what they developed from that was even more sort of advanced than the EUV tool in many respect, which is how they sort of got these leading edge chips. And, you know, for sure their throughput is going to increase.

The reason I use that as an example is because China has indigenized what it needs to indigenize, which means that it has more ability now to flex its muscles, and the US has now sort of left, realizing that the status quo can't continue.

So we're going to try to sort of throw spaghetti at the wall, try to do export controls, whatever. We're going to misfire a lot just because, you know, I think the government is stuck between what they feel like they need to do but what industry wants to do. All the while, China's growing, flexing its muscles, and we're going to be put more and more in a defensive position.

We do have tools to fight back aggressively but I think, one, industry captures there. And maybe I'll add too, just to give people a little bit of hope — it's really amazing to me how the government, like in terms of environment, has, like, these GHG [Green House Gas] emissions reductions goals. And you're going to say "why is this relevant?" Because we can actually do that, in terms of economic decoupling, strategic decoupling, whatever we want to call it. We can actually say by 2027 this amount of trade with China in these sectors needs to decrease, by 2030 this has to happen.

Just in environmental rules, we give businesses time to adjust, we should do the same thing — same thing here, but again, we're just not thinking strategically about what we need to do. But again, if — things are going south, China's flexing its muscles, and we're left in a defensive position.

JAMRISKO: Did — we'll move on to another question, but did anyone want to tackle the 2024 piece of that?

NIKAKHTAR: The election, you mean?

JAMRISKO: Yeah. Does this make it harder? I believe the question was the — does the election make it harder?

MARTINA: Your comment sort of got to it...

JAMRISKO: Yeah.

MARTINA: ... about what's coming next. But yeah, basically, you know, with two factors for next year being an election in Taiwan and an election here, you know, what — what's that going to do to the tenor of relations?

NIKAKHTAR: I'm really disappointed in the politicians talking a big game but nobody actually wanting to do what's needed. So, like, think about that TikTok hearing, right? Everybody was slamming TikTok, yet still all using it. You know, not us, but you know, America is still using it on its phone.

And so talk has become cheap, and what I worry about is China is going to take center stage on the presidential debates and nobody is still going to do anything meaningful.

JAMRISKO: Do we have another question?

BADE: Hi, everyone. Gavin Bade with *Politico*. Thanks for being here for this event.

I want to go back to the Belt and Road conversation, and I'd like to get anyone's comment about the administration's response so far. I mean, we saw Biden go to New Delhi and the G20 and unveil all of these plans to increase development aid, basically, to the developing world.

It's a — we installed a new World Bank president. We've got the Global Development Initiative that Treasury's trying to get. We're trying to bring banks off of the sidelines to invest in these sort of infrastructure projects in the developing world.

Have we seen any evidence this is working yet? What do you think of the approach? Grade their response to the BRI, basically.

SINGLETON: I think it's been pretty slapdash. I haven't — it— I don't think anyone has seen a economic feasibility study for any of the — any of the proposals that were put forth from G20, and so it sort of felt like a hollow deliverable.

And I think what was the most ironic, right, was that the whole project's terminated in a Greek port in China that is owned — the — a Greek port controlled by China, right? That was sort of the irony of the entire mish-mashed proposal that they put together.

I think we have to ask ourselves — and I think Nazak mentioned this earlier — whether we are doing what we can to make — to increase favorable conditions and allow these countries, for U.S. companies to want to get engaged. I fear that in some cases, the US is attempting to mirror the Chinese.

They go a billion, we go a billion, and countries are playing us all off of one another, and we aren't actually thinking through the logic of some of these investments, whether those countries want them or whether we think they're potentially beneficial.

And so we find ourselves, unfortunately — once again, the irony of great power competition is it's a means, not an end, and we haven't sort of defined how we want our relationships with those countries to look, and whether there are certain countries, perhaps for resource constraints or other reasons, even values differences, where we sort of draw the line and say it's OK if we don't pursue those opportunities or deepen those relationship or even turn them off.

And I'm not sure that we as a country yet or as a government are prepared to say there will be winners and losers simply because there are resource — competing resource demands.

And so that particular announcement, I — as far as I know, we haven't heard anything else about it since then. The Chinese will key into that to present us, again, as an unreliable partner, that we don't put words into action and that they do. And I assume that that message will be amplified quite strongly at the Belt And Road Forum.

NIKAKHTAR: I think the fact that there's no strategy behind what we're doing is just — underscores the fact that it's going to be announcement, maybe throw some money at the problem, but without any real strategy, right? Like, we're at — we're really not solving any problems.

And so that's just — continues to be evidence, in terms of all of our policies really lacking strategy.

POTTINGER: It's worth remembering that — one bit of context, which is that our strength is our private sector, right? You were saying American companies make money. They know — they — they help other countries make money when they're investing. In Southeast Asia...

NIKAKHTAR: Like, we built China, right? It was our money that built China, so of course, we can do it.

POTTINGER: Yeah, it was. It was Taiwan and — and the United States in — in — in large part.

But the Southeast Asian — if you look at the stock of foreign direct investment from the United States into Southeast Asia, not in the short-term but over the years, this is— well exceeds \$1 trillion, right?

I mean, Belt And Road money doesn't come close to that. I don't know what their Southeast Asia spend is, maybe 10 percent of that, and it's higher-quality money, right? I mean, these are investments that have had long lifecycles and created jobs and growth and all of these things.

So to the point that Nazak was making earlier about the — I don 't know, is América Crece still happening?

NIKAKHTAR: ... the Biden administration hasn't done anything, has it?

POTTINGER: This was a good — this was a good...

NIKAKHTAR: It was a good initiative.

POTTINGER: It was a very good initiative. There was a lot of excitement within Latin America and the Caribbean for it because it was — as Nazak said, it was saying, help — you help unlock our ability to just start bringing private sector investment in. It's high-quality stuff. That's the sort of thing we should be doing.

But there's one other element that I think we — we're underplaying, if we're doing anything at all about it, which is something else Nazak said earlier, which is helping these countries get out of Belt and the Road, renegotiate it.

They actually have the leverage now, particularly if they were to negotiate as a block and to say, "Look, you got us. The last guy who was in was a crook. He's in jail now mainly because of the loans you made." Hello, Malaysia, right? And then just say, "Look, we're going to renegotiate this on our terms. We're going to get financing from Japan. We're going to get financing from, you know, guys who are more transparent," and have the — Paris Club's got plenty of — there to backstop them, and then renegotiate these things. Make — force them to be transparent and start again.

I mean, it's — a lot of this stuff is really is really performative, what Beijing's doing, but we're falling for it. And I think you're absolutely right, Craig. We can't go — we can't put U.S. government money dollar-for-dollar against the Chinese money.

The Chinese money's not performing well, and they do central planning for a living, right? We don't we suck at that. Let's not try. Let's just get American capital moving into countries where right now it's reluctant to go.

NIKAKHTAR: And let me —, just to put more meat on sort of what Matt said, like, countries getting out of Belt and Road, it's really — I underscored kind of how simple it is.

The first thing that they need to do — and they can really easily do this — the first thing they need to do is institute national security laws kind of like CFIUS [Committee on Foreign Investment in the United States], kind of like what we're trying to do with the RESTRICT Act.

Yeah, China, it — I mean — your — our contract says that if we don't pay you, you can take any asset in the country. Well, maybe not that asset, because that's critical to national security. Maybe not that one. And I'm actually going to discount how much I owe you from all the environmental damage and everything you caused. So I really maybe only owe you \$50,000, and so maybe you can have that one little patch on that beach right there, because anything else you want maybe — is going to be critical to national security. They can certainly do something like that.

They can also say, "You know what? Yeah, there's a dispute. We're discounting the value. We're telling you you can't have anything you want." The dispute "per our contract, it says it has to be tried under Chinese laws in Chinese courts, but that contract was actually fraudulent inducement in how we got into that contract because of all the bribery, so now we're actually going to litigate this in an international tribunal."

And the third point I want to make is that there are tons of litigation funders that want to litigate good type of things like this. So that's why it's pretty easy for countries to do it. It's just ...

POTTINGER: Someone should do — you guys should do a story on Development Finance Corp. Where are they? We created this thing out of a new law in the last administration, gave it resources, gave it new authorities to be able to make investments. They didn't always have to work with an American partner. They could bring in other allied countries.

What are they up to? I mean, where are they? I don't know what's going on over there. I haven't — I don't hear anything about them. They sound like they're irrelevant.

JAMRISKO: Is there another question from the audience? We're coming up on time but — you — one more here?

HARDMAN RODGERS Thanks. Hi, my name is Emily Hardman Rodgers and I work at the Department of State and the Bureau of African Affairs.

And we've talked a lot today about economic integration, we've talked a lot about export controls, but I really would love to hear a little bit more from everyone on the panel's perspective about our human rights record here in the United States because I think that that also is one of our strengths, particularly as we're talking about the Southern Hemisphere.

So I'm wondering if we could maybe talk a little bit more? I'd love to hear your thoughts just about how we can better leverage some of the — human rights aspects of U.S. foreign policy to be more competitive in some of these Southern Hemisphere countries. I'd be interested to hear your thoughts. Thanks.

ASAT: And let's start with Matt.

POTTINGER: Yeah. So look, remember when Mao Zedong was running China, a period that today is more and more similar with, he was trying to subvert governments abroad. He called it "exporting revolution."

The way he did it was he was actually trying to mobilize grassroots, and it didn't work very well because the idea of Marxist-Leninism doesn't resonate, you know, it turns out, that greatly.

So what Beijing's doing now, having an — a — accumulated all of these massive resources through their entry to the WTO, which is the biggest strategic mistake probably the United States ever made, is they're bribing and co-opting elites. They're going from the top down. And eventually, they're going to try to come from the bottom up again, mainly from using TikTok and WeChat and other platforms where they can communicate to a broader base.

We should be doing the reverse, in a sense, which is working with grassroots because at the grassroots, people know when their governments are corrupt, they know when they're getting a raw deal, they know when the stuff that China promises that doesn't materialize in the Philippines or in Zambia — you know, they know.

So that — I would be investing, you know, in basically supporting independent voices, journalists, people who can investigate and giving them platforms to be able to point out, to basically put a flashlight into these dark cobwebby corners, like the Belt and Road, you know, contracts. That would be where I would start, is with information.

Xi Jinping's not wrong when he says that the Internet is the main battlefield. He's — he said that in politburo meetings — this is the main battlefield. By the way, he then said we're going to use short-form video apps — I wonder which ones — to actually win the global majority. That was his phrase. I mean, the — he's playing from both ends now — co-opt the elites and then try to snow the masses.

What — we're — we should — we have natural — they — we don't have to snow anybody, we don't — want to do disinformation, but let's at least do information.

NIKAKHTAR: And I'll stress that, to Matt's point — and I think this is such an excellent question because, like, when you go into sort of litigation, you take your other side's argument and you actually offensively sort of use it and crush it before they can even raise it, right? And I think also that's what you're getting at, that's what Matt was mentioning.

China uses a lot of sort of bad U.S. history to create alliances against us, but what if we go and tout very aggressively, offensively all the wealth, all the prosperity that we've brought to help bring to the rest of the world, and also how we treat our own populations and the principles that we stand for, in a way that kind of crushes what they're doing?

SINGLETON: I would just say that the recent GEC [Global Engagement Center] Report highlights this Chinese discourse power. So not understood here in our lexicon, this desire to set and shape global narratives, to consistently just misrepresent the U.S. role in the world and what China's ultimate goals are.

And we are into competing here. We're not investing the resources in the existing platforms, we're not remembering that during the Cold War there was plenty of muscle memory on how to wage this fight, and to do so — as Matt mentioned, it's not disinformation, it's — there's enough meat here from bad Belt and Road projects, from human rights abuses, enough fact there, but it's not being disseminated and it's being ultimately drowned out because the Chinese not only invest in global media platforms based in China but they're increasingly doing it in local languages across the world, across all platforms, across TV and radio and social media. And we're just not there.

And so I think we really do need to sit back and say "can we do this from — with existing authorities and resources at the State Department? Does it — we need something bigger? Do we need to think — re-think this entire approach because the global media landscape is so different?"

Xi and Biden's Diplomatic Dance: APEC Summit and the Future of U.S.-China Relations

*Featuring Matt Pottinger, Craig Singleton, Rayhan Asat & The Hon. Nazak Nikakhtar,
Moderated by Michelle Jamrisko*

And I'm — I feel like we're starting to get there but I thought that that GEC Report in particular really highlighted the fact that the Chinese are spending billions, with a B, every year, and we spend about \$25 million. It's, like, really sort of shocking comparisons.

POTTINGER: That was a important report, it really was.

JAMRISKO: Rayhan?

ASAT: Well, as a human rights lawyer, I would argue that we cannot tout our values selectively. If we're championing universal values of human rights, then we need to advocate for human rights principally. The State Department every year produces a report on human rights record of the countries. But we also need to look inversely in how are we championing those values? You know, we cannot impose visa ban collectively against a population because that is dehumanizing an entire population.

So I think that would be my answer. I think we need to uphold the international laws and universal declaration of human rights at home and as well as across the world universally.

JAMRISKO: Well, we're running up against time, but I do want to give one last, very quick opportunity to each panelist if you have anything that we didn't cover in all the ground that we covered today, any last thought that you want to share with the audience?

Well, we'll just leave it open to conversations thereafter. Thank you all for joining in person and on the livestream, those of you from the comfort of your home, office, or coffee shop. Those of you here in the room, please stick around afterward. You can mingle with our panelists, and I understand there's refreshments outside.

So thank you all.

(APPLAUSE)

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