

PANELISTS DEBATE

Jim BITTERMANN

I want to play-off what you [John Sawers] talked about, doing damage. Just say for instance, a hypothetical world in some parallel universe that Trump is not re-elected for another term. How much of the damage that John is talking about is going to be permanent or maybe at least long-term? How much can be recovered by the next President, whoever that might be within a very short period of time?

Renaud GIRARD

Josef is right: I think that there is a continuity to the American policy, that much is obvious, and that Trump's slightly unusual style makes us forget it, but there is without doubt a continuity to the American policy.

I agree: big change means abandoning neoconservatism in the United States, a doctrine which prioritizes justice or democracy over peace. It is over. We are back to the realism of Metternich or Kissinger. Peace is everything.

I think that there is a Trump heritage, or *legacy*, as they say in English, which will persist, and that is very important. Trump is the first to have said it. He said it in Davos, and no one had said it before him, not a President of the European Commission nor an American President. He said it extremely clearly and was the first person to say to the Chinese: "*Stop stealing technology.*" That is very significant.

Incidentally, he has the backing of his supporters on this. Before Trump, we had American presidents who were extremely *complacent*, as they say in English, extremely lenient towards China, including Obama.

I want to simply remind you that when Xi Jinping came to the United States, he was asked during a press conference about the fact that the Chinese had monopolized the reefs of the two island chains, the Paracels and the Spratlys, in the South China Sea. And Xi Jinping responded publicly to this, saying: "*Yes, but he promised that he would never militarize these islands.*" Today, we have strategic bombardiers with large Chinese runways and missiles on six or seven of these islands which are considered *terrae nullius* under international law, meaning land which belongs to nobody. China – which still claims to be committed to multilateralism – does not recognize the authority nor the decision of the Permanent Court of Arbitration in The Hague on ownership of the South China Sea.

In my opinion, this is really what Trump's overwhelming legacy is going to be. It has been said before that his foreign policy is extremely simple. His entire foreign policy – with 55 weeks to go before the election – will be centered around: "*What can get me re-elected? I am Donald Trump. The arguments that I will put to the American electorate that is not the most sophisticated in the world are, in fact, very simple.*" He will say: "*Before, you could breeze right through the American borders, but I have put a stop to that.*" Even if it is not true, what does it matter? It is about perception. Just like in politics, it is perception that counts, not the truth. People will say "*It is true. It is true that he protected our borders. He fought against illegal immigration.*"

Next, he will say that, during the electoral campaign, his critics said (and it is true: there are tons of articles from the *New York Times*, by Stiglitz and others) that if Trump were elected, it would be a total disaster for the American economy. Well, it was not. The situation has never been better. It has never been better for the disadvantaged, for black and Hispanic people who have never had better salaries or known better rates of employment.

Jim BITTERMANN

John's harder shaking his head, thinking: "Yes, he is right".

**John SAWERS**

I agree with it, 100%!

Renaud GIRARD

That is the campaign he will run, if we are being realistic. He will say: *"I have been a good Secretary of the Interior; I have been a good Secretary of the Treasury"*. Then there is one last thing for him to do: he must show that he has been a good Secretary of Foreign Affairs. That is why he is seeking a deal, something that is media-friendly and can be sold.

Because clearly, appearance is everything in Trumpism. There is Iran, which is why he was enticed by Macron's proposition in New York. There is Korea, but he has not been so good at turning words into action and I am not sure that the Koreans really want a deal. He has to do something. Perhaps he will reach a deal with China, but on the day of the election, he must also say: *"I am a great diplomat, too."* And that will be enough. If he manages to satisfy these three conditions, I think that will be enough to get him re-elected.

Jim BITTERMANN

A future President should therefore preserve some of the things that Trump has done.

Jean-Claude GRUFFAT

I wanted to say two things very briefly and that was first a reaction to what John was saying, but Renaud touched on that. If you look at the polls and I do not necessarily believe them, they are all negative and show Trump losing against any Democratic candidate and there is a perception from the electorate and again I mean if you believe the polls and so far ahead of the election by 55 weeks. However, there is one element where he is always better and that he has done well for the economy. The majority of the Americans say he is doing well for the economy and the job situation has improved. I agree with you that he needs something else, he needs something more. The big question is whether he is going to get it. That is a big question. However, the question is not so much whether he is going to get re-elected on his own merits.

For me the question is more, and we touched on that and I agree with you, I think Biden is toast, as we say in America for a variety of reasons. I do not think it has to do with the story of his surviving son or anything. I think it has to do with the perception that when people, somebody said yesterday that you need to be 80 years old to be President of the United States now. I think it is a very good comment. It used to be true for China and now it is unfortunately true for the United States. We are in a situation and it is true not just in the United States that unfortunately in modern democracies we do not vote for someone, we vote against someone. When I voted in 2016, it is no secret and I said it publicly, I voted against Trump and against Hilary Clinton and I voted for a candidate who had no chance of getting elected, but who got four million votes, Gary Johnson. My point is that in 2016, seven million Americans voted for someone other than Clinton or Trump. This time the question is going to be, we do not like Trump, we do not like his Tweets, and I hear it all the time from my Republican friends, but at the same time they are wondering who is going to be the nominee of the Democratic party. It is too early to say. Bernie Sanders has a heart problem, I wish him well and Elizabeth Warren has a good chance of being the nominee and the Pocahontas as you said, and the rest is going to come out. It is going to be an easy campaign and Trump can be extremely nasty, and will be very ugly and he will get a lot of support for that. I am not going to say it is going to work, but the reality is that at the end of the day people are not going to vote for somebody, they are going to vote against someone and they will say, what is worst, having four more years with damaging consequences? I agree that is real and that could be serious. At the same time, do we want Medicare for all, or do we want the Green New Deal, which is totally crazy? I believe in the environment but the Green New Deal, if you have not read or heard about, please study it.

Jim BITTERMANN

We have got to bring Moto into this.

Motoshige ITOH

Let me just come back to your original question whether there is going to be a change of international system with or without Trump. First, we have to remember when Mr. Trump started the trade war with China, the main issue was the trade deficit, tariffs and the protection of some industries. Now, the much more important issue you just mentioned is the intellectual property or forced technology transfer. Not just Mr. Trump, many people in the United States are critical of China, so that may take some more time. Then the big question, when China entered the WTO in 2001 the size of the Chinese economy was only one tenth of Britain's size. In the last 10 years China has become very big and the big question is whether these two big economies can co-exist under the present umbrella of the WTO. This seems to be very difficult. Therefore, not only will the behaviour of China and the United States change, which may be necessary for convergence, but we have to think about a more realistic international system. Unfortunately, we do not have a very clear picture, but that is exactly the point. Remember, when you have some kind of globalisation then you need some kind of change of the system in order to sustain it.

Jim BITTERMANN

I want to try something which is a little bit of a surprise for you because I did not brief you on any of this. You are all very highly placed in your various societies and political systems, so I would like to ask you what your Prime Minister or President, the people around them, the Foreign Ministers, etc., find the most annoying about Mr Trump? Maybe at the same time, what thing do you think they find most agreeable about dealing with Mr Trump? John, why don't we start with you, any ideas?

John SAWERS,

The first thing I would say in terms of the British relationship with America, as Josef would say, 90% of it is unchanged. The only thing that gets changed are things that touch the White House and as most of us know who have worked in government, actually relatively few issues go to the head of government. Most of them are sorted out at bureaucratic or institution or departmental level. Certainly, the intelligence cooperation between Britain and America has not changed at all, despite Trump's unreliability on intelligence and his degree of disregard or contempt for America's intelligence agencies. Life goes on and heads of government dominate the media and you guys have got lovely stories out of Trump, but actually life goes on as normal. In many ways if you want to do regular business with the United States, keep it away from heads of government, keep it away from Trump.

Jim BITTERMANN

Unreliable would be one of the words you would think of.

John SAWERS

He is unpredictable. He takes decisions based on prejudices and preconceived ideas. He does not try to educate himself. Obama went to the opposite extreme and educated himself so much that he did not take decisions. With Trump you get decisions instantly without caring what the consequences of them are, it is just gut instinct.

Jim BITTERMANN

Qiao, now what about Xi. What do you think he and the people around him find most annoying about Mr. Trump?

Qiao YIDE

Let me first go back to the question you asked with or without Trump, if anything would change in terms of foreign relations between China and the US. I do not think there will be substantial change without Trump. As many people have said in the past two days there is a fundamental difference between these two countries. The only thing that may change may be the focus from trade to maybe human rights, or the style might change. I guess that the substantial tension will persist for a long, long time. That is what I think.

On the Chinese side I do not think they are very interested in the internal politics of the United States because that is nothing to do with us. Of course, it does not mean that they do not look at it closely.

Jim BITTERMANN

This trade deal, as you said, is going to support Trump electorally and domestically.

Qiao YIDE

Yeah. Look at it closely, but it is nothing to do with China in this sort of thing.

John SAWERS

Can I just add a point on the trade deal? My sense in American politics is that there is a trade-off for Trump and the Republicans between going for the short-term benefit of a limited trade deal with China, and positioning yourself politically as being tough on China. I think Trump is much more comfortable being tough on China in the presidential campaign over the next year, than he is getting some short-term economic kick because he does not need that short-term economic kick. What Trump does not want is for a Democratic candidate, whoever it may be, to outflank him and make it look as if he is soft on China, because that would be electorally damaging for him, including with his own base.

Jim BITTERMANN

Except as we have been talking about, he is taking a short-term gain on the agricultural deal.

Qiao YIDE

He wants both, not just one.

John SAWERS

He is giving up on fundamental change of the Chinese economy because it is not attainable, so he is just going for fiddling with the balance of payments and the trade deficit, which will make him look good.

Josef JOFFE

Let me shift the discussion a bit. It is quite clear that Trump is the bull in the China shop, and he is a pretty nasty bull because real bulls do not intend to demolish; they do so unwittingly by dint of their size, weight and clumsiness. Trump, however, wants to overturn the shelves and thus the global order designed a lifetime ago. That was an ingenious structure because it served America's interests while also satisfying those of others. The unstoppable rampages puzzle me. Why do America's partners react so timidly, if they react at all (except China, which plays tit-for-tat)? Historically, the rest of the world ganged up on powers that exerted brutal power and unhinged the system. This is the logic of the "balance of power." Why is it not operating against Trump's America? Is the bull simply too big to be tamed?

Jim BITTERMANN

It is a good question. You see this accommodation being made and we talk about bilateral agreements as opposed to multilateral organizations, etc., but there has not been that much push-back.

Josef JOFFE

Look at the Europeans. Yesterday Volker Perthes invoked European nationalism, so to speak. This should be great moment for taking things into our own hands. I fear that we cannot and will not. Are we re-arming? The share of GDP devoted to defence is actually going down again. Are the three great powers, France, Britain and Germany, taking up the slack? Last year, the mighty German U-boat force, consisting of 6 vessels, was in the dock. Large parts of the air and tank force were out of commission for lack of parts. This is what puzzles me. Why is Europe, with 500 million people, and a GDP bigger than China's, unwilling or unable to match its vast resources with purpose and power?

John SAWERS

There is one answer to that Josef.

Josef JOFFE

There are probably many.

John SAWERS

That is that many of the issues that Trump and Lighthizer have raised with the Chinese are actually shared by Europeans; the unlevel playing field for foreign businesses in China; the endless state subsidies for Chinese enterprises; the rapacious demands for technology transfer or of buying-up technology. Many of the issues that Trump in his clumsy rather brutal way is addressing-

Josef JOFFE

He is our leader, and when it comes to China's predatory trade policy, he is more right than wrong.

John SAWERS

-but he is not a leader we are comfortable with because we do not agree with his tactics. We do not agree with the damage he is doing to the world trade system, but we do agree with many of the specifics he is raising about China. Just as a lot of us agree with his pressure on Germany and Italy and other European countries to raise their defence spending. He fastens on to some relevant issues and then he would naturally have support if only he sought that support, but he alienates that support because of the way he goes about it.

Josef JOFFE

It is not just about China and Trump, but also about Europe. Trump keeps building up naval forces near and in the Gulf. But Britain, France and Germany have at least as much of a stake in freedom of navigation as does the U.S. I will believe in Europe taking matters in its own hands when the E.U. dispatches a credible force to the Gulf. He accepts one provocation after another from Tehran and do we see the French, the Brits and the Germans mount a flotilla to protect freedom of the seas in the Gulf?

John SAWERS

That is happening to a certain extent. There are British and French ships there doing exactly that.

Josef JOFFE

Alas, not the Germans. Do you know how many major surface combatants France and the UK have? About two dozen each, and Britain used to have 250.

John SAWERS

It does not take much to deter an Iranian attack on a commercial vessel. We have seen that happen.

Josef JOFFE

Examples?

Jim BITTERMANN

Before we get to Jean-Claude, Renaud is here, and we do not like to stifle his comments.

Renaud GIRARD

To respond to Josef, if the Europeans do not react to what you call Trump's "brutal power", it is because they also have and have had slightly more aggressive models than Donald Trump in terms of geographical scope and durability. Nowadays, I do not think we can deny that Putin is slightly more aggressive than Donald Trump, and that Xi Jinping is potentially more aggressive than Donald Trump.

For both geographical scope and durability, they have the example set by George W. Bush, who was more aggressive than Donald Trump. In my opinion, that is why they do not react. But do not forget, as has been said before, that Trump is effectively willing the Europeans to react. Before you, before Josef, there was someone who told the Europeans to rearm themselves. That was Donald Trump. I would answer your question with another question: *"Why is it that the Europeans react so little?"*

Jean-Claude GRUFFAT

It is going to be very quick. On these more fundamental issues with China, I think I mentioned it during the Q&A session the other day the CFIUS process, which is the Council for Foreign Investment in the United States. This is all the agencies getting together and approving acquisitions by Chinese companies and other parts of the world, but mostly Chinese, has been very strictly reinforced to the point that many transactions do not even try to be approved because they know they will not be. This is a way to protect some of the American intellectual properties against China.

John SAWERS

My point, Jean-Claude is the same has happened in Britain, in France and Germany. The European Union is producing a regulation to do very much what CFIUS is doing and Japan has produced the most rigorous regulation, more rigorous than the United States, to prevent Chinese ownership of even a small proportion of Japanese technology companies.

Jean-Claude GRUFFAT

John, to answer this, the problem is the fact that those initiatives are not coordinated. We would be more efficient if we were coordinated and I take the blame for the Americans.

John SAWERS

That is my point about the damage that Trump has done to alliances. It is that you have ended up with a fragmented response to this problem rather than a concerted response.