

**Graham Allison:
Destined for War: Can America and China Escape Thucydides's Trap?**

[Music]

Unidentified Male: You are listening to a podcast from the Stanford Center for International Security and Cooperation.

Amy Zegart: Good afternoon, everyone. My name is Amy Zegart. I am a senior fellow at the Hoover Institution and a senior fellow and co-director of the Center for International Security and Cooperation here at Stanford. We are delighted both institutions have come together to co-host this book event today with Graham Allison and Niall Ferguson to discuss *Destined for War: Can America and China Escape the Thucydides's Trap?* I want to remind all of you that the book is available for purchase outside and Graham will stay and sign a few copies, I hope, at the end of the talk. So you can't escape the trap of the bookstore outside.

Now Graham Allison, as many of you know, is director of Harvard's Belfer Center. He is also the Douglas Dillon professor of Government, and founding dean of Harvard's Kennedy School of Government. Like legions of students, I vividly remember my first time walking into the Kennedy School for my first forum event back in 1986. It was an intoxicating place where you could feel the brain power working and the policy being changed in the room. Graham Allison has been the Merlin behind this magic for a very long time, setting the standard of policy relevance scholarship since I think the time he was about 10-years old, back in 1986.

He is the ultimate triple threat, serving on a number of distinguished positions in academia, in government, and in the private sector. He served as special advisor to the Secretary of Defense under President Reagan and Assistant Secretary of Defense for policy and plans under President Clinton. He has been a trusted advisor to seven Secretaries of Defense, both Democrat and Republican. He currently serves on the advisory boards of the Secretary of State, the Secretary of Defense, and the Director of the Central Intelligence Agency. He has the sole distinction of having been twice awarded the Department of Defense's highest civilian award, the distinguished Public Service medal, first by Cat Weinberger and again by our own Phil Perry who is here with us today.

As many of you know, Graham Allison has written extensively about nuclear weapons, terrorism, and decision making. His first book, *Essence of Decision: Explaining the Cuban Missile Crisis* is one of the most influential books in political science and has become required reading for the vast majority of political science students today. Now, that's saying something. If you are a political scientist, you know that there have been so many articles and books written about the Cuban Missile Crisis, there has even been a period article about why we should stop writing articles and books about the Cuban Missile Crisis. It is one of the most crowded intellectual landscapes of the discipline and Graham Allison's book has stood the test of time. That book has sold more than 450,000 copies, which makes you, Graham, the Tom Clancy of our field.

Now, he has written a number of other very influential books including a 2000 book called *Lee Kuan Yew: The Grand Master's insights on China, the U.S., and the world*, coauthored with Bob Blackwell, and a book called *Nuclear Terrorism: The ultimate preventable catastrophe* now in its third printing and selected by the *New York Times* as one of the 100 most notable books of the year when it came out. This book, *Destined for War* is no different. Just for fun, I typed in bestselling

political science books on Amazon.com. The three authors that were clustered at the top were Ken Follett, Al Franken, and Graham Allison.

Now, there is only one weakness in Graham Allison's illustrious career. He never saw the light as his colleague Niall Ferguson did to move from Harvard to Stanford, but I am here today to say Graham, it's not too late for you. So we hope after your visit, you will come visit us for a longer period of time.

Now, joining him in conversation today is his much smarter colleague who decided to move to California, Niall Ferguson, who I am delighted to say is a colleague of mine, is a senior fellow at the Hoover Institution. Niall is also a senior fellow at the Center of European Studies still at Harvard and a visiting professor at Tsinghua University in Beijing. He is one of the world's leading economic historians and astute and widely followed political commentator, and a prolific author. Graham Allison has sold 450,000 books. Niall Ferguson has written 450,000 books. A prolific author, his books, I will just name a few, *Kissinger*, the latest volume, *1923 to 1968: The Idealist*, a highly awarded book, *Civilization: The West and the rest*, *The Ascent of Money: A financial history of the world*. You can tell he takes very niche topics. *Empire: How Britain Made the Modern World*, and of course *Colossus: The rise and fall of the American empire*. You can also find him weekly in the *London Sunday Times* and the *Boston Globe*.

Before coming to Stanford, he, of course, was professor of History at Harvard for 11 years. Before that, he has taught at NYU, Oxford, and the London School of Economics.

He has won a number of awards and perhaps the only person I know who can say that he has won an international Emmy for his PBS series, *The Ascent of Money* and the award for Best Documentary from the New York International Film Festival for his feature length film, *Kissinger*. He was named by *Time Magazine* one of the 100 most influential people in the world. I would have to add that in 2017, he achieved a first in the 100 year history of the Hoover Institution, which was to get every single fellow interested in international security affairs together for the first of what has become a series of salons which has proven to provide incredibly fascinating, illuminating conversation. You are about to see why when you hear these two professors talk about Graham Allison's book. Please join me in welcoming Graham Allison and Niall Ferguson.

[Applause]

Niall Ferguson: You can see, Graham, that the introductions are better here than they are at Harvard, too. Thank you, Amy. So one thing Amy didn't mention is that Graham and I have also been co-authors. We published an article on applied history last year, arguing that the President of the United States needed a consulate of historical advisors, this one especially. So we are not in an adversarial relationship, it's fair to say. Indeed, the book that we are going to talk about is a book that I've watched evolve while I was at Harvard. I have to congratulate you, Graham. You got the timing just right. If you aren't worried now about the possibility of conflict between China and the United States, when you leave this room, I guarantee that you will be.

Let me begin our conversation with a quotation from the book. "When a rising power threatens to displace a ruling power, alarm bells should sound danger ahead. China and the United States are currently on a collision course for war unless both parties take difficult and painful actions to avert it. And war between the United States and China in the decades ahead is not just possible, but much more likely than currently recognized. Indeed, on the historical record, war is more likely than not."

Graham, I've got to ask you to set out your case, assuming that most people in the room have bought the book, but not yet read it. Persuade us that war is more likely than not between the United States and China.

Graham Allison: Okay, thank you very much, Niall, and thank you for participating in this event. Thank Amy and everybody here who are organizing, especially Amy and the joint venture with Hoover. It's a great honor and opportunity for me to be here at Stanford. I did actually spend one very happy year at the Center for Advanced Studies back, I think in the early Seventies. I thought I couldn't possibly come here because I wouldn't be able to do any work. It's too nice. It's too many other things to do. I remember Ken Arrow, who was a colleague at Harvard came out. I said, "Well, how do you get any work done?" He said, "Well, actually, I spend as much time in the sun as I used to spend shoveling snow." In any case, a great pleasure to be here. Thanks for that introduction.

So not for this group, but for general audiences and especially for younger audiences today, the concept that there could be a war between great powers is just inconceivable. I mean seven decades without war as students of Harvard often tell me, war between great powers has been consigned to the dustbin of history. So it's not anything to do with the Twentieth Century. It's like the previous centuries. So there just can't be wars between great powers in war because there haven't been for a long time. Anybody with any historical sensibility will recognize how silly that observation is. This period of seven decades is historically anomalous. John Gettis' proposition about the long peace is, I think, a powerful proposition. So the notion that peace is either a natural condition of mankind or that for whatever reason we have now, our better angels have become so powerful or that we have become so wise. In any case, war between great powers is obsolete. I don't believe it for a second. So that's their premise.

Now, in the case of U.S. and China, I think every day goes noise and news about what's happening in this relationship, either North Korea is testing some missiles or China becomes the number one trading partner with Germany. Or there is a new collision in the South China Sea or whatever. Is there some way to look beneath the surface of this daily noise and news to see something of the structure or even substructure of what's driving these events.

I came upon the idea that Thucydides, I had a great insight, and that that insight basically helped illuminate what's happening today in the relationship between the U.S. and China. Namely, a rising power is on a course and is threatening to displace a ruling power. That storyline is as old as history itself. So Thucydides, the founder of history as we know it, said about the conflict between Athens and Sparta, the two great city-states of classical Greece, in this famous line that all students of international relations have studied. He said, "It was the rise of Athens and the fear that this instilled in Sparta that made the war inevitable." So he identified a dynamic, the Thucydidean dynamic in which a rising power feels bigger, stronger, thinks well, okay, my interests deserve a little more weight. The current arrangements which were set in place before I was bigger and stronger are confining, even unfair. Maybe then I can remember some abuses. And the ruling power looking at this thinks this upstart is trying to upset the situation that has actually provided the environment in which it's able to grow. That the only reason it became bigger and stronger was because I was helping provide an environment for it.

So this dynamic between the rising power and the ruling power greatly, it exhausts trust for every action of one party is misinterpreted by the other. I try to be benign and you suspect I have an

ulterior motive, and vice versa. So magnification of misunderstandings and similarly, it creates a big vulnerability to the impact of external actions or events in which something happens and then one thing triggers a reaction. Then there is a cascade at the end of which is an outcome that nobody would have imagined. So the dynamic here is not that in the rising-ruling power relationship, one party decides war is a good idea. That's the not the proposition. The proposition is rather I think the current arrangements are great because they provide a long period of peace. They have allowed you to grow rich.

As we as an American government official from time to time, I have given this speech to people. I believe it's true. The U.S. constructed in the aftermath of World War II, an economic and security order, which has provided for longer peace and greater prosperity than China ever saw in its whole 5,000 years. They should be extremely grateful and they should actually participate in this international _____ [00:14:01] that's what we tell them. They say, "Who wrote these rules? Where were we when the rule were written? Are the rules fair from our perspective? Shouldn't they be adjusted? Maybe I should have more say. I should have more sway." We say, "Sit in your place. You should be happy. You should be grateful."

So this dynamic leads us to be vulnerable to events like what is happening in Korea. If what was happening in Korea was happening in a relationship between the U.S. and Britain—I also mention Ireland is becoming obstreperous in a way that was threatening to the two parties. The British and the Americans would sit down and say a little pipsqueak like this cannot disturb relations between two big stakes. No, forget about it. Let's just sit down, solve this problem. If we can't agree on some things, we'll flip a coin. But in any case, we can find a way to work this problem.

In the relationship between the U.S. and China, as we watch what happens in North Korea, the Chinese actually, as you noted very well, they have participated in this conversation you and I did. We were both part of a very high level track two post mortem on _____ [00:15:10] both American and Chinese who had been present at the meeting.

From a Chinese perspective in Beijing, the problem in Korea is only that we are there. There would be no problem in Korea if the Americans were not in Korea. We would solve this problem in a second. From the American perspective, the idea that wait a minute, we don't belong there, excuse me, we fought a war there. Forty thousand Americans died there. We helped build a society there. It's a very successful democracy. It's the thirteenth largest market economy in the world. So we are not walking away from that and saying adios, thank you very much. We are proud of this and we should be proud of it. We have a relationship. We should. So we say "Well, so the problem is you, North China. You should solve this problem with these little guys that are your guys." They're your lot. They're the ones that are clearly the problem.

So I think the, as you have written, Niall, I think brilliantly, about World War I. If you go back and ask about World War I, I have a good chapter in the book, I think, if you do a single chapter terms. I do not believe you can study World War I too much. It's totally dumbfounding. I think that Bateman's answer after the war when people said, "Well, how did this happen?" He said, "Ah, if we only knew. There still is a right answer." So how could the assassination of an Archduke in Sarajevo by a Serbian terrorist—so the Archduke, nobody really cares much about except the guy in Vienna. In Sarajevo, they told him he shouldn't go there. The guy that assassinates him is a Serbian terrorist from a group called the Black Hand. Again, if you were writing a movie, you wouldn't make this up. That becomes the spark that breathes the fires that burns down the whole house of Europe. It's crazy. It makes no sense.

Did anybody want the war that they got? No. The Austro-Hungarians would like to have had to switch the Serbs because of the way they were behaving, but actually _____ [00:17:14] as you pointed out, would have allowed them to do that without having a Great War, but what happened was one thing led to the other and by the end, everybody had lost the thing they cared about most. In fact, they just fight World War II on it, I think because I do think it's so startling and I think it's irrelevant if you try to think about China. There is nobody in the U.S. who wants a war with China. I don't know a single person in defense who doesn't think that would be crazy. I think there is no one in the Chinese Ministry of Defense that thinks a war with the U.S. is a good idea.

I think they understand war would be catastrophic, but in the end of World War I, what had happened and what each of the parties cared most about was gone. The Austro-Hungarians were trying to hold together an empire and it dissolved. The emperor was gone. The Russians Czar was backing the Serbs. His whole regime has been overthrown by the Bolsheviks, the communists. The Kaiser is trying to back his buddy in Vienna. He's gone. The French are backing the Russians. They have been bled of their youth for a whole generation. Society never recovered. Britain, which has been a great creditor nation for 100 years is turned into a debtor and is on the path to decline. So if you had given these people a chance for a do-over, nobody, not a single one would have made the choices that he did. But they made the choices. One thing led to the other. God knows, that's what happened. So I think situations which nobody wants war, of the war that they get, which everybody knows war would be nuts, doesn't mean war can't happen.

Niall Ferguson: Your analogy here would be the rivalry between Britain and Germany, which many historians have seen as central to the outbreak of that war. In this case, Britain in 1914 was the incumbent power, as the United States is today. Germany was the rising power, as China is today. They were both heavily interdependent economically and nevertheless conflict came with disastrous consequences.

Graham Allison: Right and they had both become, because of their Thucydides and rivalry, in my reading of it, and I think it's consistent with your own history of it, they had each then become entangled with other parties about whom they would not otherwise have been so entangled. So for, if it had been Bismarck in Germany, he would have understood exactly how weak the Austro-Hungarians were and not allowed them to drag him into something. Actually, he would have never let the Alliance with Russia lapse. But you had a Kaiser who didn't know what he was doing, trying to run the German hand. They begin to make these mistakes.

Similarly, in the British case, the British had been very careful for 400 years not to get too entangled with any one of the other parties on the continent. So they were watching there, but fearful of Germany. They had succumbed to well, I okay, I guess we had better talk to the French more about this, I guess. Maybe we should have more relationships with the Russians, even though the Brits were very worried about the Russians, as you wrote, because they thought the Russians were threatening their empire in India.

Niall Ferguson: So in the book, I should explain. Graham actually gives you 16 cases of an incumbent power feeling threatened by a rising power and this is the political science part. The argument in 12 out of 16, this results in conflict. So I would like to talk more in the minutes about that 1914 analogy, which I think is a very powerful one. Then I would like to get on to the contemporary parallel, in which sort of small rogue regimes, Serbia 1914, North Korea today, ends up precipitating conflict.

Before we get there, can we talk a bit about Thucydides? It's worth pointing out to this audience that you may not have read the *Peloponnesian War* and you may not have read Thucydides, but China's leaders sure have. Just out of interest, could you raise your hand if you've read the *Peloponnesian War*, all or part of it? Oh, very good. It's almost like being back at Oxford.

Graham Allison: Let me make a shout out _____ [00:21:36] because I like this very much. You can go right now when you are done or even now and download for free onto your Kindle the Thucydides *Peloponnesian War*. Only read, just read the first 100 pages, book one. It will knock your socks off. I guarantee it will knock your socks off, for free. I hope you like the other book, too, but you have to pay for it.

Niall Ferguson: It's not downloadable for free yet, but I am sure somebody is working on it, Graham, watch out. So let's just briefly talk about Thucydides. One of the most remarkable things for me is that this has become something that China's leaders refer to. Xi Jinping himself referred to the Thucydides trap in a speech. I think it was in Seattle. Remind me if I have got that wrong. We heard just the other day, the Chinese ambassador to the United States referred to it, too. So it may seem arcane if you are not into ancient history. It doesn't seem arcane in Beijing. That's for sure. Just one question on that. Who is Sparta and who is Athens in this analogy, because I am not quite sure.

Graham Allison: Well, I think that this is certainly not isomorphic, so it's not like this is exactly like that. It actually is our mutual colleague and the founder we think of the work that Niall and I have tried to do together on applied history, Earnest May, would point out to us when you get attracted to an analogy, be careful. Always take a page, a piece of paper and draw a line down the middle of the page. Write similar at the top of one column and different on the top of the other column. If you can't make three bullet points under each, take an aspirin and consult a historian. So these are not exactly alike.

In fact, in the Spartan case, as you know, Niall, very well, and people may not remember. Sparta had been a ruler of Greece for 100 years. So that was the normal circumstance. The Persians had come and it was a big war with the Persians. That's what we call Iranians now. Athens had built a fleet, actually the first professional navy. So their navy, the people were professionals. They worked all the time. Whereas other guys just rode, were soldiers who rode and lo and behold, if you were a professional, you can do a little bit better than, you know, a pickup game. So they produced a pretty impressive baby. Then they actually accrued and alliance structure. Together, Athens and Sparta then defeated the Persians, whereupon there was this, something that has happened a few other times in history. There was this explosion of creative energy in Athens, just unbelievable.

So what did the Athenians invent? I just came from an event in Silicon Valley with people in the tech world. I said you think you are really inventing the world. What did these guys invent? They invented drama. Sophocles or Aristophanes or Euripides, Thucydides, Herodotus, philosophy, Plato, Socrates, Aristotle, democracy, Pericles, architecture. Look at the parking lot. You can find a better building in California than—excuse me. So this is from Sparta, people looking up saying these people are totally out of control. Every day, they get up and they invent crazy new things that don't seem very comfortable to us. Sparta was a martial society. It was essentially—imagine Seal Team 6 is your whole society. When kids are 4-years old, you check them as a prospect. You put them in _____ [00:25:37] the other ones, you kill them. Then you grow them up and they have to—the males have to live in barracks until they are 25-years old. They can't get married until they are 30.

There were all the time marching around, getting ready to fight people. Lo and behold, they were very good at it. That's what they do. But the idea of drama and history and philosophy and architecture, the guys in navies, this all seemed very, very, very threatening to the Spartans. So they said to the Spartans, "Look, the way things are, the way things are supposed to be." So after the war with the Persians, the Athenians wanted to build back their wall to protect them from invasions by people like the Spartans. Spartans told them, "No, you cannot have a wall because if we need to discipline you, we need to be able to march there." The Athenians disobeyed us, us, the incumbent power, and built this wall. Now, why would they build this wall? Probably because they didn't want to obey us.

So then it started from there. I think there is no—if you said what's the similarities between the U.S. and China, I think there are obviously extreme differences in both cases, but from an American perspective, the international order that we have helped build and provide and manage over seven decades has actually worked very well. We put it in broad historical terms, I would give the Americans high marks in many areas. But from a Chinese perspective, that was the then. I think China has emerged to be a great power now and things should be adjusted and particularly in the Asian end of it, they wonder why is the U.S. Navy the arbiter of events in the South China Sea? They look up every day and they see here is the U.S. Navy. It's patrolling their borders. When there is a dispute about an island or somebody wants to build an island, we have an opinion. We think our opinion should dominate because we are the dominant navy there. I tell them, great, we have been there ever since the Battle of Midway. We provided the environment in which things have been so calm and so peaceful that you have been able to develop as you have. Otherwise, what could have happened between you and Japan or what would have happened between even you and India? But they look and they say maybe even in the best of cases, certainly the academic related people would say I agree with you. Yes, you have a point, but that was then. Now is now. So please it's time for you to leave.

Niall Ferguson: So we are, in that sense, Sparta. China is—the thing is when you read the *Peloponnesian War*, you can't help feeling that the Athenian sounds an awful lot like Americans.

Graham Allison: They do.

Niall Ferguson: The nature of the case first compelled us to advance our empire to its present height, fear being our principle motive, though honored interest came afterward. We didn't really want this empire, but we just have it. It's law based. I was thinking the Athenians have a distinctly American quality to them. In that sense, the analogy is not quite perfect, but we will come back in a minute to what I think is the better analogy, which is the Germany-Britain pre-1914 analogy.

Before we do that, could we talk about your cases when things turned out well? Because if there is one thing that this book can tell us, I guess, it's how to avoid a version of 1914 between the United States and China. Give us four examples of things turning out okay. What if it's just the Cold War itself, the U.S.-Soviet relationship? What should we learn from those exceptions, from the minority of cases when people, great powers, avoided the trap?

Graham Allison: I have a chapter in the book called "Twelve clues for peace." I try to draw both from the failures and from the successes. The four success stories, briefly, are Spain versus Portugal at the end of the 15th Century, the rise of the U.S. relative to Britain at the beginning of the 20th Century, the Cold War as the U.S. met the surge of the Soviet Union, and then finally a stretch

case with an open case of Germany emerging in the post Cold War period as the dominant power in Europe. So from each of these cases, I think there are lots and lots of things to learn.

The two most instructive, I think are the rise of the U.S. relative to Britain and the Cold War. In the case of the rise of the U.S. relative to Britain, the British had two problems in the sense they had a rising Germany that was more proximate and more directly seen as a threat because the Germans were building a Navy. That seemed very threatening to Britain. And the rising U.S., who only wanted the Brits out of our hemisphere. I have a chapter again. Most Americans will find very uncomfortable, which I find delicious because Teddy Roosevelt is one of my heroes. I am a big admirer of Teddy Roosevelt. But I tell the story of America as we were emerging into what Teddy Roosevelt was supremely confident was going to be an American's century, which it was.

In 1897, a 27-year old Teddy Roosevelt arrives in Washington as the number two person in the Department of the Navy. At the time, there was only the Secretary of the Navy and an assistant secretary. That was it. So he was the number two person. He had for 15 years been railing about what he called the abomination of Spain in our hemisphere, particularly in Cuba. Spain was occupying Cuba. But also the British had their navies, all the times he was seeing them and the German navy and others.

So what happened in the decade after Teddy Roosevelt arrived in Washington and you can read in the chapter about it. Just briefly, first there was a mysterious explosion on a ship in Havana Harbor. We took it as an occasion to declare war against Spain. We liberated Cuba. We took Puerto Rico. We took Guam. That's how Guam came to be part of the American territory. Teddy Roosevelt wanted a canal to connect the Atlantic and the Pacific so our fleet could go back and forth. Columbia wouldn't give us the canal we wanted. We sponsored a coup. We created a new country. It was called Panama. The next day, they gave us the contract for our canal. There was a territory dispute in Venezuela in which the British and the Germans were attempting to settle the matter. Teddy Roosevelt said we don't even have to any dispute, any discussion here. Out, out, out of our hemisphere or else we will have a war with you. He threatened war with each one of them in turn. Each one of them decided it was better to leave.

Finally, we stole the largest part of fat tail of Alaska, which is another delicious tale where John Muir who was a buddy of Teddy Roosevelt had gone up there exploring and had written back to him saying that a river there, the Sticking River, which is the main river in Tonga National Forest—Tonga National Forest, look it up on the map. It's our largest national forest in the U.S. It's bigger than West Virginia. It's part of the territory we stole, okay. So this river, he wrote back to him and said--this is like 100 of Yosemite's. This is the same Muir of Muir Woods, a guy who had taken Teddy Roosevelt camping in Yosemite whereupon Teddy Roosevelt said this has got to be a national park. That's Yosemite. So Teddy Roosevelt turns to his Secretary of States and says, "This is 100 Yosemite's. This is America." They say to him, "No, sir, this is Canada." He said, "Do it again." He said, "100 Yosemite's is America." So we threatened war with Canada and we took it. We didn't pay for it at all.

So he announced the Roosevelt corollary. Again, most people remember the Monroe Doctrine, but they don't remember that. The Monroe Doctrine said this is our hemisphere. Foreigners should be out of here, European foreigners. There was a corollary. It said if any nation in our hemisphere misbehaves, as we decide that it's misbehaved, we will send the Marines and change the government. Every year, thereafter for the next decade, we sent the Marines somewhere and

changed some governments. So if Xi Jinping or his successor should ever be inspired by Teddy Roosevelt, then for sure, we will find ourselves sort of on a very desperate there.

Niall Ferguson: Well, as by comparison with that conduct, the more you describe it, the more outraged I become. I wonder why we put up with it really. By comparison with this behavior, China is being circumspect.

Graham Allison: Yes.

Niall Ferguson: Even on issues which frequently appear in the U.S. media, the South China Sea, for example, but there is nothing to compare with the kind of aggressive assertion of primacy that the United States engaged in from the time of Teddy Roosevelt.

Graham Allison: There is—I have a wonderful quotation that Niall, from his great British tradition. Lord Swansbury was the Prime Minister of Britain in 1902. He is looking at this situation wistfully as Teddy Roosevelt has done one outrageous thing after another, not showing any respect whatever for Britain. He says, “If we had intervened in the Civil War, we could have had two Americas and this all wouldn’t be happening to us. But tragically,” he says, “In this life, if you don’t take opportunity when it arises, you don’t get a second chance.”

Niall Ferguson: But the lesson from that seems to me to be a very interesting one. The United Kingdom decided not to intervene in the Civil War because on balance liberal opinion in the country was against the Confederacy. There was that degree of cultural similarity across the Atlantic that by the 1900’s, nobody really minded terribly the prospect of U.S. predominance and of a kind of senior partner, junior partner relationship emerging, as indeed happened in the 20th Century.

But that analogy doesn’t apply in the case of the relationship between the United States and China. If China started to behave a la Teddy Roosevelt, nobody here would simply say, “Oh, it’s just China being China and it will be fine when we are the junior partner and they were the senior partners, relax. Let’s worry about Russia.” It’s not going to be like that if China becomes more assertive.

Graham Allison: I agree. The brilliance of the British accommodation was that they first distinguished between what was vital for Britain. They wanted to keep their empire, including Canada. The U.S. could have actually taken Canada. Teddy Roosevelt was interested in British Columbia. So he looked at that more than once. The British were aware that he looked at it more than once. But they noticing what’s vital and what’s just vivid, but which we can adjust to, they tolerated behavior that would otherwise be certainly crude and unreasonable and unfair, but nonetheless, they helped the Americans to see that American interests and British interests were actually in terms of the most important interests, quite aligned. It was the cultural similarities that you mentioned. Therefore, by the time World War I comes, the U.S. is the natural supply line for Britain. Britain wouldn’t have done very well in World War I even at the beginning of the war if it hadn’t been for U.S. supplies and U.S. money for loans for the war.

Then when the U.S. entered the war, it was natural that the U.S. entered as being allied with Britain. In between the wars, U.S. and Britain became even thicker. So in the Washington Naval Conference of 1921, the Americans agreed even to have numbers of ships with the Brits, where they can feel better about it, even though the U.S. was by the way, half again bigger in terms of GDP and could have had a much, much bigger navy. Then when World War II comes, the U.S. is again naturally

allied with Britain. So the idea of taking account of where your interests are vital and then where we can be aligned, and then recognizing it in other areas we are going to have strong differences of views. Then if I am not powerful enough, I can adjust.

I think there is a big lesson for us there, even as we think about China because there is not the cultural affinity, for sure. These are two different cultures. I even have a chapter in the book called “Clash of civilizations” taking up Sam Huntington’s proposition, which I think is basically correct, Sam Huntington. All I do is elaborate on it a little bit.

But I think if you said what, in terms of vital interests, what interests do the U.S. and China share? In the book I say three. One, not having a general nuclear war. We have a relationship with them like we had with the Soviet Union of neutral assured destruction. That means that if I do my best to disarm you, after that you can still kill me. So we were like, as I say in the book, Siamese twins. Imagine, again, it’s a grotesque image, but imagine you wake up one day and Niall and I each still have our head and we still have our arms, but our backbone and our respiratory system has been fused. So then however mischievous I am or evil I am, however demonic I am, however much you want to strangle me, you keep thinking this guy deserves to be strangled, but if I strangle him, I’m going to commit suicide. That’s not a good idea. So maybe I have to figure a way to live with him. So one, there is that provides, as it did, it was an important part of the _____ [00:39:44]

Secondly, the economies are deeply interlaced, not just as they were between Britain and France, which were highly economically interdependent, highly, even in supply chains. If you had a war between the U.S. and China, Wal-Mart’s wouldn’t have any goods. Chinese factories wouldn’t be making stuff for whom? You know, nobody and we wouldn’t be able to get loans for things. So that doesn’t look like a good idea. So there is enough to build in there.

Third, climate. Again not everybody in the U.S., I know agrees with the proposition. I think everybody who studied the proposition agrees that in the current pattern of use of energy and greenhouse gas emissions, we may succeed in making a globe 100 years from now that your great, great, great grandchildren can’t live in. Well, that doesn’t make any sense. So there is no way the U.S. can do anything to solve that problem if China is not collaborative and there is no way China can solve this problem if the U.S. not. So you have three at least big areas where you could imagine trying to find some alignment. Then you have other areas where we have to mention some adopting.

Niall Ferguson: So this, I want to open this up to the audience in just five minutes. I’m going to ask you one more question and then give the crowd a chance to ask you questions. You are almost persuading me that they are not destined for war because of the mutually assured destruction, the economic interdependence, and then these environmental concerns. Let’s now look closely at a plausible scenario in which the United States and China could, nevertheless, despite these common interests end up in conflict. You and I have cast about this over lunch yesterday. I think we both agree that what is unfolding in North Korea has the potential to be a cause of conflict. Give us that scenario, maybe just looking ahead a matter of months. Nobody in the summer of 1914 expected that Britain and Germany by August would be at war over such arcane questions as Serbian self-determination, Bosnia Herzegovina and the neutrality of Belgium. Tell me how, despite their common interests, the United States and China could end up in a conflict over North Korea.

Graham Allison: Okay, so I have a chapter in the book called “From here to war” and I have five scenarios for getting there, but let’s just stay with one that I think is most urgent right now and that Niall and I were chatting about yesterday.

So thinking of a Cuban Missile Crisis in slow motion, so when the Cuban Missile Crisis over the course of 13 days, the U.S. and the Soviet Union came to point in which we almost attacked the missiles in Cuba. If we had done, we would likely have had a general war with Russia, the Soviet Union, and maybe even a nuclear war. So remember just, again, in brief the Soviet Union was discovered placing nuclear tipped missiles in Cuba. This is October 1962. President John F. Kennedy said this is not going to happen and actually was prepared to attack the missiles in Cuba to prevent them becoming being completed in such a way that they could attack the American homeland. Actually, engaged in the confrontation that he thought had a one in three chance of nuclear war, to prevent this happening and we survived. Now, it's a longer story, but in any case, this happened over 13 days.

In the current situation, not 13 days for sure, but the next 13 months maybe or maybe it will be 26 months. But then immediately at hand, the next year or two, either track one, the train is coming down. This is Kim Jong Un. He is going to acquire the ability to strike San Francisco with a nuclear warhead. That's track one. Track two is President Trump who says my train will crash into yours before you reach that point if you continue going down your track. So you have these two trains moving inexorably towards a point of collision. So you can think well, wait a minute. Let me do this again. Most people who haven't been following North Korea will not quite remember, most of you here probably know enough, but let me just go back through the thing.

Because Secretary Perry and I, I was working for Secretary Perry in 1994 when we went through exercise the first time. At the Defense Department, if a vote had been taken and I was talking to Bill yesterday about this, certainly Ash Carter who was working for him at the time and me, who was working for him at the time, and Bill would have attacked North Korea to prevent North Korea enriching or reprocessing plutonium that would allow it, after a few more steps to become a nuclear weapon state because how can you possibly live in a world in which a little, isolated, impoverished, nutty state like North Korea has nuclear weapons. We shouldn't live in such a world. If we could prevent it, we should prevent it. Now, of course, there was great risk in attacking North Korea, even at that time. For sure, our South Korean ally would have a heart attack, as the President of South Korea said to the President of the U.S. and maybe this would end up triggering a response that would cause a lot of damage in South Korea. But in any case, I was in favor of it then. I think even as I look back on it now, I believe that the Secretary of Defense's view was right. I wish we had attacked them then. We wouldn't be where we are now. If that had provoked a second Korean War, probably I would have said, well, I am not sure I thought this was a good idea, but in life sometimes you have to make very hard choices. That was a hard choice. I think I would stick with the view that I held at the time and that was held at the Defense Department, not by some of the rest of the government.

But in any case, this same little North Korea has now an arsenal of 20 or 25 nuclear weapons. So that's not a hypothetical. That's a fact. This same North Korea has tested and deployed short range missiles that CIA says can deliver nuclear warheads to South Korea. That's already now. This same little country has developed medium range missiles and tested them and deployed them that the CIA says can deliver nuclear warheads against Japan. So that's where we are now. It's this train. So the train has already gone through four stations. It's just coming to the last station, which is to be able to deliver a warhead against the American homeland. So that's on the one hand.

On the other hand, now we arrival of Donald Trump. So Donald Trump heard about this for the first time in his life when he became President Elect. No, that's what he said. He said he met with

President Obama and he was President Elect and President Obama said “Let me tell you there is a real crisis brewing here. It’s in North Korea. North Korea is going to acquire the ability to attack the American homeland.” Trump, “I have never heard of this in life. This is impossible.” I mean it is. It’s unbelievable. It’s an unbelievable thing if you haven’t been studying it. We go to the restaurant tonight and go to the next table over and say, “There is a little country called North Korea that has nuclear weapons and might be able to attack San Francisco.” They wouldn’t believe you. Nobody would believe you. It’s not believable even to me, but it’s a fact, okay.

So in any case, Donald Trump left the meeting and within an hour he tweeted, “Not going to happen.” This is not going to happen and every day since then he has said, “I’m telling you maybe Clinton let this happen and maybe Bush let this happen and maybe Obama let this happen, but I am not those guys. They let this thing go down the road. I’m not going to allow the USA to be threatened by nuclear weapons from Kim Jong Un. It just makes no sense. And I’ll do whatever is required to prevent it.” So at the Mar a Lago summit between Xi Jinping and Trump, Trump said to him, “Look, you can solve this problem, but if you don’t solve this problem, I can solve this problem. If I do, you are not going to like it.” Then he served him chocolate cake for dinner. He excused himself. He went and announced that we had launched 50 cruise missiles against Syria, just to underwrite this point. How can we solve this problem? We can solve this problem. So can we launch 50 cruise missiles against North Korea to ruin their launching pad so that they don’t conduct these tests? Absolutely. The Defense Department will have no problem doing this. They can do a lot worse than that, but the question is if we were to do that, that’s step one. Now what happens at step two?

Currently, the view is well maybe step is that the North Koreans only use their artillery, not nuclear weapons. Maybe they only use their artillery and they attack Seoul. Well, they may be able to kill a million people in 48 hours or so, a lot of people in Seoul. If they do that, maybe then people with cooler heads obtain and we say time out. We should stop. We are on a dangerous road. Or maybe the Americans and the South Koreans say, “Wait a minute. This crazy has guy already killed a million people. He has got a capacity to kill way more than that. We better destroy all of the ability, all of the rockets and all the missiles that he has now preemptively before he attacks us or before he attacks South Korea, before he attacks our base, before he attacks Japan. So maybe and if we do, will we succeed in getting all the targets? I would say every target we can identify we can destroy. Are we able to identify all the targets? Well, probably not, probably not. Again, that would be classified at this point, but I would say probably not. Well, maybe he responds by dropping a nuclear weapon on South Korea or Japan. Well and then Collin Powell told his counterpart at one stage if a nuclear weapon from North Korea ever explodes on the territory of an American ally, within the same hour, we are going to turn the entirety of North Korea into a charcoal biscuit. So can we do that? You bet, but that’s like, I don’t know, 25 million people live there. Most of them poor slobs who were in a prison, in a madhouse. They’re not part of this story. So you are going to go destroy that many targets and that many people in what way. Then are the Chinese going to sit by and watch this game? Because if at the end of the story, you have a unified Korea under the government that’s a military ally of the U.S., Chinese as you and I heard at this meeting we were say “Wait a minute. No, that’s unacceptable from our perspective. We already fought a war with you over this the last time.”

Anybody that can’t believe that the Americans and Chinese can kill each other, go back and read about World War I, I’m sorry. Read about the Korean War, excuse me, about the Korean War. In 1950, North Korea attacked South Korea, almost captured the whole thing. The U.S. came to the rescue at the very last minute. They pushed the North Koreans right back up the peninsula where it

was approaching the border with China. Out of nowhere came, I mean Macarthur was just completely stunned, 300,000 Chinese. They entered the war. They beat us right back down the peninsula to the 30th parallel where the war had begun in the first case. So China has demonstrated that it's prepared to go to war and to fight to prevent having a hostile American related government on its border. Now, would they do it again, particularly given these new conditions and the fact that it could escalate to hell? I don't know. They would ask us are you prepared to get involved in a war that also might escalate to hell because we both go to hell together. I would say stay tuned.

Niall Ferguson: So you have now created a distinctly chilly silence in the room. I want to just add a little vignette. In 1950, commencement at Harvard, a young Henry Kissinger is getting his degree. Dean Atchison does the commencement address, the one that Mark Zuckerberg gave this year. Atchison in the course of his foreign policy remarks says words to the effect that a war is not about to break out. Three days later, the Korean War begins. So just be aware these things can happen very much faster than you expect. So as I said, you arrived here probably not thinking too much about this scenario. You are going to leave here thinking a lot more about it because as Graham says there is a precedent. There is a _____ [00:53:17] and I can assure you on the basis of conversations that I have had in the last few weeks, this is a very plausible scenario in the eyes of both the U.S. and Chinese decision makers. The good news is and I should say this, because this event is sponsored not only by the Center for International Security and Cooperation, but also by the Hoover Institution to which I proudly belong. Jim Mattis, the Secretary of Defense is, I believe, from being a former Hoover fellow and he has read Thucydides. I suspect that H.R. McMaster, the National Security Advisor, another former Hoover fellow has also done his reading on this. So it's not entirely in the hands of President Trump, whom I am pretty sure has not read the *Peloponnesian War*. Now I am going to open it up to questions from the floor. If you have a question, raise your hand. I am going to pick you or not. A microphone is going to come to you. You are going to say who you are, briefly. We don't need a whole life story and ask your question. No speeches. If you start making a speech—I'm from Glasgow. I will just cut you off, all right. I hope that's all clear. There is a gentleman right there in the blue shirt. He is going to have the first question. Just tell us who you are sir and ask your question.

George Kuhn: My name is George Kuhn. I am convinced I am going to have to read the book, but I have a metaphor to present and see what you think. So Thucydides trap is based on the assumption that like a two hands clapping. But it seems to me, in the U.S.-China case, it could only be a one hand clapping because, as you mentioned, the cultures are so different. I see the U.S. making all the aggressive moves. I don't see China countering. So if it's a one hand clapping situation, are we going to have the Thucydides trap?

Graham Allison: Good question.

Niall Ferguson: That's an excellent question.

Graham Allison: I was trying to be, because there are a lot of question, each question could be a long discussion. So I apologize if I just be telegraphic. I think if I look at the situation, I don't think the Chinese are not clapping in the South China Sea. I think the Chinese believe that the South China Sea is as much their right as Teddy Roosevelt felt the Caribbean was an American right. Now, we can agree or we can argue whether this makes any sense. We are big and strong power. To say border on my periphery and I am the overseer of it because I'm big and I'm strong. That's the way things are. But that is not the way things have been. But the Chinese are not happy that have the number of islands that used to be in the South China Sea. They think there should be a few extra

ones. They built them. They are not happy to have the islands divided the way they had been. They think the Vietnamese have claimed some islands and Filipinos have claimed some islands. They think actually all of these islands look like my islands in the same way that Teddy Roosevelt said I think this looks like my river. So I don't agree with the proposition that there is nobody clapping on the other side.

Niall Ferguson: In fairness though, I think on the North Korean issue at this point you are right. The Chinese at this point seem keen to go along with the idea that the United States and China can work together to deal with the North Korean problem. Now, I say this with some authority having heard a very interesting conversation at a high level on this subject over the weekend. So I think at this point, Trump's strategy, the Mar a Lago strategy of saying to China this is your problem, you had better deal with it seems to be going quite well. I take the view that of all of the things that have happened since he became President, this has been so far the most successful.

The problem is what happens if China doesn't deliver in the eyes of the administration? At that point, Trump is going to be in a red line situation because at that point, he is going to have to either back down and accept the North Korean nuclear program is ongoing or take military action. That I think is when it gets dangerous. At that point, there is no knowing quite how the Chinese will respond.

Okay, further question, Thomas Ilves, please.

Thomas Ilves: I am Thomas Ilves. I am a visiting fellow here at CSAC. Well, I will just throw something else into the equation to make it worse, which is that already at Davos this year, you might recall that President Xi was already being hailed as the new driver of liberalism, at least economic liberalism. But certainly what we have seen after the debacle at the NATO summit and the response of Angela Merkel and some other people, I mean you can already sense, you can sense Europe saying well, we had better start working with the Chinese. The Germans are already having this big powwow, economic powwow at the same China, whether it works or not, and there are indications that maybe it's not working so well, but they are making a major push for Europe and with transit and so forth. Certainly, in the case of Eastern Europe, they have even had two separate summits with the countries in the European Union, but are formerly communist with drawing a lot of—they are just very big players. They have a lot of cash. So on top of the U.S.-Chinese rivalry, I actually see that it's the kind of behavior towards Europe right now is going to distance Europe from the United States. Saying well if the United States is going to be like that, we have to do something, too. So it actually, I think is a worse picture than simply the two party conflict.

Graham Allison: I agree. I think that you have here the general Thucydidean dynamics. I think Thucydides would say I've got the general picture. The rising power gets bigger and stronger. Other third parties, so the third party action is very interesting to watch in the case of the Peloponnesian War. Other parties look to see who is the relatively stronger power and who is rising and who is falling and then adjust themselves because they are looking after themselves. So already across Asia, countries have noticed that China is their dominant trading partner and that China is mean and is prepared to squeeze them when it feels it's in their interest. So lo and behold, they have adapted and adjusted. You can see that right across _____ [01:00:34] In fact, if you look at the institutions that people try to build in Asia to counterbalance like _____ [01:00:42], you can see them weakening because Chinese prefer to deal with parties one on one.

In the European case, again, as one looks at the picture, first you have got what's happening to the economic balance of power. China is today the largest economy in the world measured by a single best yardstick if you had to just pick one, which is purchasing power parity. I have a long discussion of this in the book. Many people will disagree with it, I am sure, but in any case CIA and IMF both believe that purchasing power parity is the best way to compare relative strengths of economies. So by that measure, China already. So who is now the biggest trading partner with Germany? China. Who is the main source of capital for most places when they are looking for new capital? Germany. Who is the place that provides loans now? The German, the Chinese are development banks, the four of them, including AIB, have four times the capital of the World Bank. So if you are a country and you are looking for a loan, you are going to China. The loans, excuse me, yes, they use the loans for political purposes, of course. They use the loans to provide contact. So I think you are seeing this dynamic.

Then this is exacerbated. I was asked this. I have been on this weeklong roll out of this book. I am just in there in the middle of the second week. Somebody is saying it can be found in any case in which the ruling power then just basically vacates the field in a _____ [01:02:28] like the climate that we know. You have an alliance with a bunch of strong parties and you weaken that alliance. I have not been able to find one of those. I think this case may be original in that regard. The idea that Xi Jinping in China should be the global leader in green, it's mind blowing. I mean this is the largest emitter of greenhouse gases. Yes, indeed, they did reach at Paris an accord, a very important accord I think it was in recognition of the problem, yes. They are investing in building green industries, but they are the biggest emitter. The idea that China is the champion of liberal trade, again, it's breathtaking as an idea. China is most mercantilist, protectionist economy I think of any big economy. So how can you manage that? Well, if the contender leaves the field, I guess, you know, I am the only guy left standing.

Niall Ferguson: So this demonstrates really well the importance of the other players, although it's very tempting if you, especially if you studied the Cold War at length to lapse into a kind of two player game framework. What Thucydides shows is that really it's the alliances and the relationships with the lesser paths that are crucial in the origins in the Peloponnesian War. Corinth, how is Corinth going to play it? Exactly in the same way your book shows that what really matters here is not just how China and the United States relate to one another, but how others will respond to that. I think that it's already clear that key American allies are nervous as can be specifically on the issue of how the United States is going to handle North Korea. The South Koreans, for example, are far from comfortable with the direction that things are going.

Graham Allison: I would predict that the American- South Korean relationship will become very stressed over the months ahead because the reality of the situation and you almost wouldn't like to say this out loud, but Lindsey Graham went on television and made this speech about it so it's not like a—strategically, you can look and see the situation. Trump's proposition is that in order to prevent North Korea from being able to do to San Francisco what North Korea has already been allowed to be able to do to Seoul or to Tokyo, we are prepared to take a course of action that's likely to cause a war in your country. I think President Moon is looking at this and thinking where is the biggest threat to me in the short run and how do I feel about this? I think in the Japanese relationship, it'll be interesting to watch, too. I haven't looked at the carefully lately. But I think in the South Korean relationship, I think this is going to become very stressful.

Niall Ferguson: We haven't even mentioned Russia. Yes, it's going to be a fascinating _____ [01:05:30] we have time for about five questions, maybe more. Let me just see. I don't want

to be biased against any part of the room. So I will go right to the back on the other side of the gentleman in the blue shirt there, yes, you sir, right to the back.

David Mumford: _____ [01:05:43]

Niall Ferguson: David, just grab that microphone.

David Mumford: I'm David Mumford. How are you?

Niall Ferguson: How are you?

David Mumford: Other countries, could you put Japan and especially India into this picture, please?

Niall Ferguson: Japan and India.

Graham Allison: Yes, I will just try to be very, very quick. I would say in the case of Japan, Japan is the third largest economy in the world. Japan has a series defense establishment. If you were to have a naval war just between the two parties in the East China Sea between Japan and China today, the balance of forces, I would bet on Japan. It was just a sea encounter. That won't continue, but over time currently. The U.S. - Japan mutual defense treaty is a very strong treaty. So I would say Japan is a big player. One of China's problems and one of the reasons why it's different than in the case of the emergence of the U.S. is that they are strong and powerful other actors in the region. But as Niall said, what this will end up doing if the Athenian-Spartan case is the touchstone is that the relationships with these allies will evolve and adapt and adjust. The entanglements with the allies can often end up becoming the reason why one thing leads to the other and the two parties end up somewhere they don't want.

India, I think is a wild card. India, I am probably prejudiced about India because I am too much influenced by Lee Kuan Yew. So in my book about Lee Kuan Yew, we have a great chapter on the future of India. It's a terrific book. It's not this book, a previous book, the one with Blackwell, where it's a great book because many of the pursuant words in it are Lee Kuan Yew's words. So we just stood the questions and that's the answers. So this was with my colleague Bob Blackwell, a former ambassador to India, who I call him Swami Blackwell now. So he's very, but that. So with that as a forethought, I asked this question of Lee Kuan Yew. I said many people say India has going to overtake China. What do you think? He says, "Young man, do not use India and China in the same sentence." I thought okay. He said and this is when Blackwell almost fell off of his chair. He said, "India is not a real country." He said, "Instead it's 24 principalities that happened just to be united by the British Rail Line. So I am not betting on India, yes.

Niall Ferguson: I will take the other side of that bet. Ten years ago, I predicted that it was the tortoise and the hare and as in the fable, the tortoise would overtake the hare. In gross rate terms, that has happened. I think India is fascinating in a number of respects in this context because it's not quite clear how it's going to play the U.S.-China rivalry. There was and I think this is part of Bob Blackwell's strategy, an idea back in the time of the Bush administration that India could become a really solid ally of the United States in a kind of quasi containment strategy. That hasn't really worked out.

Graham Allison: As Bob says, if you want to clear a room of Indians, say the word containment. So basically the Indians want to play their hand. The other thing if you read the chapter on the rise of China, every two years since the Great Financial Crisis, and this is a fact, every two years the increment of growth in China has been equal to the total GDP of India, so just to put it in perspective.

Niall Ferguson: Let's take some more questions. Now, let's see. I am determined to get gender balance in this discussion. So I am going to go to the lady sitting in the second row there.

Munso: Hi, I am Munso. I am a historian doctoral student in the History department here. My question is I am interested to you know your thoughts on contextualizing in a longer history of China where we view China as perceiving itself as the original primary power until its downfall in the mid-Nineteenth Century and that so I wanted your thoughts on this.

Graham Allison: That's a great question. So long before Donald Trump became famous with his slogan "Make America great again," Xi Jinping became President of China and his slogan in the colloquial was "Make China great again." It's called the Great Rejuvenation of the Great Chinese People and contextualizing it just as you say. From Chinese perspective and Chinese narrative and all Chinese will tell you this story, China was great forever for 5,000 years. China was the dominant power in the world, they think for 5,000 years. They just, their world only include the area that they could see, but still and then there was this 200 years of anomaly in which Westerners came and exploited them and imperialized them and invaded them and fought wars with them and dominated them. But now, that's over. We are getting big and strong again ourselves, back to our just normal place. Our normal place in the Chinese narrative is at the top of the universe. So China's sense of international order is a hierarchical dominance in which China is at the top of the pyramid and everybody else is somewhere lower in the pyramid. The principle injunction in Confucian terms is know thy place. So thy place is not China's place. China's place is at the top. Other people are adapted or adjusted from that point. So I think as they look and see what's happening and Xi Jinping talks to people that work with them. He says, "We are just basically restoring. We are not rising." They even say, "We are not rising. We are just restoring ourselves to where we were before. We would have been otherwise."

I point out that wait a minute, you were big only—you had a big GDP only because you had a lot of people. They were all miserably poor, like everybody else in the world. The Industrial Revolution, as Niall's book points out, until the Industrial Revolution and per capita income begin to grow, everybody was miserably poor. So if you have a lot of miserable poor people, yeah, okay, you have a bigger GDP, but therefore so what. They didn't Industrial Revolution. They didn't have technology. They didn't have a market economy. So basically it's been reported what's basically the march of civilization, but still for the purpose, as you say, of restoring China to where it ought to be, at the top of the pyramid.

Niall Ferguson: One of the things that's fascinating about this and I like this question very much is the way in which historical narratives become a part of the way in which strategic questions are framed. It's absolutely true that there is this story, which has been, of course, reinforced by some Western historians, that the period from the 1840's to the 1940's is this anomalous century and that we are really reverting to a kind of norm story.

So the American narrative, of course, is a completely different one. It's still fundamentally one in which there is a providential exceptionalism to the United States. I've just been reading Arnold

Westat's new history of the Cold War which is not yet out. I think I may have managed _____ [01:13:38] it's one of the arguments he makes that the American sense of exceptionalism is the kind of ideological component, that's the narrative on the American side. That's still very much intact even in a slogan like "Make America great again." All right, let's get some more questions in before we are out of time. I am going to go right to the back and there is a young man there with sandy colored hair. Yes, you sir, if you could just get a microphone.

Leo: All right, thanks very much. My name is Leo. I'm in central policy, a master student. I'm just curious to know what your thoughts are about whether the actions of Donald Trump seen him voluntarily pulling away from the international order makes you more or less sanguine about the prospects of conflict between the U.S. and China?

Graham Allison: Just briefly, more. I think that as I mentioned before, I think the idea of that ruling power, trying to maintain some level of order in which the rising power would adapt and adjust because obviously the rate of adjustment or the types of adjustment depend on the underlying correlation of forces. So my strength, if I am the ruling power can be enhanced by my relationships with other strong powers and by other powers, respect for what we are trying to accomplish together. So if the ruling power retreats from various domains, it's not surprising that Xi Jinping at Davos, you know, lavished spotlight as when people say, "Great leader, you are leading our global financial liberalization and economics." He thinks that's fantastic. He is like being respected, but as they become more—I think in the climate space, I would expect that we will be doing the very same thing.

Niall Ferguson: Can I just appeal to those people who haven't yet muted their phones to do it. We are really trying our best to carry on this conversation without jingles interrupting us. Let me go to this side of the room. There is a gentleman in a red shirt just on the edge there, yes.

Isaac: Hi, I'm Isaac. I'm a freshman here. I was wondering if you could talk about so for the past 70 years, we have seen what an American led international order looks like. What would a Chinese led international order look like?

Graham Allison: Okay, that's a great question. I can't give a good answer. I think it's one worth contemplating. I think, again, I am a red blooded, even red necked American. I come from North Carolina. I can't imagine. I know that somewhere either in the Bible or in the Constitution or in some authoritative document, it says USA means number one.

[Laughter]

Graham Allison: I have no doubt who the good guys are. So I don't believe in moral equivalence. I think we are the good guys and other guys I have doubts about.

Niall Ferguson: It's amazing you've lasted so long at Harvard really with views like that.

[Laughter]

Graham Allison: I put my shirt up from time to time so people don't quite notice.

Niall Ferguson: It's interesting, isn't it that the reason that's a hard question to answer is that the Chinese generally do not articulate a vision of what that would look like. On the contrary, the

standard line is we are far too preoccupied with our domestic problems to even think of such questions. So there is a quite deliberate avoidance of the scenario that you are alluding to, even as a whole series of Chinese projects go forward that are clearly designed to expand China's influence, the Belt and Road project is an example of this large scale Chinese investment in a whole bunch of foreign countries, almost global in its scope. Graham mentioned the financial innovation that's going on. So the fascinating thing for me about China's rise is that it continues to be relatively quiet and understated—here the analogy with _____ [01:17:58] Germany breaks down because the Germans are always insisting that at least their leadership was constantly insisting that they were entitled to be a world power. It was this stridency of German rhetoric that probably contributed to what Paul Kennedy called the rise of the Anglo-German antagonism.

The Chinese are very interesting in this respect. They learn from history. The one reason that Graham and I got interested in applied history is that we began to suspect we were living in the United States of Amnesia where there is no attempt for complete historical knowledge in senior officials in the U.S. government. It's not news. It's been going on for many years. Kissinger complained about it in the 1960's. When you go to Beijing and you talk to senior officials there, you realize that they systematically study history. The standing committee of the Politburo has reading assignments from Wang Qishan. I will be your book is the latest one. In fact, I'm prepared to bet it's already being read. Graham, can you confirm or deny that it's already being read by members of the Chinese government?

Graham Allison: I can tell an anecdote. I was at dinner in New York last week as part of this roll out. A high level financial person had just come back from his Belt and Road event that Xi Jinping held in China. They said that Wang Qishan had gotten him on the side and said, "What do you think of this Thucydides trap book?" He said, "It's not published until next week in the U.S." Wang Qishan said, "Well, I read my copy last week and it's fantastic, but I want to ask you about this or that." So there is a Mandarin edition already circulating there, not with copyright there.

[Laughter]

Niall Ferguson: Not necessarily that maybe reading the galleys, which have been widely circulated. They may even be reading it in English. In some cases, this is an amazing and illustrious list that you are joining. I first heard of Wang Qishan reading this when I discovered that everybody on the standing committee had been asked to read Tocqueville's *The Old Regime and the Revolution*. Then it turned out that it was at the height of the European financial crisis they were all reading *A Short History of Europe*. So this is the list to be on. It's not what Mark Zuckerberg is reading that matters. It is undoubtedly what Wang Qishan is reading. Let's get a couple more questions in before we are right out of time. I am going to carry on pursuing gender balance as a lady right in the middle of the middle block there. If you could pass the microphone to her, I would be really grateful. Yes, please.

Unidentified female: Thank you. I am interested in since we are talking about war between China and America, the timeframe, because there was a study commissioned by the U.S. Army of Rand Corporation. It says that the title is "Thinking through the Unthinkable." It seems that since there was a great discrepancy still between the military capacities of U.S. and China, so earlier war, let's say, you know, within the ten years, which is from 2015 to 2025, would be an advantage to America that could maybe wage a war and the war would be taking place on China and strike China so hard that would set back China's development for another 50 years or so rather than waiting to 2015. I am wondering if you can comment on this question of timeframe, so maybe what China really

caught up with America in terms of military capacity, there might be less chances of war between China and America.

Graham Allison: Okay, very good question. So there is an excellent Rand study that I cite in trying to do the military balance between the U.S. and China. There is no question. The U.S. Defense Department spends more than the next five competitors combined. So the U.S. has invested in defense in a big way for a long time and is clearly a strongly superior to China in almost every domain, but if you look at the events, for example, a naval war in the region. This becomes a very different picture. That's what the Rand study points out that basically since the Chinese can play from the land and the Americans have to play from the sea, as well as from the bases in the region including in South Korea or in Japan, or in Guam, if I have to operate my carrier, for example, in the South China Sea, and all you have to do is build missiles on the land in the China, million dollar missiles can destroy billion dollar carriers. So that's not a good game. The Chinese don't. They are not required to play symmetrically. So they could play asymmetrically. So that's the big point about that study.

Another point though, with respect to the thesis here. So the thesis is not that because I am bigger and stronger than you are and I see you rising, I think it's a good time to go to war with you. In almost none of my cases does somebody decide this is a good idea. Let's go to war, war that the rising power things I am now big and strong enough, I think I will go to war with you. Again, there are a couple of cases like that, but that's a big exception. Most of the cases and the most recent cases are we are in this structural dynamic that Thucydides described and third party actions, not our actions, some other event, some other place ends up having an impact on this interaction. So in the North Korean case, we are not, I believe in and I agree 100 percent with what Niall said.

If Xi Jinping could say to Kim Jong Un, do this, do that, and he would do it, he would say it. He's told him the relationship between Beijing and Pyongyang is very stressed. Never have the Chinese been willing to accept Kim Jong Un to come visit. Even the Premier has never gone to visit there. I talked to a Chinese colleague just recently. I said, "Well, how do you talk to this guy?" He said, "Well, our ambassador can't even go see him" the ambassador in Pyongyang. I said, "Well, we can talk to the ambassador, his ambassador to Beijing. He has at least some ability to communicate messages. It's a very stressed relationship. So here are third parties who take an action though, that as we were describing before, that could end up in this cascade. So I think the military balance is very relevant, but I think the vulnerability to war is more a function of these entanglements with the third parties than it is with whether I am just a little bit stronger or a little bit weaker.

Niall Ferguson: A phrase I have heard recently from Chinese officials relating to the original Korean War is that China and the United States were dragged into war in Korea. I've heard that phrase often enough to think that's it's become a certain, has a certain official status. Of course, the reality is that China became involved in the Korean War because Stalin told Mao to do it. When you tell that story, _____ [01:25:38] you realize that you are entering a very, very fraught terrain because you have to acknowledge that the founder of the People's Republic was made a fool of by Stalin. It turned into a proxy for Soviet policy in 1950 and '51.

Graham Allison: Absolutely.

Niall Ferguson: We have time, I think for one more question, Graham, and then we are going to wrap it up. I am going to just allow one of our senior faculty members to ask the last question. I managed to get a freshman in. I am very pleased about that.

Graham Allison: I'm glad that a freshman came.

Unidentified male: The freshman was one of my students, so that's good, too.

Graham Allison: Not surprising.

Niall Ferguson: Don't tell me you ordered him to come.

Scott Sagat: Scott Sagat from CSAC and Political Science Department. Graham, like you guys were really worried when Donald Trump said this is not going to happen because that put you into a redline, a commitment trap problem. Yet, Donald Trump is remarkably inconsistent. He could back down on the torture issue. He could say NATO was obsolete and now it's not obsolete. He could say I want to go Kim Jong Un and talk to him, right. So should we be as worried about redlines? On the one hand, this is a person who can be vindictive. On the other hand, this is a person who is stunningly inconsistent.

Niall Ferguson: It's like William the Second, actually. Not a particularly reassuring thought, is it.

Graham Allison: I was about to be, I think it's nice to end on an up note. I appreciate Scott's optimism. I think certainly given the nature of the campaign in which China was demonized as a source of every problem, the new flip flop is I think preferable. Though it's clearly one in which there is no set strategy or no notion that there is necessarily continuity in this. It's one of the Chinese that have been involved in the Mar a Lago summit said. You know, they were thrilled to be, that they got through it and things turned out as well as they did. Then he said, but we know we are just one tweet away from off in some other direction.

So the notion of whether this is a consistent thrust that was likely to be continued or not, you might be saying there is a lot of uncertainty about it. I think in trying to decipher them, I would wish, therefore, that okay, there is a very strong national security team. So H.R. McMaster is a great National Security Advisor. Madison is a great Secretary of Defense. Tillerson, I think is going to be a very strong Secretary of State. So there is a big team there of serious people. They are going to think through the consequences before one just takes some action. At the same time, if you ask most San Franciscans or most people in Palo Alto, how do you feel about Kim Jong Un being able to launch a nuclear weapon against San Francisco? I am telling you, I think ask somebody at the restaurant or, you know, even on the campus. They will say, "What? Who? How? No, no absolutely not." You say, "Well, what chance, what risk would you be prepared to take to prevent that?" They say, "Well, I don't want to take any risks. I just don't want it to happen." So they don't want to be consistent about it. So I think it's quite possible this is a visceral sense that he has. I have to stand for something. I stand for a great America that's strong and it's not going to allow a little country like to do this. If you, China, don't solve this problem, I am telling you, I am going to solve this problem. So I would not discount the proposition that if the train, if the Kim Jong Un train continues down the track, we will see not just a credible threat attack, but we will see an attack. Then we will have to see where that leads.

If you, Scott, as I have studied the Cuban Missile Crisis, when you look at it in retrospect and you think wait a minute, would you want a one in three chance of a nuclear war with the Soviet Union to prevent them having nuclear tipped missiles in Cuba? Excuse me, they already had nuclear tipped

missiles in Russia, the Soviet Union, that could kill you. So they can kill you 20 minutes earlier. Boy, that's a big deal. You are going to—this makes no sense. Actually, in the Cuban Missile Crisis, once Jack Kennedy and Bobby Kennedy began to sense this, they had the feeling of what the hell are we doing? How did we get into this situation? That's why they became so inventive at the end. So I am hoping if I end on a positive note, I am hoping that as this national security team works their way through this problem and sees, my god, down this path we could find ourselves actually in a war with China and if that happened, we are going to go to hell. That's crazy. We will become inventive. I think if they became inventive, if the U.S. and China were working together, there is more than one solution to this problem, yes.

Niall Ferguson: With that, I think I am going to give Amy Zegart the last word. Thank you, Graham.

[Applause]

Amy Zegart: I think I speak for everybody when I say never has it been so enjoyable to talk about so much doom.

[Music]

Unidentified male: You have been listening to a podcast from the Stanford Center for International Security and Cooperation.

[End of audio]