Virtual Event | An Allied Response to Beijing’s COVID Obstructionism

TRANSCRIPT

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- Senator James Paterson, Senator for Victoria, Australia, Deputy Chair of Select Committee on COVID-19 and Chair of the Parliamentary Joint Committee on Intelligence and Security
- Tom Tugendhat, Member of Parliament for Tonbridge and Malling U.K., Chair of the Foreign Affairs Committee
- David Asher, Senior Fellow, Hudson Institute
- John P. Walters, President and CEO, Hudson Institute

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A video of the event is available: https://www.hudson.org/events/2007-virtual-event-an-allied-response-to-beijing-s-covid-obstructionism92021

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Hudson seeks to guide public policy makers and global leaders in government and business through a vigorous program of publications, conferences, policy briefings, and recommendations.
John Walters:

Hello, I'm John Walters. I'm president of Hudson Institute. We are very pleased and honored to be joined by a series of experts from around the world who are going to talk about the origins of the COVID-19 pandemic, what we know about them in this area, and something about what this terrible plague means for the future of the world and for the future of policy and our interactions with each other and with communist China.

We're joined today by Senator James Paterson. He's Senator of Victoria, Australia, deputy chair of the Select Committee on COVID-19 and chair of the Parliamentary Joint Committee on Intelligence and Security.

We're also joined by a member of Parliament from Tonbridge and Malling in the United Kingdom, Tom Tugendhat. He is chair of the Foreign Affairs Committee in the UK; and David Asher, my colleague and senior fellow here at the Hudson Institute, who has been advisor to the US government and held a number of positions in the government in the past.

He's been working on the COVID origins issue here in Washington, DC. I guess as a beginning point, I wonder, given where we are in the pandemic and the investigation into the pandemic, what each of you would like to tell us about as an opening point of where we are and where we're going. And I guess I'll start with Senator Paterson.

James Paterson:

John, thank you so much for the invitation to join you and your colleagues at the Hudson Institute. I am a big admirer of the very important work you do and the outstanding fellows and researchers that you employ and the really leading role that you play in public debate in the United States and around the world, and particularly on such big geo-strategic questions like the future of all of our relationship with China and the behavior of the Chinese Communist Party.

By way of opening remarks, I think it's really important that we remember that what we are all asking for, what we all expect, what we all want, is nothing controversial and nothing unreasonable at all. If there is ever a global pandemic, no matter where it emanates in the way world, no matter what circumstances under which it arises, it is an entirely reasonable and justified thing to want to understand why and where and how it emerged and how it was handled by whichever host government under whose watch it emerged.

And we sometimes lose sight of that in this debate. It has been made controversial when it should not be. The only thing that's controversial about the origins of this virus is it happened to happen on the watch of the Chinese Communist Party.

And they are highly sensitive to criticism, scrutiny, and the disinfectant that comes with transparency and lies. And so we should all be confident in asserting on behalf of all of the people of the world that the Chinese government has an obligation to be open and transparent about what happened and how, and until we have those answers, we need to all continue to demand them and forthrightly.

John Walters:

Thank you. Tom Tugendhat, I guess I'll turn to you. Thank you again for joining us as well. Could you give us what you're seeing in the UK?
Tom Tugendhat:
Of course. Look, I mean, I couldn't put a cigarette paper between what James said and what I believe. I mean, he's absolutely right.
This is a fundamental right of every human in the world to have an understanding of what caused this virus for the very simple reason that we all need to prepare our defenses against it. And what we're seeing around the world is one of the greatest moments of global cooperation in terms of some of the vaccine work that we've been doing and some of the health prevention work that we've been doing.
But it's also one of the greatest moments of threat. So we are seeing in the UK today a whole society that's coming out of two years of real trauma.
And it's not just people who've been affected by COVID in the direct sense as in they've been hospitalized or sadly died. But it's an entire society that has effectively been forced to live under conditions that many of us as free people thought we would never ask our fellow citizens to have to endure.
I know that all of us are fundamentally advocates of freedom, personal freedom as well as international freedom. And so these situations that have arisen have really troubled us all.
And I think that the point that I'd like to add to James is what this has exposed is not just the intertwined nature that we all have and the danger, therefore, that the dictatorships of the world pose to free peoples, not in necessarily an aggressive sense, but simply in the culture that they emanate at home and the way that they're able to or encourage secrecy and self-deceit, let alone international deceit, but also the failures of the international system that we have built up since the 1950s, 1960s, and that we now need to look at really hard to see how it is updated. Now, personally, I was critical of the last president of the United States' decision to withdraw from the World Health Organization.
But I did understand it. And I understood it because, sadly, that organization has struggled, various understandable reasons why it has.
I'm not going to be pointing fingers particularly aggressively, but it has struggled badly in the COVID experience. And we need to look really hard at how we make sure that our international organizations work for us in future and don't assist with the cover-ups that some regimes seek.

John Walters:
Thank you. David Asher.

David Asher:
Well, I just want to concur with our distinguished guests and representatives of their respective legislative bodies in their esteemed assessment, because the situation really is intolerable and unacceptable, I should say. I mean, we are in a position as global governments and partners and allies, the closest type, where we really don't have a cognitive understanding among our people, among our leadership, among our intelligence agencies, as to what happened in Wuhan and why, and why, most importantly, things were covered up.
I believe a cover-up is worse than a crime. Although, under US law, a cover-up is a crime. It's a conspiracy.
And we don't really know what's motivated this. I've dealt with China for 35 years. I think the two of you have dealt with China for much of your lives as well.
And we don't foster a hostility toward the Chinese people. The Chinese government's actions are almost inexplicable in my experience, having gone through SARS with them and other situations, including the
EP-3 incident where one of our intelligence aircraft was shot... Not shot down, it was brought down by a collision with a Chinese fighter aircraft.

We didn't have communications for 14 days. Well, we haven't had communications, really, with the Chinese government for the US government in 21 months that are really substantive.

No one's talked about COVID that I'm aware of, including Secretary Blinken in his recent communications and President Biden, even. I don't know if they even mentioned it.

Maybe they did, but it's a problem. The silence is not gold in this situation. Thank you.

John Walters:

Thank you, David. I'd like to start and kind of see whether we can get, from your experience and around the world and your experience dealing with the question of the origins of this, a little greater clarity than we've had in Washington with our intelligence community laboring very hard and then saying, "Well, we have different views, and we don't have a clear set of conclusions."

I would ask each of you, what are the three things that you think we know about the origins of COVID? And given what we know, what are the couple of most important things that we could reasonably conclude?

I wanted to see if we can get a little more clarity than the entire massive apparatus of the United States and its allies' intelligence community, because as these things become political, you all know, it's not about what we see.

It's about what it's permissible to say, so we have freedom here in little confines of this event. I wonder what you think are the most important things we know and what we can reasonably infer. Why don't I start with Mr. Tugendhat?

Tom Tugendhat:

Sure. Look, I think there's a few things we know. One is that there was an outbreak of a virus in and around Wuhan at the end of 2019, at the beginning of 2020.

I mean, it's just a fact, right? You can debate many things, but we do know that.

We also know that at some points as that outbreak happened, various people tried to silence various medical teams who were responding to it. Again, I'm not seeking to blame anybody.

I'm simply observing just pure facts. We know this because various messages went out which were then removed. We know this because various people were forced to recount in that sort of Stalinist kind of show trial way.

And the third thing we know is that the disease then spread, the same disease then spread, around the world and had global implications. Now, none of that tells us where it came from.

None of that tells us who is responsible. None of that tells us that there is a single cause.

But all of those three facts point to a need for openness, because I don't know whether the connection to the lab in Wuhan is provable. There are certainly indications that it might be.

I don't know whether we are looking at a repeat of the SARS viruses that emerged from the wet markets, the so-called wet markets, of various places. I don't know.

But what we do know is that there is an origin; there is a cover-up; and there is a spread. And all of those three are concerning and require investigation.
And by the way, as James has put it, as David has put it, not just for the interest of the rest of us, but in the interest of the people of China as well. I mean, there's 1.4 billion people who were put at risk first, way before any Australian, American, or Brit was in danger.

So those are the three things we know. And I think they point very, very clearly to the need for an investigation.

**John Walters:**

Thank you. Senator Paterson?

**James Paterson:**

What I’d add to Tom's observations is there is some things that we know that didn't happen. We can say with a very great degree of confidence that it was not imported to Wuhan in China via some kind of cold chain food import.

We can say with a fairly high degree of confidence it did not originate in the United States or that it was not transported to the United States by a US Marine. We can say with great level of confidence that it didn't origin in Italy or Spain or France or Germany or any of the other places that the Chinese government, at different times, has tried to suggest was the true origin of the virus.

We can say with a great deal of confidence that it did originate in Wuhan, because that was the area in which it had the earliest and largest and most significant spread. And it is from there it appeared to emanate out to the rest of the world.

But I would take a step back and acknowledge, yes, it is a scientifically difficult task to identify the source of a new virus. It is not uncommon for it to take some time to identify the true and original source of viruses like these.

However, it's made much harder when you have a area in which it has emanated from that is governed by an authoritarian regime that is allergic to scrutiny and openness and transparency and obstructs the scientific effort to get to the bottom of that. And the remarkable thing about where we are today, nearly two years on from the escape of this virus, is how little that we know.

There is no question that is more important to the world today than where and how this got out and how we can prevent it again. It's cost at least four million lives but probably up to 12 million lives.

It has cratered the global economy. It has destroyed international travel.

It has locked citizens in their homes in the tens of millions of hundreds of millions all around the world. So we should know much more than we know today, and the fact that we don’t, the largest amount of responsibility for that is borne by the Chinese Communist Party.

**John Walters:**

Thank you. David?

**David Asher:**

I can't think what can be better said by our two honorable guests and extremely honest and straightforward thinking distinguished guests, because the situation is puzzling, certainly, as someone who’s worked in and around China for 35 years. I never seen anything like this.

Even Tiananmen wasn't really a degree of cover up. I mean, when I visited Tiananmen about two-and-a-half months, I think, after the incident, disaster, massacre, frankly, there was still blood caked on the stones in the square.
They couldn't remove it. They were trying to scrape it out. It soaked into it.

So obviously, it was a tremendously bloody massacre. I mean, this is a bloody massacre on a scale that is atomic.

We're getting into weapons of mass destruction level massacre. And it doesn't mean it was consciously perpetrated by the Chinese, that they wanted to bring nightfall upon us and our civilization and globalization.

But the impact has been affinitive with that outcome. And we have a hard time as a state, society, and global commons to reconcile ourselves to what's happened. We can't believe it.

It's not a Holocaust denial situation. It's just a denial situation that something like this could actually happen, and it might have some tie, which it most definitely did in terms of the three things. The Chinese covered it up. We know that. Why they covered it up, that's the question. It's not a question of what they did.

It was a fresh virus as the Senator mentioned. It had a very high ability to spread into a population.

It was this highly optimized spread that our scientists told us around 99.5%. And they do that based on genetic mapping of previous viruses. There's never been something that's spread with actually so few mutations early on. I was in China during SARS, and it was mutating every week. I mean, it was so ridiculous. And then, we don't know why the Chinese hadn't and haven't searched extensively... During SARS, I recall very vividly that the Chinese government as much they wanted to cover it up, they were looking like crazy for where this has coming from. They didn't know. This time they were prompted blame a wet market. Well, they knew it wasn't a wet market. They were prompt to blame, like Fort Dietrich, US Army Biological Command, which is almost shut down, it really doesn't function anymore in any particular way, we have certainly no bio warfare has existed since 1969.

And then lastly, the Chinese, they've had a very successful time dealing with this. It's hard to understand what they knew that it made them know so much about what they were dealing with, that they could deal with it so effectively. It much as you would say, it's draconian, and that's the way China is, China's not always effectively draconian. They try to be, they try to be a surveillance state, but I've never seen Chinese act so efficiently. And frankly, when SARS happened and MERS happened, these previous outbreaks of pandemic was Chinese CDC, their Center for Disease Control, Ministry Public Health, and welfare. It wasn't the PLA. I mean, why is the PLA in charge of this thing? And frankly, to follow on a point I made earlier, the Chinese people are puzzled by this, they're disturbed. They've never seen the PLA on the streets like this, doing stuff. It's not just in Wuhan, I mean, they were in Shanghai as well at some of the major hospitals, taking over. What were they scared of? They didn't want to sequence the virus. I mean, I know that from people I know personally who are doctors in and around China, and they were told, "Don't you sequence, this is a national security issue." What's the national security issue? So I apologize for going over time.

John Walters:

Well, is that as a jumping off point from your comments, David, let me ask maybe our guests first, you've dealt with the inquiry from your governments, you've thought about the unique problems this poses in terms of information that was difficult to get from communist China. How do we find out what happened? And is there a path for some kind of accountability here? Or is this a matter of the Chinese communist leadership have managed to kind of hamstring the world, and obscure the basic issues underneath this pandemic so that accountability is unlikely to actually be a factor in the future, Senator Paterson?
James Paterson:
It's a measure of how serious the coverup has been, that even the World Health Organization has said that they're unsatisfied with the conduct of the first phase investigation and that they have proposed a second phase investigation, which they hope will have a better chance of getting to the bottom of it. Although at this stage, I’m not at all optimistic that the second phase investigation will have the access that it needs to conduct that investigation. If it doesn’t have access to the Wuhan Institute of Virology, and other centers in Wuhan, if it doesn’t have access to the data sets that the Chinese government should have access to, and should be able to make available, if it doesn’t have an ability for them to visit the region and take samples, and conduct interviews and obstructed, then I think it is going to be very difficult indeed for that second phase investigation to give us the answers that we all want.
And unfortunately, I think if that second phase investigation isn't allowed to be conducted in an unobstructed way, then the world will have to draw conclusions from that about what the Chinese Communist Party is seeking to do in preventing that investigation from occurring.

John Walters:
Tugendhat?

Tom Tugendhat:
Look, I think James is absolutely right, and this investigation, let's be frank, doesn't have to be conducted by a US, Australian or British scientist; there are many scientists that we trust around the world. There are many, if you, excuse the expression, neutral countries, at least from a Chinese perspective. But what I mean by that is trustworthy countries who we could work with very happily, who we could ask to conduct such an investigation. So let's be clear this isn't some form of fidelity test that we're imposing on China to in any way base itself towards the United States, or Australia, or Britain, that's absolutely not the case. We'd be very happy to enter a conversation, find some neutral scientists and just simply conduct that investigation.
Now, I think James's point is absolutely key, which is, even the World Health Organization, which frankly, for various reasons, hasn't always had the strongest line against some of the world’s biggest countries, is saying, "This is not an acceptable research inquiry that we've seen, to date" then frankly, it's a long way below that. So I think what we need to see now is we need to see the international community as a whole saying, "Look, help us pick a scientist or rather, a team of scientists, pick a team from around the world, pick a multidisciplinary group from countries that you trust. And there are many, many highly educated and brilliant scientists from around the world. Let's get them in and let's find out what happened."

John Walters:
David.

David Asher:
Well, unfortunately my assessment is that we’re not going to get access, but on the other side of the coin, I think if we can collect data among ourselves as allies, we have tremendous insight. Australia, of course has the most advanced animal research laboratory, maybe in the world. There's a very famous Chinese scientist who's involved there. I don't doubt his motivations as a scientist, but he is in close proximity to the minds of virology, and specifically, the coronavirus research scientist Shi Zhengli, let's call her, "Bat lady."
In the United States. We have a thing called EcoHealth Alliance, EcoHealth Alliance has been collecting data for the US government and other governments for nearly two decades. They have a tremendous repository of information. No one has questioned them seriously. They haven't responded to legislative inquiries. I don't know if they been responding to subpoenas for law enforcement, if they've been dropped, we don't know that because of those proceedings are kept in a semi classified way. But I do know this; they received 98% of their funding from the United States government, and they darn well better start coughing up information. Their job was to collect information on dangerous coronavirus around the world, and they funded a disproportionate amount of activity at the Wuhan Institute of Virology.

And finally, my own government that I was part of, John as well as a cabinet secretary, we know in our Health and Human Services Secretary, and our National Institute of Health, a tremendous amount. We haven't been able to access from the intelligence community, our own data, because it's so-called, "US persons" and protected by privacy. Well, whether it's bio terrorism, which I'm not going to characterize it, or just a bio-disaster, we've had an act perpetrated upon us by nature, by God, or by the People's Republic of China and it's communist government because of its insecurities, and fear of not covering something up on its 100th anniversary in involved the basic tragedy of a massive accident.

We can't make excuses for this. Pearl Harbor doesn't just get attacked and no one looks at it. We don't have a violent disaster like 9/11, and it doesn't get put into... We at Hudson strongly favor of national level of commission, and it must involve our allies, beginning with Great Britain and Australia, in absolute lockstep. So we welcome the opportunity, I can say as a former official who feels confident that we'll continue as allies, and partners and friends. And we're not out to single out the Chinese for being bad people. This is not about Chinese people, this is just about a paranoid government that we know is on an unstable foundation, and we need to figure out what motivated them to do something in this colossal, and what that means to the future, as we look towards our international security,

**John Walters:**

I'd like to ask a question about the future. I mean, I think our discussion reflects the experience of having a kind of dual institutional failure as a category. One is the failure to identify quickly, and contain this terrible pathogen, causing this mass destruction. So whatever possibilities for surveillance, response, corrective action, has to at least be said to be unsatisfactory. And the second is the part we've been talking about, which is the ability to go back, and have a full inquiry for the purposes of both learning, and preventing, and where there may be a failure fixing, or holding people accountable.

So what do we need to do going forward? How do we prevent this from happening with a different pathogen tomorrow, or the year after? We've talked about the World Health Organization, we've talked about government responses in various places. Okay, what do we learn, and what can we do to be better prepared on both the prevention, surveillance side, and the investigative side in the future, given what we've seen, Senator Paterson?

**James Paterson:**

One of the things I think we have to look at in the very near future is reform of these multilateral institutions. The World Health Organization is one among many that sadly has not performed anywhere near, as effectively as we would have liked it to during this crisis, and then lead up into this crisis. And it's going to require all of our countries to roll up our sleeves, and get involved and champion that reform to make sure that these organizations function.

Because unfortunately, I think if we are not involved, if we are not on the field, it will be taken over by others, and they will continue to have a degree of international legitimacy, but none of that
international effectiveness that we want it to have. And I think we have to think about whether, as a
global community, we want to set some standards that countries have to meet before they are allowed
to be members of organizations like these, and principles that they have to accede to, to sign up to, in
order to be members, because China and many other countries in the world enjoy the influence, and the
prestige that it comes from being members of these organizations, and there should be a degree of
reciprocity there. There should be a level of expectation about what they contribute to those
organizations, including that if ever there is a pandemic like this, which originates in their territory, they
be open and transparent. And then we have to find a way to hold them to those commitments.

John Walters:
Yeah, thank you. Mr. Tugendhat?

Tom Tugendhat:
Well, look, I think there's a lot of work to be done. I think the essential thing to focus on is, we shouldn't
throw the baby out with the bath water; we've got to make sure that we build on the structures that
we've got, and those are some of the UN type structures like the, WHO that bring people in. And I think
James is absolutely right, that holding people to account is important, but also I think one of the things
we've got to think quite hard about is empowering some of these organizations, and taking them more
seriously ourselves. So I would like to see something like an increase in the independent capability of the
WHO for its inquiries, so that when things are reported in, it can actually, immediately, launch it's own
inquires, without having to look around for the latest round of fundraising in order to support it.
Because it certainly in those early days when cover-ups are being attempted or indeed, when outbreaks
are starting, that you can have the most effect, both on suppressing the outbreak, and having the
medical effect, but also in making sure you're collecting the data so that coverups aren't successful. So I
think looking at how we support organizations like WHO, so they actually have an independent
capability, I think is an important area we need to look at. I think it would protect us all and make sure
the rules-based system, as we somewhat euphemistically call it, actually worked for all of us.

John Walters:
David?

David Asher:
You know, I had a cynical relationship with the IAEA, which is involved in overseeing non-proliferation
matters for governments related to nuclear proliferation. And it evolved over time in a very positive
direction. We empowered them as an investigative arm. We started to provide them with strategic level
intelligence, not just tactical information, and sort of occasional briefings. We trusted them. We know
that the information can get to the other sides, but it's sometimes worth letting your adversary, or your
ally know what you know. There was a transparency. We see that with the Chemical and Biological
Weapons Convention, occasionally, unfortunately not sufficiently, it certainly the BWC, the Biological
Weapons Convention, but we could make it better. And we certainly can make the WHO better. We've
let the WHO sort of die on the vine as the United States government, as far as I'm concerned. And we've
let the Chinese, essentially take it over at a certain level because they care. They see it as an
opportunity.
It was created by all of us, not just the United States, all of us as partners and allies. And we can darn
well use our budget power, and our knowledge, and the credibility of Tedros, who I don't think it's a bad
fellow at all. Who's the leader, who believes that the investigation factor was unacceptable. I don't want
to deny the importance of international institutions and these things. I don't want to give up United nations to the Chinese, I don't want to give it to the WHO. I'm just a scholar. You are leaders of your perspective legislative bodies and parliamentary bodies. So I'll defer to you. But to me I don't have a vote other than my one vote at the electoral ballot box, but I think that your insight is correct. And I defer to your leadership on how to fix these organizations.

**John Walters:**
Amanda, I want to ask about what if good citizenship is not an option here? I mean, in a certain way, the reform and the inquiries you're talking about depend on, or I think they do depend on, the good will or the ultimately moving countries or actors into a category of standards of behavior that would be conducive for inquiry, cooperation, joining against a common danger. One, I think what you've already talked about us knowing in terms of a cover up suggests that's not reliable, at least perhaps in this case, and maybe in other cases that whether for malicious reasons of self interest, or just bureaucratic misbehavior that obscuring culpability or expecting the wrongdoer to be open and confess, is not an adequate standard. That sometimes we will look at this as a common accident or malady, but sometimes that's not the case and it threatens the leadership and it threatens institutional futures.

Do we need a form of this that is less dependent on cooperation? Do we need a form of this that can handle malicious activity? I mean, there's been a lot of discussion, I think in most of our countries about how the danger and damage of the pandemic can encourage malicious actors, even non-state actors to use things like synthetic biology as a weapon. We've been worried about this in terms of terrorist attacks, but now we see the massively devastating effect of something like this. So do you think we need structures proceeding with the international bodies and strengthening them, but do you think we need structures among our countries or among some, I guess the old phrase is the coalition of the willing, to be a little bit more capable of responding to malicious activity or activity that is not able to be put into the realm of cooperation. Mr. Tugendhat?

**Tom Tugendhat:**
Sure. Look, I think that there's a lot of work to be done here. I mean, I would still start off with reform of the, if you like, the civilian institutions, the WHO's of this world, because the first line of defense of any community is not the special forces team. It's the policeman walking his beat. And I think that maintaining ground truth, ground awareness, just general pattern of life, if you like, through cooperation on public health is still the basic protection for all of us, but you are absolutely right. We have seen, in the UK, we've seen the use of chemical and nuclear weapons used on our streets, actually, in this case, by Russia using polonium, a nuclear substance, to poison Mr. Litvinenko, and we've seen the use of Novichok, which is as a vicious chemical weapon used in Salisbury.

So we see different forms of non-traditional warfare, even in a peaceful place like the UK. So the possibility of biohazards being used is certainly not zero. And I know that the cooperation between Porton Down and it's Australian and U.S. equivalents is extremely close as is indeed the cooperation in NATO. But this is where I think that looking at organizations like the OPCW, the Office for the Prevention of Chemical Weapons, is absolutely essential because that organization, okay. I mean, it's it specifically focused on chemical weapons, but we also need, and we also do have some sister organizations that work on biological weapons and so on, because looking at that wider protection is important in awareness terms. The response I would argue then comes down to the usual channels I'm afraid by which, I mean, the Five Eyes Alliance, the NATO Alliance, and indeed other partnerships and alliances that we have with countries around the world.
John Walters:
Okay, Mr. Paterson.

James Paterson:
The only thing I'd add to what Tom said is that all governments in the world, as long as they're functional, competent, and rational, respond to incentives. We are not dealing here with a failed state or an ungoverned space. We are dealing with a government which has interests, which it seeks to promote in the world. And if those interests are impacted negatively, sufficiently, it will induce a change in behavior. Every government responds to that kind of pressure, whether they're authoritarian or democratic. And so if we have the incentives in place that encourage good behavior, even without good will, you should be able to encourage good behavior.

And it is up to all of us to impose those incentives, to provide those incentives. And I think already the Chinese government is understanding the consequences of its behavior over the last two years. It has suffered a very significant loss of international standing. It has suffered a very serious hit to its soft power. Its diplomatic relationships are strained with almost all of its international partners. And although it might take some time for that to induce change in the Chinese political system here, I think it only is a matter of time before those incentives, those signals become clear and a change of path will have to occur.

John Walters:
Okay, David?

David Asher:
Oh, I had the relatively unique experience of leading an effort to actually oppose financial and economic costs on China, as well as North Korea, as the leader of the North Korean illicit activities initiative, which targeted a very small bank in Macau directly, called Banco Delta Asia. It was a Chinese bank. It was less than a billion dollar bank in terms of deposits. In fact, probably more like 300 million, but it was a flow through point for North Korea into the world system, including north Korean nuclear proliferate finance, counterfeit currency, drugs, including the drugs that made their way on the Pong Su ship to Australia that I helped the Australia government intercept in 2003. It was just like this bad bank right out of a movie, a bad movie. That strategy was not just designed to impact North Korea. It was designed to impact China. We cut that little bank off the international system via our USA Patriot Act.

And we just said, "You can't clear dollars in the U.S." And then we told the bank of China and other banks in China, very large banks, that if they wanted it to be next, they could keep clearing transactions to the North Korean government. And they said, "No way." And the Chinese government went from stone cold responses to us to saying, "What do I do to help? What do we do to help?" I mean, my experience with the Chinese is not that... Coercion's not a nice thing, but they coerce us. So we might want to try to coerce them in return. And they might actually respect us more. Coercion in this situation is really not coercion, it's law enforcement. We've been violated by Chinese inaction over the spread of a potential pandemic they were aware of for two to three months minimum. They cover that up.

Why they covered it up is more important to whether this came out of the labs. As much as I care about that as an arms control investigator. To me, the cover up as they've already said is worse than the crime. We need to impose costs on that. They need to be reasonable costs. There needs to be an outcome that can be negotiated, but there need to be costs. And they need to be swift and need to be strong. They have to be based on evidence. That's why our governments need to get together as law enforcement, law abiding states, to try to collect that evidence.
It's not necessarily intelligence. It's the intelligence that exists between your two ears, okay? It's not secret intelligence from some source. We didn't have so many sources. We have, well, we certainly know what happened here. I mean, we've had millions of people die. So let's start with that fact and let's go backward and say, "How did they die? And why did the Chinese not give us an alert that there was a pandemic spreading in their country." And that they unleashed knowingly or unknowingly on the world, but they did it in a way that had some malicious outcome. And that malicious outcome is a problem for the future.

John Walters:
Before we conclude, I want to ask about another aspect of the origins of this. We have had debates in the United States. I'm less familiar with all the debates that may be going on in the United Kingdom and in Australia, but about the nature of the research that may have been being conducted here. So called gain of function research. Taking pathogens and enhancing their danger. Now, on the beneficial interpretation, you could say in order to prepare us for preventing them in the future, should they evolve in the environment, but there has been, as you no doubt know, controversy in the United States still ongoing about the United States institution's involvement in this research that even if not intentionally released or without the culpability of the Chinese, was a danger and a danger that was not properly supervised. And this given the fact that these are certainly obviously capable of being global, do you think that we need a better system of scrutinizing dangerous research in the biological realm? And do you think it's possible to create such a system? Senator Paterson.

James Paterson:
John, gain of function research is a fine idea in theory, but if it's to happen in practice, it can only happen under conditions that have the most robust safeguards, the most careful checks and balances, robust transparency. And without those things, you cannot have confidence that they are being conducted in a safe way and in a way that's to the benefit of mankind and not to its detriment. And we do know that the Wuhan Institute of Virology does have a patchy safety record, that there were concerns within the U.S. government and other governments about that safety record and no lab that doesn't have a very strong safety record should be engaging in what is highly risk, potentially calamitous research. And so the question is what can we do as an international community to regulate that? Well, it's very difficult. If a sovereign country within its borders wants to engage in risky research and doesn't want to be open and transparent about that with the world, there is not a great deal that we can do to prevent them from doing that, but they should remember when they're doing so that the first victims of any failure are likely to be their own citizens before it is anyone else. And that's the great tragedy of what happened here most likely, potentially, in Wuhan is that it was the Chinese people that suffered. At least from the mishandling of what might have been a natural origin, but even worse, the mishandling of an accidental lab leak.

John Walters:
Mr. Tugendhat.

Tom Tugendhat:
I agree with James I'm afraid. The reality is that sovereign countries, particularly powerful ones like China, if they wish to hide things they can hide things and that's not an awful lot we can do about it, but I do think that there is an awful lot of work that we can do in making sure that those countries that wish to cooperate on general norms and wish to have their principles and their, and their science validated
and therefore able to be got into commercial roots need to have structures in which we can verify those roots. We see this with the development of biomedical sciences and the different ways in which our companies invest, yes, in countries like China and invest around the world. And we should be making sure that with that investment comes responsibility and comes accountability.

I think what I'm waiting for out of the reports that we are, I hope going to get one day out of Wuhan, is going to be some real indication as to whether or not there was a connection between the laboratory and the virus, whether or not the gain of function research in any way supported any of the spread of this virus. And on that, I'm looking forward to various reports that we're expecting in coming weeks.

John Walters:
David.

David Asher:

Something I learned out of this experience, and I had been to the Wuhan Institute in '97 or '98, it wasn't because we didn't suspect some activity going on there. So we've forgotten more than we've ever learned I find in our governments. And one of the things we did at State Department was go through 40 years of cables, including many cables that were unclassified. There were scientific related, had suspicions about what was going on in Wuhan. They go back a long way. And it wasn't just at the Wuhan Institute. It was a network of research institutions across China that are tied into it. It's the premier institution.

But the key thing is this, we shouldn't have been giving it material support. I'm saying the U.S. government. I'm not going to assign blame to anybody else. I blame us not for causing this, but I blame us have been stupid enough to be entrapped in a conspiracy perpetrated by the Chinese intelligence and National Communist Party to essentially make us lose attention to the fact that we are transferring material, scientific knowledge and specific technology to a program that had a dual use orientation. And the fact is these dual use or research concern programs, they call them (DURC) in the scientific community, they're everywhere. Almost every major country in the world could create a biological weapon. This is what we've learned from this. What we learned in China is they've made a particular strong effort to do this. I did not realize, even though I had been involved in looking at this 25 years ago, how far they had come. It's amazing how much the Chinese have made an effort to develop biological dual use capabilities. And dual use capabilities, I mean, it's either offense or defense, largely made by how you conduct yourself after its release. If it was an accident, they should have called and said, "We had an accident. We're going to clean this thing up." And we could've done that, actually. That wouldn't have been an in excusable offense. Instead we had zero communication for months and months, which actually continues pretty much to this day related to COVID 19, which is not guilt, but by creation, but it's guilt by association and trying to perpetrate a coverup.

So what do we do? We need to export controls on dual biotechnology. We have none, literally. And I'm saying United States, I'm not going to speak for other governments. These esteemed representatives can speak to their own governments. We have nothing. Okay? Nobody understands the power of biotechnology in the context of causing global harm. It has tremendous potential and current evidence for causing global good. Okay? But there's a dual side to this, okay? Two sides to the coin. We don't have any sort of vigilant oversight over our own laboratories. What if some crazy person was to cook this up at one of our major drug companies? And I say ours, because all of the companies that we share in the pharmaceutical space are mostly international and collaborative among all three of our countries. So I mean the NIH doesn't even have an inspector general in the United States, okay?
It's one of the largest grant making bodies in the world, maybe the largest, other than the Chinese and no one even knows what's going on there. They have no oversight in terms of counterintelligence. They don't know if they're being penetrated. I hope that our deeply respected colleagues and allies in Australia and the United Kingdom have this capability, but we don't have it. We're basically running sort of free as if this stuff is not dangerous. This virus, however it arrived on the face of the earth, has shown the danger and it has revealed that the Chinese have an extensive program to do research into this.

So I just say that they declared it in 2011 to the biological weapons convention, that synthetic biology was a proposed, a bright futured humanity if used properly and a dark future if used improperly. And so far I've seen very little evidence out of China that it's been used properly. I mean they create, it's not just COVID 19, whether it was created or not. We know they're using CRISPR to create superhuman soldiers and fetuses that have like six heads when they're born. I mean, there's a bit of a wild west going on in China. It's totally unregulated. And unfortunately it shouldn't be aided and embedded by our governments. Apologize for the length.

John Walters:
Before we leave, I want to ask, so Hudson Institute's founder, Herman Kahn, was dedicated to partly thinking about policy problems by thinking about where things might be and where they could be in the future. And I know for example, Senator Paterson, there's going to be a meeting of the quad at the later part of the month. I wonder how much this might be discussed and what might happen. But I'd like to ask all of you as a kind of closing question, five years from now, how do you think this situation will look? What will we have done? What will change? What will be either safer or more dangerous in the future five years ahead? Senator Paterson?

James Paterson:
John, for Australia outside the five I's intelligence sharing relationship, the quality is our most exciting and most important emerging new security partnership. And it brings together four of the great democracies of the Pacific and with increasingly aligned values and interests. And I hope that it can exert a significant positive influence on the Indo-Pacific in those five to 10 years ahead and encourage all countries in the region to understand why they benefit from the free and open rules based order that we've all prospered from since World War II, that have enriched all of our peoples and has provided remarkable peace and stability in our region since then.

What do I hope that comes out of the next five to 10 years? Two things. One, that we set as an expectation for all nations which wish to be taken seriously on the global stage, that if these events are ever replicated in their own countries, that they will behave in a way that is transparent, that is open, that allows appropriate scrutiny on a scientific basis. And secondly, that if knowing that we won't necessarily be able to guarantee that first thing, that each of our countries do the work now that needs to be done to make sure that if, and when sadly, this probably happens again, that we are all better prepared to protect our people from that harm.

Protect them both in terms of their health, but also in terms of their freedom and their prosperity. Because in many countries, we have rested very heavily on quite draconian restrictions on the liberties of individual citizens, their ability to travel, their ability to work, their ability to socialize with their family and friends. And I hope we never see again, those very harsh emergency measures that were unfortunately had to be put in place in almost all of our countries in response to this crisis, because it really did catch most of us by surprise.
John Walters:
Excellent point. Mr. Tugendhat.

Tom Tugendhat:
Look, I think James is absolutely right and I think looking forward, the fundamental change that I'd hope we'd see in five years time is that our countries create the core of a new way of standing up for our own people and identifying the threats that we face. Now, I hope that that also builds into the internationalism that I spoke about with the World Health Organization, but I think that the fundamental thing that is likely to happen is an increased awareness of dependency. Because this isn't just dependency in the sense of we've all demonstrated the globalization of health threats, but we've also demonstrated the globalization of a dependency on personal protective equipment from single manufacturers. We've also demonstrated the dependency that many countries have felt on drugs manufactured in single states. So I hope what we're going to see is over the next five years, a shift away from simple, just in time, cheap, cheapest possible manufacturing, to realizing that actually resilience is also a cost factor.
And that failure to have resilience may achieve an immediate saving, but may inject a long term risk. And so actually what I'd like to see is I'd like to see greater dependence on each other's markets, recognizing that the one people you can absolutely trust are the five Is and NATO partners, and then working out from there so that you do not find yourself, well, none of us find ourselves entirely dependent on a country who at a moment of maximum vulnerability, exploits the protection of our health workers and our first responders for political and geopolitical gain.

John Walters:
So what you're saying is less the discussion that we've had to some degree in the United States, and I'm sure in other countries too, of, well, let's fortify within our own country, all the potential needs and threats and so forth. You're suggesting that this, the need to have redundancy and greater strength can be part of an Alliance structure-

Tom Tugendhat:
Absolutely.

John Walters:
... of reliable allies.

Tom Tugendhat:
Yeah, absolutely. And not only can be, should be because if you're a country like the United Kingdom or Australia, where we don't have the population of the United States and geographically we're much smaller. I mean, obviously Australia's rather large, but its population density is such that actually various elements are rather more constrained into certain areas. Or if you are a partner like Singapore or indeed Denmark, where you simply can't have that depth of manufacturing capability or geographic spread, then actually resilience isn't just what you do at home, it's what you do with partners and allies. And that's just as true in defense terms, military defense terms, as it is true in medical defense or indeed perhaps a relevant topic for today or for a future discussion, semiconductors and other forms of technology. We are intertwined in our defense capabilities, in our economic defense, in our health defense, just as we are through NATO or any other Alliance.
And I think we need to look at what are the sovereign capabilities for the UK? One of those is the nuclear deterrent, for example, which is a personal sovereign capability, but we don't rely solely on ourselves for the defense of the United Kingdom. We rely on our friends and allies, despite the fact we know we need to have our unique sovereign capability that accounts for the ultimate element, if you like. In health terms, maybe that's 10, 20, 30% of your PPE manufacturing, maybe 50 percent of the rest is made by allies and maybe the last 20% is made by countries where, you know what, it's cheap. So there's ways of looking at resilience in different contexts and I hope that we use the next five years to look at that seriously.

John Walters:
Yeah. I think that's a very important topic and something that could cause a way of rethinking things like NATO, the quad, other kinds of alliance structures in a more up to date and current way in terms of the threats. David, where do you think we're going to be in five years?

David Asher:
I just think first it's with great gratitude that we hear from the leader of the Great Britain's foreign Commonwealth affairs committee and the Senator who oversees intelligence in national security in Australia, our two closest allies over the long haul. And we are in this together. That's I think the key message. We need to create a bio defensive alliance structure. It can't just be about the nuclear and chemical. Nuclear weapons are, I hate to say, in some ways outdated in my mind as a scholar. And you guys are in the front lines of protecting your countries and may overseeing your executive branches. I'm not. I'm just a bureaucrat turned scholar, but I do think that we need to create a network of new understanding. These biological threats, however they may emanate, are eminently possible to be propagated through nature and the globalized system we live in, but also through just high technology, lack of transparency and adverse intentions.

And as we think, toward the unthinkable, we need to realize whether this is a wake up call about the threat of a biological war in the future, it better be one. Okay? I mean, some people haven't woken up to it. The technology exists. It may not have been employed specifically in this case. I suspect it was not deliberately, but indeliberately they just screwed up. But a huge screw up as we learned in the famous movie, Dr. Strangelove, involving some abhorrent individual, can cause a global disaster. We can't afford it. We have way too many good things to happen in the future for our people and for our nations and in unity. This is ridiculous and China and its intentions cannot be allowed to dominate our democracy and capitalist system that we share together among ourselves and the whole world. Thank you.

John Walters:
Well, thank you. Thank you, David. Thank you, Senator Paterson. Thank you, Mr. Tugendhat. I appreciate the discussion and I appreciate the issue at the end, that I think it is important for us to kind of think about as a way of thinking about the Alliance structure and the threats we commonly perceive in the future. You've been very generous with your time. Thank you for your services to your country and for our common interest. I look forward to talking to you again. So long.

James Paterson:
Thank you.

David Asher:
Thank you.