2019 Herman Kahn Award Remarks: US Secretary of State Mike Pompeo on the China Challenge

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TRANSCRIPT

Please note: This transcript is based off a recording and mistranslations may appear in text. A video of Secretary Pompeo’s remarks is available: https://www.hudson.org/events/1708-herman-kahn-award-gala102019
RUPERT MURDOCH: Ladies and gentlemen, I’m delighted to be here with you tonight to honor a man of many, many achievements and titles: Captain Pompeo, Editor Pompeo, Chief Executive Pompeo, Representative Pompeo, Director Pompeo, Secretary Pompeo, Senator Pompeo. (Laughter and applause.) President Pompeo. (Laughter and applause.) That’s really for the speech in 2025. I’m sorry. (Laughter.)

Your founder, Herman Kahn, was an extraordinary scholar whose provocative insights challenged conventional wisdom and helped shape the destiny of our nation and the world. Mike Pompeo is also unafraid to confront the status quo, dauntless in dealing with intractable problems. Secretary Pompeo is meeting the great challenges of our time with an extraordinary background in public and military service, in private sector success, and, well, he’s certainly the Renaissance man. You cannot get any better than first in your class at West Point. As a cavalry officer, he served along the Iron Curtain, of course, which Herman Kahn worked so hard to tear down. From his time in the military, Secretary Pompeo went to Harvard and later founded Thayer Aerospace and was president of Sentry International, before being elected to Congress from Kansas. His time in the House and as CIA director no doubt serve him very well as America’s 70th Secretary of State.

He has been at President Trump’s side during many historic moments on the international stage, offering advice and steadfast principles in grappling with the complexities of the Middle East, of China, and, of course, of North Korea. It’s reassuring to know that a man in whom so much responsibility is placed is someone who himself has spoken so clearly about the value of humility. Wisdom comes from a humble disposition, he has said, warning that pride can get in the way of what he calls an honest analysis of the facts.

There is no doubt Mike Pompeo – of his strong faith, and which informs him, his outlook, and he’s certainly helped inspire its work for religious freedom around the world, and also propelled his commitment to protect the dignity of every human soul.

In that regard, Secretary Pompeo has warned of the danger of totalitarianism not only for our security, but of our basic freedoms. When the state rules absolutely, he said, moral norms are crushed completely.

As accomplished as Mike Pompeo has been in his illustrious life, I’m sure there’s much more to come. Secretary of states usually do quite well once they move on. (Laughter.) I haven’t – and actually I’ve got a good publishing house if he wants to decide to write a book. (Laughter.)

And of course, look what happened to secretaries of state. I remember Jefferson, Monroe, Adams, Van Buren, and Buchanan. So who knows what the future holds. What I do know is that you deserve this Herman Kahn Award tonight, and I’m honored to introduce you here. Thank you. (Applause.)

SECRETARY MIKE POMPEO: Thank you, that’s very kind. I always prefer if I get the applause after I speak – (laughter) – because then you know how – then you know how you did. And Rupert, you reference the Senate race and book publishing. I’m pretty sure those are both felonies if I talked about them – (laughter) – so I’m not going to mention either tonight.

Thank you so much for those kind words, Rupert, for your generous introduction.
Distinguished guests, ladies and gentlemen, it’s great to be with you all tonight. It’s remarkable I’m sitting at the table with Dr. Kissinger and Hank Greenberg, the Sterns – amazing people who have done amazing things for America. Thank you all so much for your remarkable service. I’ve been fortunate to get a chance to know Dr. Kissinger. He’s in his mid-90s. Secretary Shultz is mid-90s. I’ve got a lot of runway left. (Laughter.) Must be something about Foggy Bottom that keeps you going.

Thanks, too, Ken, and the board of trustees here for taking such good care of us. I’m humbled by your generosity and the receipt of this award tonight. My son often reminds me there’s much for me to be humble for. He – I actually told him about this, and he got online, he looked up all the previous recipients, and he wondered if the institute hadn’t might lost its way. (Laughter.)

He’s also famous for having sent out a note to the entire team that takes care of me when I travel saying, “When my dad got off the plane tonight, he looked like he was half dead. Would somebody put makeup on him?” (Laughter.) It was like 3:00 in the morning in some far-off place.

I thought I’d take you back just a minute to talk about something that’s very much on my mind. I remember I had hoped to be sworn in on January 20th, 2017 as America’s CIA director right – a few hours after President Trump’s inauguration. But Senator Wyden had a different idea about timeline, and so I was held up on that Friday.

But I had asked the President to come out to CIA headquarters on Saturday morning, out to Langley. So when I showed up there that day and the President showed up there that day, I was still the congressman from the 4th District of Kansas hoping that I could scrounge 51 votes on Monday. I mention that because I will never forget what President Trump was focused on. Literally less than 24 hours after he had been sworn in, he was sitting with me and the senior counterterrorism team at the CIA, and he told – he said three things. He said: I’m going to give you everything you need to do; I’m going to give you the authorities you need to conduct this campaign in a way that will keep Americans safe; I want to make sure that we destroy the caliphate, and I want to get the guy who’s the leader of ISIS. And – (applause) – and we worked for two and a half years – the team was fantastic. The work that was done will absolutely make an important contribution to America’s national security. The President led that effort. He was committed to it. He supported everything that I did and then my successor, Director Haspel, and the amazing work of the Department of Defense and all the teams that brought Baghdadi to eternal justice. (Applause.)

I hope you all know when you – when you get a chance to see someone who is in uniform or someone who is an intelligence officer, you wouldn’t know. There’s actually some of you all sitting out here tonight. You wouldn’t know. Please thank them. It was amazing work that they did and important.

There’s still much work to do. The threat from radical Islamic extremism certainly is not gone, but the work that was done to lead that shows the excellence, the uniqueness, and to the point that was mentioned earlier, the exceptionalism that we have here in the United States of America.

I think it’s true that we can think long about history. Half a century ago your founder charged your institution to think about the future in unconventional ways. President Trump, when he selected me to be the Secretary – the director of the CIA was certainly thinking about something unconventional. Who would have predicted that this kid from Southern California would have this amazing privilege? He also knew – Herman knew – that in the interest of furthering and protecting this great and noble experience that we call the United States of America, that there was no higher mission than to getting that right.
That’s why I thought I’d focus in the few minutes today before I take some questions, I thought I’d focus on something that is central to what the Trump administration is working on that is different from previous administrations. That’s not political, we have just – we have taken on the challenge from the People’s Republic of China in a way that the time is calling for.

Look, we have a long-cherished tradition of friendship with the Chinese people. We continue to do so today. We have a Chinese American community here in America that we love and treasure. I’ve known them through business and personal ties; I’ve known many of them.

But I must say that the communist government in China today is not the same as the people of China. They’re reaching for and using methods that have created challenges for the United States and for the world.

And we collectively, all of us, need to confront these challenges from the PRC head-on, and along each of the many facets.

There are many opportunities, to be sure, but it is no longer realistic to ignore the fundamental differences between our two systems and the impact, the impact that those two systems have, the differences in those systems have on American national security.

This is a departure, for sure. It might be viewed as unconventional. It’s not what you’ve heard from leaders for the last two decades plus. Frankly, we’ve been slow to see the risk of China – the risk that it poses to American national security, because we wanted friendship with the People’s Republic from the very start. And because we, as Americans, always continue to hope for that.

But frankly, in our efforts to achieve this goal, we accommodated and encouraged China’s rise for decades, even when – even when that rise was at the expense of American values, Western democracy, and security, and good common sense.

We downgraded our relationship with our long-time friend, Taiwan, on the condition that the “Taiwan question” would be resolved peacefully, to normalize relations with Beijing.

We all too often shied away from talking directly about the human rights issues there and American values when they came into conflict, and we downplayed ideological differences, even after the Tiananmen Square massacre and other significant human rights abuses.

We encouraged China’s membership in the World Trade Organization and other international organizations, premised on their commitment to adopt market reforms and abide by the rules of those organizations. And all too often, China never followed through.

We hesitated and did far less than we should have when China threatened its neighbors like Vietnam, and like the Philippines, and when they claimed the entire South China Sea.

Frankly, we did an awful lot that accommodated China’s rise in the hope that communist China would become more free, more market-driven, and ultimately, hopefully more democratic. And we did this for a long time.

There’s another reason we adopted these policies: We didn’t realize how China was evolving. Frankly, the American people didn’t get the full story.
I’ve talked to so many business leaders. U.S. companies that invested heavily in China were forced to comply with China’s terms. This includes just about any topic that the Chinese Communist Party deemed controversial.

Beijing’s intransigence creates a permanent class of China lobbyists in the United States. Their primary job is to sell access to Chinese leaders and connect business partners.

And frankly, whenever there was a dispute or tension in the relationship, many of our scholars blamed the United States for misrepresenting the nature of the Chinese Communist Party.

Meanwhile, Beijing controlled and limited access to our diplomats, journalists, and academics to the main – when they were traveling to mainland China. They still do that today. If you saw the difference – if you saw the difference in how Chinese diplomats are treated and how American diplomats and the access they have, you too would find the absence of reciprocity deeply inconsistent with American values.

And China’s state-run media and government spokespersons filled the gaps, routinely maligning American intentions and policy objectives. They still do that today. They distorted how Americans view the People’s Republic and how they review General Secretary Xi.

These bad outcomes were all too predictable. They were predictable byproducts of dealing with a secretive regime that doesn’t respect fairness, the rule of law, and reciprocity.

Today, we’re finally realizing the degree to which the Chinese Communist Party is truly hostile to the United States and our values, and its worse deeds and words and how they impact us. And we’re able to do that because of the leadership of President Trump.

The President sounded this issue, this alarm, since his very first day. I remember one speech he gave back in Pennsylvania when he called China’s WTO membership “the greatest job theft in history.” A lot of people laughed. I don’t think so many of them are laughing now that they can see the reality.

It’s the case that now we know China weakens America’s manufacturing base by conducting massive intellectual property theft. I had a group of Fortune 500 CEOs in my office last week. The stories are staggering.

Now we know too that China threatens American freedoms by demanding our companies self-censor to maintain access to that Chinese market. We’ve all seen the stories recently of the NBA. The truth is Beijing ought to be free to run its own PR campaign; they’re a sovereign nation. But if we disagree, our companies ought to be permitted to have that disagreement. Silencing dissent simply is not acceptable.

And now we know – now we know that China threatens America’s national security by developing asymmetric weapons that threaten our strategic assets too.

The list goes on.

And these aren’t just our problems. They’re problems for all nations that share our values. When we see Beijing use coercion as a preferred tool of statecraft, it’s not good for those of us who believe in democracy and sovereignty as the fundamental norms that ought to dominate world commerce and the way nations interact. These ideas, they threaten the free and open international
order by making extrajudicial territorial and maritime claims in places like the South China Sea and the Taiwan Strait.

We know too that Beijing entwines its neighbors and others in its state-led economic model, often closing deals with bribes, often trapping many in debilitating debt levels, threatening their own sovereignty.

And now we know too and we can see China’s regime trampling the most basic human rights of its own citizens – the great and noble Chinese people. We’ve seen this in Hong Kong, where they need to live up to their promises and commitments, and we’ve seen it in the gross human rights violation of ethnic minorities in Xinjiang.

We know too that the Chinese Communist Party is offering its people and the world an entirely different model of governance. It’s one in which a Leninist Party rules and everyone must think and act according to the will of the Communist elites. That’s not a future that I want, I think it’s not a future that anyone in this room wants, it’s not a future that other democracies want, and it’s not a future that the people of China – the freedom-loving people of China everywhere don’t want this model.

President Trump’s National Security Strategy lays this out. It recognizes China as a strategic competitor. That means there’s challenges and there’s real opportunities, and we hope that we can engage with them in ways that are constructive. But it’s reality. It’s the truth.

It’s also the case that we didn’t choose some of these issues. China forced them upon us.

In the coming months, I’m going to give a series of sets of remarks. I’m going to talk about each of these in some more detail.

I’ll talk about the competing ideologies and values and the impact that has on America and the world. The Chinese Communist Party is a Marxist-Leninist Party focused on struggle and international domination. We need only listen to the words of their leaders.

I’ll discuss too how they interfere with the things we take most for granted here in the United States. The party’s intelligence agencies, the United Front Work, and its propaganda outlets have embarked on a global campaign to change public opinion in favor of Beijing. We want to preserve our freedoms – our freedom of speech and we want to make sure that information flows freely everywhere.

And I’ll discuss too the impact on the international order. Beijing is actively creating its own international space and it participates in international organizations to validate its authoritarian system and spread its reach. We in the United States, and I think the good people who are part of the Hudson Institute, want to preserve the existing free and open international order that the United States has helped create and continues to lead.

And I’ll too – talk too about the economy. China has engaged in unfair predatory economic practices and it’s utilizing state assets to build its economic footprint all around the world. We want China to be successful. We want it to have a successful economy. We want a transparent, competitive, market-driven system that is mutually beneficial for all involved.

You can see the first steps towards that in the Phase 1 deal that we are close to signing. I’m optimistic we’ll get there. It’s a good thing, a place that we can work together. We want to make sure that we get that right and we want to make sure that the economic relationships are fair, reciprocal,
and balanced as between us as well. I think this will show that there is common ground to be had, and the Trump administration will work tirelessly to find it wherever we can.

And I’ll get a chance too to talk about how our militaries compete and the capabilities that China has built up that far exceed what they would need for self-defense.

There’s lots of discussion, lots of think-tank discussion, lots of academic discussion about what the relationship will look like between the United States and China in the years and decades ahead. I’ll be clear about what the United States wants: We don’t want a confrontation with the People’s Republic of China. In fact, we want just the opposite.

We want to see a prosperous China that is at peace with its own people and with its neighbors. We want to see a thriving China where the Chinese business community transact business with the rest of the world on a fair set of reciprocal terms that we all know and understand.

And we want to see a liberalized China that allows the genius of its people to flourish.

And we want to see a China that respects basic human rights of its own people, as guaranteed by its own constitution.

But above all, it’s critical that as Americans, we engage China as it is, not as we wish it were.

Herman Kahn used to remind us, he would urge us to think unconventionally to create persuasive arguments for policy and make those arguments consistently to the American people. We have to think anew, and unconventionally, about the People’s Republic of China.

I hope you will all join me in that. We will learn together and we will develop a strong relationship between these two nations.

I’m going to now stop and take a few questions from mister – Ken.

Thank you. God bless you all. (Applause.)

KENNETH WEINSTEIN: Mr. Secretary, always an honor and a pleasure to be with – wait, am I – Mr. Secretary, always an honor and a pleasure to be with you. I guess the World Series isn’t going to be the big news headline tomorrow morning. Well, what a —

SECRETARY POMPEO: Depends if the Nationals win. (Applause.)

WEINSTEIN: Let me just throw out a few questions. That was a truly remarkable speech, clearly the first of several, as you indicated, on this important theme of the competition between the United States and China, the future of China, the future of our relations, and the future also of freedom in China. You said – that was an incredibly rich speech. Let me pick out one theme and ask you about it first, which is the question – you talked about how freedom-loving people everywhere reject the Leninist model – including in China – reject the Leninist model of the Chinese Communist Party, and you drew a distinction between the Chinese people and the Chinese Communist Party. How do you think about these issues?

SECRETARY POMPEO: Well, I always start with a fundamental proposition that President Trump speaks to very directly: Every nation is sovereign. They get to lead their nation in the way they want. We respect Chinese sovereignty; they have the right to lead it. I always – I stare at this and think
about the – I think about this as we’ve seen governments with ideologies like this before. This is not new in terms of how countries operate in the world. And while I know what America wants, what we’d like our relationship with China to be, I’m always reminded – and we talk about this an awful lot of times in counterterrorism. In the counterterrorism world, when do you get to stop doing this? The answer is the enemy gets to vote, right?

We think about that. Our adversaries get a choice on how this will proceed. And I think we need to try to help China make good choices, because we – and if we do that well, we’ll create a set of incentives that will reward those choices. And when I say good, good choices for the world – this is a billion and a half people that they’re going to be an important, powerful country in the world. This is a certainty. We don’t reject that, we don’t think that’s improper. We want them – we want them to be successful and grow and prosper.

But there’s been this notion – there’s been this notion that the Chinese put forward about win-win, that every transaction can be win-win. And that’s true when you do a business deal, when I give you 50 cents and you give me a Snicker bar, you’re happier with the 50 cents, I’m happy with the Snicker. But it’s – right, that’s – right, it’s basic market underpinnings.

It’s not been the case that these have all been win-win. It’s been the case that we’ve had U.S. companies go in there and they have been given commercial access. I was pleased they made decisions on banking and insurance regulations that they’re – that are changed. These are really good signs. I’m encouraged by that. I hope they’ll continue to do that. I hope we’ll continue to open markets for them as well. The President has said if we can get to where there are no barriers – right, no – we want this to be fair, and we want there to be even more trade between the two countries. When you think about that, you have to lay it against the ideological overlay inside the country, and decide whether that is something that you can achieve, and more importantly, what are the things that we can do so that we’re more likely to achieve that outcome?

WEINSTEIN: So stay tuned for future speeches on this subject, surely.

SECRETARY POMPEO: We – President Trump has made clear this is a central relationship for the United States for the next 50 or 100 years. We are all still figuring out the right tactics and strategy to deliver against the objectives that I set out here tonight: a strong, connected relationship with China. How do you get there? How do you think about this? We’ll learn as we go along. The United States will iterate; it’s what we do best. We’re creative, we will adapt. But we think it’s absolutely essential that we do so in a way that reflects what’s really happening, and the risks attendant with that.

WEINSTEIN: Let me ask you about Hong Kong quickly. How – what should the United States be doing?

SECRETARY POMPEO: It won’t surprise you I think we’ve got our policy right. (Laughter.) Look, we’re hopeful that – the Chinese made a commitment that – we hope they’ll live up to that. And at the same time, we’re telling everyone that we interact with we don’t want violence. We want this – we think there should be a political solution to the conflict that’s taking place there. We say this to – I say this to my Chinese counterparts, I say this publicly when we want the protesters to hear this too. We don’t want them to engage in violence either. We hope they can find a path forward that is consistent with the idea of “One Country, Two Systems.” That’s the commitment that the Chinese Government made. We hope they’ll live up to it.

WEINSTEIN: And lastly, let me ask you about as you – as you balance your incredible responsibilities as Secretary of State and you look at the unbelievable turmoil around the world – I
mean, we’re living in one of the most tumultuous periods certainly in recent history or if not in the last  – certainly in the last few decades. How do you as Secretary of State set your priorities on a strategic level? You’ve got China, North Korea. You’ve got Iran. You’ve got the need for our allies to step up further, to do more. But we also need to make sure that we keep them engaged because of this geostrategic competition with China. How do you – at the – how do you balance these things?

SECRETARY POMPEO: Ken, that’s a long list. I feel bad for coming to New York tonight. (Laughter.) I need to get back to work. So a couple things. First of all, the President set out a framework and continues to set out a framework for how we think about these issues and prioritize them. It’s also a blessing that we have a country that is wealthy enough to support a State Department team that’s capable of doing many things at one time.

As for my time and attention, I try to spend my days pushing along those projects where it looks like I can get a high ROI on my time, while also making sure that I invest in the things that I know I’ll leave behind. sort of the institutional things at the State Department so that this team is in a place where we’ve got the right leaders and the right training and the right human capital inside the U.S. Department of State, so that when my time is up, the next set of – the next set of leaders will come along and have a talented, capable workforce that’s ready to engage and deliver American diplomacy around the world.

WEINSTEIN: Well, thank you very much, Mr. Secretary. It’s really been an immense honor. I’ll turn it over to our great board chair Sarah Stern. (Applause.)

SARAH MAY STERN: Wow. I think he gets a standing O for that. (applause.)

Mr. Secretary, you said it would depend on the applause afterwards. I think that was an incredible talk. I think we in this room are all now insiders about what’s about to happen. I can’t wait to listen to the rest of your talks as they are unrolled. You certainly have paid attention to the views of our Hudson experts on China, so thank you for that. (Applause.)

I think freedom-loving people around the globe, starting in China but moving on to some of those other places like Venezuela, Iran, other places that are living under nondemocratic governments, would thank you for that. And I think that people who live in democratic governments, and particularly Americans, and particularly the people in this room, would say thank you. (Applause.)

So we give Hudson Institute’s award to celebrate farsighted leaders who have made exceptional contributions to the security, prosperity, and freedom of the United States and its allies. I cannot imagine anyone better suited than you to address the complex set of challenges that faces our country today.

Last week, on Hudson’s podcast, The Realignment, you mentioned that in dealing with China it is important to speak without emotion and with great clarity. As we heard tonight, these two characteristics do define your approach to China and also to other world affairs. As we’ve also heard tonight, you bring a powerful intellect informed by an understanding of history and fueled by creativity. In fact, I can think of no greater praise than to say you sound and act downright Hudsonian. (Laughter and applause.)

So it is my great honor to present you with the Herman Kahn Award.

SECRETARY POMPEO: Thank you. Thank you. (Applause.) Thank you.