

Center for Strategic and International Studies

TRANSCRIPT  
Online Event

**“AUKUS and Its Impacts”**

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FEATURING  
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H. Andrew Swartz: Good afternoon and welcome to the Schieffer Series. This is our first Schieffer Series since the beginning of the pandemic, and we're thrilled to have all of you with us, those of you who are here in the audience and those of you who are watching from home or your offices. Thank you so much for joining us. Before we start, I'd like to thank our amazing sponsor of so many years, the Stavros Niarchos Foundation, who without this wouldn't be possible. Thank you to SNF and all that they do for us. I'd also like to thank the TCU Schieffer College of Communication. The TCU Schieffer College of Communication is a very special place to us, and we are thrilled for this partnership that we've had going for so many years. Now, before the best name in news, Bob Schieffer, takes over, we'd like to show you a short video that will tell you a little bit about what we're going to be discussing today. So, let's go to the video.

Video: In September, a new trilateral security pact between the United States, Australia and the United Kingdom was announced. The deal, known as AUKUS, sends a clear message that China's aggression in the Indo-Pacific will not go unchallenged. AUKUS will involve modernizing military capabilities, enhancing readiness, and developing critical technologies. But what makes AUKUS a gamechanger is that it will provide Australia with its first nuclear-powered submarines. These eight subs will significantly expand Australia's naval power in the region. But only a few countries in the world currently have nuclear-powered submarines. And adding Australia to this list was a big decision that France, a vital U.S. ally, was left out of. AUKUS also required Australia to sideline a multibillion-dollar deal with France that would have provided Canberra with conventional subs. France's foreign minister called the move "a stab in the back," and President Macron went as far as temporarily recalling France's ambassadors to the U.S. and Australia. While President Biden has worked to repair the relationship, AUKUS coming so soon after the U.S.'s unilateral decision to withdraw from Afghanistan has many allies seeing a worrying pattern in Washington's decision making. In this episode of the Schieffer Series, our panel of experts will unpack why AUKUS reshapes the strategic landscape of the Indo-Pacific, how allies are reacting to another instance of unpredictable U.S. diplomacy, and what the U.S. can do to restore trust among its allies and partners during this time of global insecurity. This is the Schieffer Series. Let's dive in.

Bob Schieffer: And good afternoon, everyone. Here we are, coming finally out of hibernation from COVID. And it's a real pleasure. I've missed everybody here at CSIS, and really looking forward to this today. This is a fascinating subject that we've chosen to talk about today. And as is always the case, we have three people who know a lot more about it than I do. So, I'm going to introduce each of them and then we'll get right to it. Heather Conley is the senior vice president for Europe, Eurasia and the Arctic, and director of the Europe, Russia, and Eurasia Program at CSIS. She was the executive director of the Office of the Chairman of the Board for the American National Red Cross, 2005 to 2009, and Deputy Assistant Secretary of State in the Bureau of European and Eurasian Affairs, 2001 to 2005. Michael J. Green is the Senior Vice President for Asia and Japan Chair at CSIS, Director of Asian Studies at the Edmond A. Walsh School of Foreign Service at Georgetown

University and was the director for Asian Affairs at the National Security Council, 2001 to 2005, and then Special Assistant to the President for National Security Affairs and Senior Director for Asia. And finally, Tom Schieffer is the former U.S. Ambassador to Australia, 2001 to 2005, and the former U.S. Ambassador to Japan from 2005 to 2009. Ambassador Schieffer founded and remained active in Envoy International, which is largely a firm that does consulting work on international affairs for clients on both sides of the Pacific. And I will reveal, because we have no secrets here, he also happens to be my little brother. So, we're happy to have him here today. Gentlemen and ladies, I thought it would be nice – this is the week that saw the passing of a great American, Colin Powell. And I wondered if each of you might have – because I think all four of us, it turns out, have links to Colin Powell in four very different ways. So, tell us a little bit – tell us a story about Colin Powell. Mike, we'll start with you.

Michael J. Green: Well, I had the opportunity to travel with Secretary Powell and be at meetings with him for a couple of years. I was the senior official on Asia at the NSC, so I traveled with him to Pakistan, China, Japan, Korea. More than any leader I've seen in government, he was focused on the welfare of his troops – the diplomats, the Marine guards in the embassies, the people traveling with him on the plane. The story – and there are many – that occurred to me when you asked was in 2003, when he was meeting with Jiang Zemin of China, trying to convince the Chinese side to host the six-party talks to get some pressure on North Korea, and the Chinese didn't want to do it. And Jiang Zemin kept saying China's not involved; you do it; China's not involved. So finally, Secretary Powell said, look, you can work with me on this diplomatic solution or, if you'd like, I can hand this to Don Rumsfeld. And Jiang Zemin said, in about a nanosecond, you. And that afternoon the Chinese side agreed to do the six-party talks. So, Secretary Powell had a good sense of humor, and he took advantage of some of the little friction we had in the administration for the American interest.

Mr. B. Schieffer: I believe that.

Heather A. Conley: Absolutely.

Mr. B. Schieffer: Heather.

Ms. Conley: Well, and I just – our heartfelt sympathy goes to Mrs. Powell and the family. Our country lost an incredible statesman and a soldier, and they lost a husband and a father. So, our hearts go out to them for sure this week. I think in some ways, in our – as we're so sad about Secretary Powell's passing, we've really had an opportunity to think about our favorite moments. My favorite moment was when I sat in on a meeting that Secretary Powell had with then-Swedish Foreign Minister Anna Lindh, who tragically was murdered several months later. But in the meeting, she brought Secretary Powell a whole CD collection of Abba, which he loved. You know, he loves his Volvos, and he loves Abba. So, as he got this, he got this big grin on his face. And then he began to sing to Minister Lindh "Mamma Mia." And

it was a wonderful – he has a very good voice – wonderful moment. But just to echo Mike, one of my colleagues, I thought, said it so beautifully, that while the secretary of state is the principal diplomatic adviser to the president, Secretary Powell was the leader of the State Department. And he instilled in us the value of that leadership core mission. And I think we all felt incredibly blessed and privileged to be part of the Powell State Department team, of which I was. So, it's just a thousand memories; swearing-in ceremonies. Maybe, Tom, you'd like to talk about your swearing in. He always insisted on being at the swearing-in ceremonies because he wanted to see the children, the spouses, the partners, the mothers and fathers, the cousins of the person that was about to be sworn in. He goes, it's because of you. You're the family, and you're going out with – we may call the ambassador, but we know this is a family and your part of the State Department family.

Mr. B. Schieffer: I think that's so interesting, because we've had many, many secretaries of state down through the years; some good, some bad, some in the middle. But we have had not nearly so many leaders of the State Department and he, certainly, was that.

Ms. Conley: Absolutely.

Mr. B. Schieffer: Thank you, Heather. Tom?

Scott Miller: That's right.

John T. Schieffer: Yeah. What Heather's referring to is I was confirmed to the Senate at 3:30 and took a plane at 6:00 o'clock to attend the AUSMIN conference in Australia, and Secretary Powell had actually gone to Beijing first, and he brought the papers for me to give to the Australian government that announced that I was the ambassador there. But when I think of Colin Powell, he's a person of great – he was a person of great character and decency, and the people who worked for him loved him in a way that I have never really seen in any other place, and he achieved great celebrity in his life but he never got celebrity confused with leadership. And to him, leadership was always about taking care of the troops, and the people that worked for him thought that he was an extraordinary person because they understood that he respected and appreciated the work that they did, and he achieved success wherever he went because of that. And I think that there are really two secretaries of state that are held in special regard by people at the State Department. The first one is George Shultz, and the Foreign Service Institute was eventually named after him, and the other one is Colin Powell. And I think more than anything else, it was a sense of respect and a communication to people that the work that they were doing, whatever it was, was vital to the overall mission of the department and they took pride in that, as they should. And I think that Colin Powell's example is something that all of us – would behoove all of us to try to follow in our lives.

Mr. B. Schieffer: And, you know, there is no small thing to talk about the difference in celebrity –

Mr. J. Schieffer: Yeah.

Mr. B. Schieffer: – and the difference in leadership, and Colin Powell was the latter.

Mr. J. Schieffer: Yeah.

Mr. B. Schieffer: He truly was a leader, and I had the great honor and luck to interview Colin Powell 26 times on “Face the Nation.” Maybe more than anybody else interviewed him. I don’t know. But 26 times he appeared on “Face the Nation,” and perhaps those who book Sunday talk shows will more appreciate this than people who just turn on the television and watch it. You know, the hoops you’d have to jump through to make sure you get them when you want to. Generally, people that you don’t need on the Sunday talk show are the people who are pestering you to be on the Sunday talk show. We were always glad to see Colin Powell. But the thing of all those Sundays that I spent with Colin Powell that I always remember, we would often have students – you know, high school students, sometimes college students – to come and be guests on the show and they’d come from everywhere and they were – they were backstage. And so one Sunday, General Powell was there and at the end of our interview – and he didn’t know these kids were there – I said, “General, can I ask you something?” And I always called him General even after he was secretary of state. I’d say, “General, can I ask you something?” I said, “We’ve got all these kids backstage here. Would you have a moment to just hang around for a second and say hi to them?” I said, “They would be thrilled to death.” He said, “Well, of course, I would.” Colin Powell sat there for a half hour and talked to those kids. These were not – nobody was going to know about this. Nobody was going to put it in the paper. He just sat there and enjoyed it, which I thought made it even more important then and more meaningful to all of them. Colin Powell always had the time, the time to take care of a good cause, the time to be nice to people that nobody else was being nice to. He always took the time to express interest in those around him, and I think that’s one of the reasons that he will truly be remembered. He’ll be remembered for many accomplishments and so forth. But I think that’s – to me, I think that’s the part I’d like to be remembered for is the kind of kindness that Colin Powell showed. So, on that, Mike, I don’t think most Americans knew what AUKUS was until that story comes out on television about, we’re going to give some submarines or work with the Australians to develop some nuclear submarines, and then you’ve got that bombast from the French government that followed it. Tell us exactly what AUKUS is and why AUKUS? What is it there for and what do we hope to accomplish?

Mr. Green: Well, it stands for Australia-U.K.-U.S., so U.S., Britain, Australia. It’s not a treaty per se; it’s an agreement, a pact, and it was initiated by Australia because the Australians over the past two years have increasingly worried about their strategic environment. They’ve seen the Chinese try to build

submarine bases in Vanuatu in the Pacific, South Pacific near them. They've seen the Chinese embargo, the Australian coal, pressure them over a list of complaints and they weren't going to back down. They've seen the general power projection of the Chinese military beyond the first island chain, which is Japan and Taiwan and The Philippines, to the second island chain, which is Guam, American territory, and into the Pacific. So they were alarmed. They had an agreement with France with the Navy Group to build submarines. And, you know, the French and Australian version of this differs, but the Australian version is the French submarines were not on time, they weren't to spec, and the Chinese threat was getting bigger; they needed something new. So, they brought this to the U.S. The Biden administration, looking at the same theater and the same problem, wanted, I think, to do two things, really: They wanted capability; they wanted our allies, our close allies, to have the ability to hold Chinese forces at bay. And they wanted to signal to China the consequences of Chinese coercion, and this was a big deal. I think for Britain it was about global Britain. And Heather can talk more about this. And it is a big deal. You know, most people who work on the Pacific and are worried about China think this is terrific, because if you're a soccer fan, the Australians were looking at defending their own goal over the next 20 to 30 years; now they're going to go and make the Chinese worry about their goal. It's going to back-foot a very ambitious and aggressive PLA. It's going to be technologically complicated. We haven't transferred this nuclear – these are not nuclear-missile or nuclear-weapon submarines; it's nuclear power. But we haven't given that to anyone except Britain, not since the 1950s, and Australia has one small isotope reactor, so it's a big lift, but they're serious and there's bipartisan – I think Tom will tell you this – there's bipartisan support for it. And the last thing I'd say is, Heather will tell you about the Europe problem, because to deal with China we need Europe. So, there's been a bit of collateral damage we should talk about. But the other thing this really shows is how Xi Jinping and China have made enemies. I think Tom would agree; a decade ago they could have had Australia and Britain. You know, relations were good. But bullying proud democracies like Australia and the United Kingdom is not smart. And what this also tells us is Xi Jinping is making powerful enemies with his, frankly, bullying of states like Australia and Britain.

Mr. B. Schieffer: I definitely want to get Tom's reaction to that, but let me go first to Heather, because you're kind of our Europe watcher –

Ms. Conley: I try.

Mr. B. Schieffer: – at CSIS.

Ms. Conley: I try. I try to keep up.

Mr. B. Schieffer: What in the world – I mean, I've never seen a reaction like this from one of our allies. I mean, there were charges of we have stabbed France in the back, all this kind of stuff. I mean, kind of untangle this for us. What's happened here?

Ms. Conley:

Yeah, I mean, I think we have to go back a little bit to, you know, President Biden's, you know, focus that, you know, our foreign policy is going to be allied-centric, that America's back, that we're going to work closely with our allies. We're not going to view particularly our European allies as foes but as true partners, as we work together towards the great challenges of the day, whether that's in the Indo-Pacific or in the Middle East. So, I think this – in that backdrop, in that promise, we've had a really, you know, shaken eight weeks, nine weeks, 10 weeks with the Afghanistan withdrawal which deeply shook our European partners in particular. The Biden administration kept assuring, you know, everyone that they were consulting our allies, but it felt like they were informing them of decisions reached in Washington of which, then, the European allies had to make adjustments, not truly consulting them, and of course, their security is very much part and parcel of decisions that are reached here in Washington. So, sort of in that backdrop, where we had this surprise. And the anger – French anger is based on the surprise. Secretary Blinken was in Paris just two months ahead of this announcement. Said nothing. The French had a big, major strategic dialogue with their Australian counterparts just, I mean, I want to say, two to three weeks before this decision was announced. Nothing was said. And so, you can't, on the one hand, say, you know, we are really going to work very closely and hard with our allies, and yet not tell them of a major decision which affects them. There are 66 billion reasons why France was upset. This was a major procurement for them. And around that procurement was their strategy. France as the first European partner that articulated an Indo-Pacific strategy, because they have citizens and equities and interests in the Indian Ocean as well as the Pacific. And none of that was taken into account. And it seemed to me that the White House was shocked that France was shocked at being surprised. And France wanted to get our attention, so they did something for the first time in our diplomatic history. They temporarily withdrew their ambassador. And seven days later Presidents Biden and Macron spoke. The White House has to issue an apology. Basically, that's what the statement was: I apologize for surprising you. And now we are in the process of digging out of the hole we dug, which we hope – we believe President Macron and President Biden will speak this week as a prelude to their meeting on the margins of the G-20 in Rome at the end of this month, where out of this crisis we hope will come an opportunity for repositioning. But again, this surprise – you know, saying we're consulting, but we're really not consulting. The allies have now watched this behavior, and they're now starting to wonder: Are this – is this just accidents from a new administration that doesn't have a lot of appointees there, and they are struggling with all of these challenges? Or is this the approach that this administration is going to take with our allies? And I think that's the question mark. Mike is right, London was sort of basking in AUKUS in some ways, getting over the U.K.'s very deep anger at the Afghanistan withdrawal. And if you would have heard the voices out of the House of Commons after that betrayal, it was as bad as the stab in the back that the French just said. AUKUS sort of smoothed those – temporarily – those ruffled feathers over. But we have – we need to really make sure our strategy with our allies is tight, and deeply invested, and no keep surprising it. Or what we're going to do is not deal with the strategic advantage that Mike is suggesting, we're just

dealing with the blowback and the collateral damage with our allies and partners. So have to be really careful.

Mr. B. Schieffer: So, Tom, let's focus on Australia. Was it Australia's idea or the United States' idea to do this? Do we know?

Mr. J. Schieffer: Well, Mike probably has better sources on that than I do. But – he said it was Australia's idea. I think the truth of the matter is I was very surprised by it, because I never thought the Australians had the capacity to buy the nuclear submarines, because they're quite expensive. But I thought it was a great deal. I think it's the biggest deal with Australia since the concept of the Five Eyes, when Australia joined the U.K., and Canada, and New Zealand, and the United States, who share –

Mr. J. Schieffer: The Five Eyes are the United States, the United Kingdom, Australia, Canada, and New Zealand, who share all their intelligence. And that is a huge thing. It's a huge part of what you do when you're in Australia is managing that relationship. But I think that this agreement, the AUKUS agreement, is the biggest thing that has happened since that. So, this is not a small thing at all. And, you know, I appreciate what Heather is saying. And I think it's certainly true. But sometimes – my experience in government has been that governments always don't do things intentionally. When they happen, people question whether it was intentional or whether it was accidental. A lot of stuff just doesn't go right. And I would guess that if the Biden administration had it to do over again, they would present it to the French in a – in a different manner. Having said that there is a huge economic issue involved here because of \$66 billion that was lost by the French and their defense industry and their employment and all those kinds of things. So those are difficult conversations to have and to keep it quiet. And I'm sure that the idea here was for Australia, the United Kingdom, and the United States to present it to the world at once. And there was no – nothing close to a leak about it. But I think it had an impact, because it needs to have an impact. This was not an inconsequential thing. And I think that a lot of people don't appreciate the difference between the capacity that a nuclear submarine has versus a conventional submarine. A conventional submarine has to surface. And whenever a submarine surfaces – (audio break) – years.

Mr. B. Schieffer: Really?

Mr. J. Schieffer: Yeah, really. And the other part of it is that I think people don't often appreciate is how far from Australia is from everywhere else. It's about a 10-hour flight from Beijing to Sydney. It's – to Tokyo. I'll get my geography right here. From Tokyo to Japan to Sydney and Beijing is the same – is about 10 hours. From Tokyo to Seattle, it's about nine-and-a-half hours. So even though Australia is on that side of the world, it's a long way away from China. But the ability for a submarine to go underwater all the way up to close by China is a lot different for a nuclear-powered submarine than it is for a conventional submarine. And that's a huge strategic difference. What we're talking about here is the Australians buying eight nuclear-powered

submarines, and the United States is talking about building nine new nuclear-powered submarines. Well, when you think about that, now you're talking about 17 of the most strategic assets that we have in the world. Now, the American submarines are not all going to be in the Pacific. But having said that, you've really affected the ability of the United States to deter Chinese aggression. And I think that's very important. And I think bringing the United Kingdom into it was a surprise to me, but I think it was also a great thing to do because it brings the U.K., I think, in a better place in the Pacific as well. And if you look at it from the United Kingdom standpoint, what has happened in Hong Kong has to be haunting to the British, because the agreement that they had to turn over Hong Kong to the Chinese has been trashed. And I think the British are saying, is this the start of something new? And with regard to the Australians themselves, they don't like being squeezed by the Chinese, because they supply a lot of the raw materials for Chinese expansion. I was in Australia when the first Chinese deal was done for iron ore. It was about a \$10 billion deal. And everybody said, whoa, that's a big deal. The next year it was \$25 billion more. And then the year after that the Chinese started visiting with the foreign ministry and the foreign minister and the prime minister, and their message was pretty simple: Do you really have to be this close to the United States? And John Howard didn't use these words. He was the prime minister at the time. But in effect he basically said to the Chinese, I thought you wanted to buy these minerals. And it stopped. And I think, as sophisticated as foreign policy is, sometimes I think the Chinese understand you can't go any further. And until they understand that you can't go any further, they'll try. And I think this is – I would guess that this was a big wakeup call in Beijing. I would also – and I didn't – I don't advise the Chinese government on what they should do, but in trying to leverage the Australians and trying to squeeze the Australians, there was tension that was created. And the Chinese spokesman at one point in time said, look, Australia is like the gum on China's shoe. Well, I don't believe I'd ever tell an Australian something like that, because they are one tough people, and they don't like to be leveraged and they don't like to be squeezed. So, I think this is all the result of all the things that have been going on for a number of years.

Mr. B. Schieffer: Let me ask you just quickly, because Heather just touched on this. The fact that this got announced in the way that it did, this came after our, for want of a better word, clumsy withdrawal from Afghanistan. Do you think announcing this had anything to do with Afghanistan?

Mr. J. Schieffer: Well, I think the process of doing this was long term. I mean, this had, obviously, been talked about and was such a sophisticated answer and change in policy. But there's no question that Afghanistan really bothered a lot of people. And it wasn't just in Europe; it was in Asia.

Mr. B. Schieffer: Well, you saw it in the Australian press, where they were saying –

Mr. J. Schieffer: Yes, the Australian press – Paul Kelly, who is kind of the preeminent journalist in Australia, wrote a column that was very disturbing to me – Mike

and I talked about it – in which four prime ministers – John Howard was one of them, Kevin Rudd, Julia Gillard, and Tony Abbott, so it was two prime ministers from each side of the political equation – all said that Australia had to think about its relationship with the United States. Well, that's not what you want an ally and not what –

Mr. B. Schieffer: And words you would expect to hear from Australia.

Mr. J. Schieffer: No. And Americans don't ever expect to hear from Australia. But there was – there was a similar anxiety that was expressed in the Japanese press about the same situation. And we – I think this was such a strong message in so many capitals in Asia, and it was so well-received. It was well-received in Australia. It was well-received in India. It was well-received in a lot of places because what it indicated was the United States is in it for the long term and the United States can be depended upon. And it gave Australia capacity to help in that that it hadn't had before.

Mr. B. Schieffer: Mike, tell us about Japan. How did this go down there?

Mr. Green: Oh, anybody who is – any state that's on the front line with China, and that includes Japan – I mean, the Japanese – when Tom was in Tokyo and I was in the White House, the Japanese navy was bigger than China's navy. Now China's navy is more – not that much – what, 10, some 15 years later, Chinese navy is twice as big plus some. And that doesn't even include the Chinese coast guard, the fishery police and militia. And they are swarming the Sea of Japan. They are circumnavigating Japan, doing exercises simultaneously in the – in the East China Sea and the Pacific Ocean, just flooding the zone. The Japanese are thrilled. India's seeing more and more, you know, PLA presence in the Indian Ocean, and they're thrilled. A lot of countries that are officially expressing concern or urging caution, like Indonesia, are privately thrilled because they're worried about what they're seeing the Chinese navy do. So, in Asia, this is playing generally really well except, of course, for China. And to Tom's point, I think the Chinese got a bit of a shock here because this combination of nuclear-powered submarines under the water gives us an advantage in undersea warfare that's generational ahead of the – of the Chinese and really just, you know, puts a great big, you know, stop sign to the idea that the PLA is going to be able to range freely across the Pacific. I think it would – it would be unrealistic to have expected the U.S., Australia, and Britain to give the French side a heads up. I'm certain Paris would have immediately gone to the press and tried to sabotage it. They were – they were trying to get it done. So I don't think it's realistic to have said, you know, you should have told the French side before you announced it. However, to your question, Bob, I do sense that there was a certain urgency to this because of Afghanistan. They needed to get points on the scoreboard quick. And the argument for getting out of Afghanistan was in part to focus on Asia, and I think the White House wanted to get some – you know, some points on the board to say we're doing that. So not realistic to expect a negotiation with France. Australia's going to pay, what, a couple hundred million dollars in fines, and they knew it. But the way they

rolled it out was not well thought through. The way it was presented, the timing, a lot of it was a little too urgent, almost desperate. And the collateral damage was going to be there, but probably worse than it could have been because – I suspect because of what you’re saying, Bob, that they were looking to get points on the scoreboard after Afghanistan.

Mr. B. Schieffer: Heather, I want to get back to our – to our European allies. France was not the only one that was upset by this. I mean, we had already begun to see of it what the Germans were saying – the Americans want to confront China, we want to engage China. The French were saying – well, made no question about it. All because, I mean, I think, you know, kind of floating around behind all this is the idea of the United States pivot to the Pacific. What is the – obviously, the Germans and the French have a different idea about that than perhaps we do. But talk about that a little bit.

Ms. Conley: Absolutely. And part of the collateral damage – and, again, accidentally, but it just made it worse – the day that we announced AUKUS was the same day that the European Union unveiled its new Indo-Pacific strategy. And it just – you know, we ran right over that one. You know, in part we are going to have success if Europe is with us on our policies towards the Indo-Pacific. And you’re absolutely right, Bob. I mean, there’s been great evolution of thinking. And I think we do have to acknowledge that. But European Union policy straddles the gamut with China. It is a partner. It is a competitor. It is a systemic rival. It is all of those things, and it depends on your perspective. You may see China more as a partner than systemic rival. We don’t have a unified European policy. So, you see where you have, for instance, Lithuania, you know, seeking and having a Taiwan representative office, and getting enormous pressure from Beijing. Making sure that – you know, that wasn’t necessarily organized well within the EU. You do have a German approach which is evolving, but just even a few days ago Chancellor Merkel in her caretaker capacity was hoping to revitalize the European Union’s Comprehensive Agreement on Investment with China, which was in some ways a legacy for her of 16 years of German investment in the Sino-German relationship. And now you have, of course, France, which I noted actually does have a broader strategy in mind for the Indo-Pacific. The Europeans know. We’ve been pivoting for over a decade. They understand that. But they don’t understand our decision-making processes, how much we will commit to Europe, how much we have to sort of reposition ourselves to the Indo-Pacific, what they are responsible for, what we are going to stay and do. And that’s very – you know, very much symbolic of the Afghanistan withdrawal. What I worry about as part of the collateral damage is that there is a perspective from Paris that, you know, using some of sort of Mike’s muscular language, that the U.S. is preparing for confrontation – military confrontation with China. And the Europeans have not signed up for the so-called new Cold War with China. They want to be left out of it, thank you very much. They’d like to continue to trade. They’ll support us on the values equation, but don’t get us caught into this. And we can’t allow that to start seeping into the dialogue. And so we really do have to double down on consultation. Very much because of the diplomatic rupture here, there’s now a new EU dialogue on the Indo-Pacific. The region as a whole, in addition to

the U.S.-EU dialogue on China that was announced under the Trump administration. Again, we're having all these dialogues, but I fear that if we don't manage Europe correctly our strategy towards the Indo-Pacific will be weaker, economically as well as militarily. Also, we're heading towards a new – a NATO summit next year where a new updated strategic concept will be presented. The U.S. wants a strong China component. And we have to have the French on board for that. And if we haven't worked this out, we're going to lose, I think, a valuable strategic document with NATO, focusing more on China. So, we have to – we have to focus on this. It's not enough that we have this great partnership. We have to make sure all our partners and allies are there, or they're going to work against us. And we don't want that to happen.

Mr. B. Schieffer: So, what about Taiwan? I'll just ask the three of you. Is China going to move on Taiwan? What is the – what is the thinking here?

Mr. J. Schieffer: My concern – and I want to say something about what Heather said before I address that. I think we have to have strong alliances in Europe. And NATO is the foundation of our European policy. But I think there is a concern that the United States pivot to Asia means that the United States is going to pick up and leave and go to Asia. The United States is the only superpower in the world right now. It can be in both places. Now, there's going to be a second superpower at some point in time in the future, which is China. And I think that all of us would be better off if we can – began to consider the United States as being needed around the world, not just in Europe. And I would hate for Europeans to come to the conclusion that somehow, they're second fiddle to the United States now because of our interest in Asia. We've always been interested in Asia, and we've always had equities in Asia. Not always but, certainly, since the end of the war, and sometimes they've been greater than our European allies. But we can't just always look to Europe first and then go to other places in the world. Other places in the world need us in a strong position there, too. Now I need to answer – oh, Taiwan. I think it would be hard to argue that the –Taiwan is not under greater threat now than it was because of what Mike had said earlier, the Chinese ability to try to move their defense perimeter out. And I think the long-term strategy on China is not that hard to understand. It's to make the United States have to consider fighting through those – that first chain of islands before they get to the Asian continent and to present the United States president at some time in the future – and you would have to begin to think that Xi Jinping wants that future to be in his lifetime that he presents to the United States the quandary of OK, we are ready to move on Taiwan and is it really worth a war for you to do that. Well, no – you don't want any president to be put in that position, and I think that this whole AUKUS thing is an effort to draw that attention to that and to defuse Taiwan. I remember President Bush told me once Jiang Zemin was talking to him about why we needed to sell all these weapons to Taiwan, and President Bush's reply to him was, "Well, if you'd stop putting all those missiles right across the Taiwan Strait from them we wouldn't have to sell all this equipment to them." And the conversation didn't last much after that. But that's an old conversation and this is another iteration of it, in my judgment.

Mr. Green: I mean, the Taiwan problem is the part of what fueled AUKUS, because if you talk to any leader in Tokyo, Canberra, and especially Taipei, and I think the consensus here in Washington is while still unlikely, the possibility that China will use force against Taiwan has gone up and you can see it in a bunch of ways. The four artificial islands that the Chinese side built in the South China Sea and then militarized, turned them into aircraft carriers, basically. The huge military exercises they're doing, 150 bombers and fighters right around Taiwan. You know, if China did use force against Taiwan, that would be pretty – almost existential for Japan and Australia. Sixty percent of global shipping goes through the South China Sea through that area. It's Japan's vital lifelines. It's Australia's vital lifelines. So, part of the problem we have managing our Asian alliances and our European alliances at the same time it's kind of like, you know, that quip, when the chicken looks at the breakfast menu it has an interest in what's for breakfast. When the pig looks at the breakfast menu, it has a vital interest. And Japan and Taiwan and India and Australia right now are the pigs. This is existential. I think for Europe they're a little more – chicken is probably not the right word to use. But, you know, it's not as existential, and there is a clarity of purpose in U.S. – it doesn't matter whether it's Trump or Biden – a clarity of purpose and a clarity of the challenge in our discussions with our Asian allies that's not there with Europe right now. I mean, Europe is trending in the same direction for sure. France has real challenges from China. France has the largest EEZ – exclusive economic zone – in the South Pacific because of the legacy of the 19th century, and China's encroaching on that, too. So, I think, overall, with some exceptions, Europe is trending in our direction. But there's not the same urgency and almost existential sense that we need to do something and that means even though we're trending in the same way, increasingly, our alliances are diverging a bit, which, as a global superpower, we should be able to manage. That's why we get paid the big bucks.

Mr. B. Schieffer: So, the other word that comes along when AUKUS comes along is the Quad, which is connected to this. Not the Squad up on Capitol Hill, but the Quad. Heather, explain to us what that is.

Ms. Conley: Well, the Quad is a –

Mr. B. Schieffer: You and Michael wrote a paper on that, did you not?

Ms. Conley: Yeah. We did. The Quad is maritime democracies which include the United States, India, Japan, and Australia. And speaking of – you know, when I think of Quad, I'm thinking of a European Quad, which is the United Kingdom, France, Germany, and the U.S. So, there's our transatlantic Quad and our Pacific Quad. But this is really – Bob, it's a flexible multilateralism of like-minded democracies working together against a common challenge, and that is China. And this is the future. This is where we see, you know, the G-7 and we'll call it the D-10, the Democracy 10, which is sort of the G-7 and the Quad coming together. But these are all very confusing names and geographies. But that's the goal. It's bringing the likeminded together to

work towards this common challenge. I think it's – you know, again, we see where the White House has not only one of their first virtual summits, one of their first in-person summits. The White House is certainly making a down payment and investing in the Quad as a very important tool. It's challenging because of India. Mike and Tom can talk about that a little bit more. But again, how do we bring in our European allies to engage more meaningfully? Again, this is where sort of the real difficulties of this rollout or lack of rollout. The French have a strong relationship with India. They have, as Mike was saying, deep, deep equities. In fact, there's a referendum – you should watch it; we believe it's going to be held on December the 12th – for New Caledonia, which is on the French archipelago, very close to Australia. If independence comes, this will be – New Caledonia will be very susceptible to Chinese influence. That's a strategic issue. That's why doing it the way we did it backfires on us if we don't get this right. So let's – you know, hopefully, after President Biden meets with President Macron, of which the Indo-Pacific and getting that, you know, resetting U.S.-French strategy towards the Indo-Pacific, hopefully that will be able to bring new opportunities and engaging, again, bringing Europe in together with the Quad. If I've missed anything on the Quad, over to you.

Mr. Green: No, I think that's it. I mean, the reason –

Ms. Conley: A little out of my orbit.

Mr. Green: The reason that not just this administration but – I mean, the Quad was started in the Bush administration. And then the Trump administration elevated it to a foreign ministers' meeting. And then Biden brought it up to a summit. The reason the U.S. and our allies in Asia do these pickup games – the Quad, AUKUS, the U.S.-Japan-Australia trilateral security dialogue – is because our alliances are all bilateral treaties in Asia. It's not – we don't have a NATO in Asia. And we can't make one. NATO was made because nobody was trading with Russia. But our allies are all trading with China, as are we. So, nobody wants that kind of NATO in Asia. So that's part of what's happening here and why it's a little clumsy sometimes, because in Asia it's a series of pickup games to start expanding cooperation on security and technology. I think the U.S.-French relationship is going to recover. I mean, the main thing France is doing in diplomatic terms is strengthening its security cooperation with Japan and India. I'm all for that. That's in U.S. interest. That's in Japan's interest, India's interest. The challenge is from China to France's interests in the Pacific are considerable. You know, some artful diplomacy won't necessarily make the anger and the frustration completely go away, but our interests align. France's interests in geopolitical and security terms do not align with China. So, you know, the step for Blinken and company now is to get us back to that focus on our overlapping interests.

Ms. Conley: Well, much as we have to heal the U.S.-French relationship, we need the French-Australian relationship to be healed. We need London and Paris, on a variety of levels, to heal. That's part of it as well. We can't just be the only leg

in that three-legged stool as well. It's really important to get this back on track.

Mr. J. Schieffer:

I think that's true, but I think it's also true that the United States and France need to reflect on their past history. The French are our oldest ally. But for the French fleet, the British would have been able to evacuate their troops from Yorktown. I think you can make the argument that, but for France, the United States wouldn't exist as it does today. And I think you could also argue, at the same time, that France wouldn't exist as it does today but for the fact that the American troops died on Normandy beaches. Those are serious things that are part of our history, both of our histories. And we need – we both need to remember that. And the interests of the French and the United States are the same, although they may not be exactly fitting together right now. But we can't let economics intrude into security without taking more risk in security. And I was also in Australia when these big buys were made and I remember going to BHP, which is a big energy company – always had an annual dinner. In the first couple years I was sitting right next to the CEO from BHP, who was a guy from Houston, an American, and he was the CEO of BHP. About the third or fourth year, Fu Ying, who was the ambassador from China to Australia, was sitting next to the CEO, the same CEO. Now, I don't think I'd said anything, or I'd used the wrong fork before, or whatever, but I did take note that all of the sudden I'm no longer sitting to the right. And there was a sense in the business community, in much of the business community in Australia, that there's a lot of money here involved, and we want to be able to take advantage of it. But the Australians were further along in that process than the French or the Germans may be because they got squeezed. And I think that we have to – I don't think we have to confront China, I don't think we have to have a cold war with China, but I think we need to define the rules of the road here. And if you're going to be involved in the economic side of things, that doesn't give you license to change the security arrangement. And the Quad, I think, was first thought of by Prime Minister Abe in his first term as prime minister, and his idea was that there is a basic difference between a democracy and an autocracy, and you should get the great democracies in Asia together and reinforce the values of democracy, not at the detriment to China but to be sure they're all saying the same thing at the same time. And we found, at that point in time, I think, Condoleezza Rice was concerned about offending China. John Howard in Australia was – he was ready to go forward on the Quad, and the Indians were still trying to decide whether they were a realigned power or who were afraid to be aligned. But I think the Indians have come around to the proposition that the four democracies sitting down together have more to achieve than to lose and it would help in everybody's relationship with the Chinese.

Mr. B. Schieffer:

Let me ask you: What is the relationship today between Russia and China? I mean, are we on the verge of another Sino-Soviet bloc? I mean, I just – whoever would like to answer that.

Ms. Conley:

Well, Bob, we've actually tried to study and understand this – I would call it a growing alignment. I think sometimes we either portray it as being too much of a, you know, new condominium or we downplay it as a marriage of convenience. And I think truth, as always, sort of lies in the middle. You know, I don't think – it is not accidental that we just saw last week and the last few days Russian military exercises in the Sea of Japan, as the U.S. was exercising. We continue to see – I think Xi Jinping shows Vladimir Putin a lot of respect, something that he certainly craves. But China also does not provide as much funding as I think Russia would like in its energy fields, whether that's an Arctic development or energy markets per se. It's a strategically uncomfortable relationship, but right now I think Moscow sees that there are greater benefits in joining with Beijing and seeing where they can frustrate U.S. interests and objectives but that there's not going to be an alliance. It's going to be an alignment from time to time, but it's something we do have to watch, particularly Sino-Russian military activities, engagement, exercising, arms transfers. That has – you know, that can challenge not only U.S. military capabilities in the Indo-Pacific, but sort of, as Mike said, the worst-case scenario is we have both powers deciding to make moves, troop buildups in, you know, along NATO's flank, seeing where there'd be activity across the Taiwan Straits, and then you would really have a challenge in Washington. Which one do you think's going to go? How do you posture yourself? Would that happen simultaneously? That would be the strategic nightmare, I think, for Washington. But this is a relationship we need to study more. We need to understand how the Chinese strategic community thinks about the Russian relationship, how the Russian strategic community thinks about it. And then we – again, this is why the like-minded are really important. We need our allies on side.

Mr. Green:

So Beijing and Moscow are increasingly cooperating in how they mess with us, and undermine our alliances, and so forth. But unlike our alliances, if notionally Moscow got into a fight with NATO, or China got in a fight with U.S. alliances, they wouldn't help each other. They'd sit back. Whereas, our alliances, most of them would come together. So, it's not that level of trust. And the other thing is, you know, there are, what, about 5 million Russians in the Far East? There are 1.4 billion Chinese. You know, the same Chinese textbooks and movies that say Okinawa used to be part of China, Korea used to be part of China, also say Vladivostok not too long ago used to be part of China. The Russians are reading those things too. So, I think, you know, at some level the Russians have to worry about China in a way that India, and Japan, Australia, and Europe don't have to worry about us. So that's going to limit it. But they are definitely doing more together.

Mr. J. Schieffer:

And I think there's one thing to add to that too, and that's China's regard for Russia as a provider of energy. It's my opinion that the Chinese would be reluctant to be dependent on Russia for too much of their energy needs. I think they'd rather go to places like the Middle East and Africa, and that's why they spend more time and effort in that, because it's the longest – I think it's the longest common border in the world. And it has not been a common border that has always gone – things have gone well. And it's a lot of open space to the north with a lot of people to the south. And that has to

hit home on people in both capitals. But right now, I agree with both Heather and Mike that there's kind of a bad boy's club that gets together and talks about things that we can do to poke people in the eye without necessarily just getting caught doing it. And I think that's a lot of what it's worth. But I think it is interesting that both Russia and China – which are, I would think, the most critical threats to the United States in the world right now – really don't have a lot of allies. But we do. And we should never forget that, because allies are force multipliers, not only on security but on economic issues. And we can't neglect one set of allies for the benefit of the other. It has to be a mutual thing that has to be – that has to be done at the same time. And we can do that. And we're uniquely qualified to do that. And there's not anybody else that can do that right now.

Mr. Green: One of the most interesting places to watch this Sino-Russian relationship is Mongolia. In the summer before COVID, my family and I lived in Ulaanbaatar in Mongolia. And they are watching this relationship, because it ever gets to a point where the Russians and Chinese are so close that Moscow says to Beijing, you know what, you can have Mongolia, they're in big trouble. And so they watch it. But you can see when you're in Mongolia, Mongolia is still there. And it's still humming because China and Russia are not that kind of relationship. It's existential for the Mongolians. So, they worry about it, but they can see still that Moscow and Beijing on all these things are still divided.

Mr. B. Schieffer: Would you like to have a final word, Heather?

Ms. Conley: Well, I'd just say the other place I watch Sino-Russian cooperation is the Arctic, actually. And it is fascinating, to Tom's point, you know, China seeks a diversification strategy. Why it's so interested in the Arctic in particular is the northern sea route. So, it's a diversification strategy if the Straits of Malacca ever closed. They're quite interested in the protein – the fisheries, the rich fisheries. They're interested in the energy, LNG. They're one of the – finally, Russia is very slow to get to liquified natural gas, but their Arctic LNG project, a great deal of it goes towards Asian markets. And the Chinese are invested in that project and invested in infrastructure as well. They're building icebreakers. We're going to see a greater Chinese presence in the Arctic, which has some strategic implications for the U.S. So, it is – it's watching how China and Russia interact. In areas of mutual interest like the Western Balkans, they compartmentalize. They actually stay out of each other's way. But we see where China's economic presence will begin to crowd out Russia's traditional presence. Serbia is the perfect example of a country which has always been part of the patronage network of Russia, but you have Serbia's leadership, President Vučić, you know, hailing his close partnership with China. So, you know, we need to watch how they interact in a variety of reasons and specifically understanding how they work together in the South China Sea. It will be very interesting to watch in the future.

Mr. B. Schieffer:

Well, I want to thank all of you. This has been a wonderful educational experience for me today, and I hope our viewers out there will find – will find this of interest. One thing we – I’m glad we can start meeting again – (laughter) – and maybe we can – it won’t be so long between meetings the next time. But one thing’s for sure: The world is still as complicated, maybe even more so, than the last time we had one of these gatherings here at CSIS. Thank you, everyone. For TCU and for CSIS, we thank you for being with us.