TRANSCRIPT
Online Event

“CSIS Australia Chair Launch Event”

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FEATURING

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Anthony Pratt
Executive Chairman, Visy Industries and Pratt Industries

Kori Schake
Senior Fellow and Director of Foreign and Defense Policy Studies, American Enterprise Institute

Ambassador Arthur Sinodinos
Australia’s Ambassador to the United States of America

CSIS EXPERTS

John J. Hamre
President and CEO, and Langone Chair in American Leadership, CSIS

Michael J. Green
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John J. Hamre: Good afternoon, everybody. Welcome. My name is John Hamre. I’m the president here at CSIS. And this is quite a joyful and significant day because today we’re able to publicly present our newest and most – I think – most exciting program, and that is the launch of the Australia Chair.

This has been a dream of ours for a number of years, and fortunately a remarkable man who I’ll introduce shortly, Mr. Anthony Pratt, made it possible for us to have an Australia Chair. He is Australian, but it’s also a Kentucky colonel. He just learned he was enrolled into the Kentucky colonels because he just opened a big factory in Kentucky, where his company makes packing material – you know, boxes and that sort of thing. Booming business here during COVID days. And his company alone makes them with recycled materials. So he’s on the forefront of sensitive modern business. So we congratulate him and thank him for what he’s doing.

As I said, this is important for us to have this opportunity because Australia is probably the most underappreciated important ally in our orbit. Australia has consistently been with the United States in anything that ever mattered. And but Americans don’t know enough about Australia, and we tend to think about Australia as a distant land with alligator wrestling and, you know, strange-looking animals. Well, Australia is a far more sophisticated country than that, and we should spend more time listening to what our friends in Australia can tell us. And that’s going to be a big part of this program we’re going to launch with the chair. And I’m so grateful for that.

But at this stage, let me turn to Anthony Pratt. Anthony Pratt is the benefactor that’s making this possible. He is in the owner of Pratt Industries that is a major company both in Australia and also in the United States. And he’s a Kentucky colonel. And we turn to him now and welcome him. And I turn to you, Mr. Pratt, for any comments that you’d like to make. Thank you.

Anthony Pratt: Thank you. Good evening. Welcome distinguished guests. Pratt Industries is proud to support the establishment of the CSIS Australia Chair with a $1.5 million donation. Our involvement’s not coincidence. Pratt Industries is honored to be the largest Australian employer in the United States, providing 10,000 American families with well-paying green-collar manufacturing jobs, as well as a further 7,000 Australian families, in making 100 percent recycled boxes, because recycling is an important weapon against climate change.

I’d particularly like to congratulate Ambassador Kennedy on her nomination as United States ambassador to Australia. Ambassador
Kennedy’s been committed to public service her whole life and represents the very best of America. And we look forward to welcoming her. I congratulate President Biden and Prime Minister Morrison for their leadership of the U.S.-Australia alliance, which has recently been bolstered by AUKUS. Kurt Campbell, President Biden’s great coordinator for Indo-Pacific Affairs of the National Security Council has been most instrumental in the creation of AUKUS. Kurt, it’s an honor to have you join us tonight. Thank you. We look forward to hearing from you. Thank you.

Dr. Hamre: Thank you very much, Mr. Pratt.

Kurt, if you’re able to join us right now that would be great. I know that – I see that you’re connecting, and hopefully you can get in sync with us. If not, I’ll turn to Mike Green. Let me turn to you, Mike. And when Kurt can join us, maybe you can interrupt. But what we’d like to do is have a significant conversation here about the opportunities that lie ahead with this important new program. So, Mike, let me turn to you. And then we’ll see if we can reach Kurt’s office, see if we can get him on board.

Michael J. Green Great. Thanks, Dr. Hamre. Thank you, Mr. Pratt, for joining us and for your generosity and vision to help bring this Australia Chair to fruition and have a real impact here in Washington on how we think about all foreign policy, trade, technology, and defense issues, and do it together with Australia – an ally who’s been with us through thick and thin. We’ll have a panel come together now to talk about where we are in the U.S.-Australia alliance, the challenges and opportunities that face us both as allies with strongly aligned interests and values.

I’ll turn to Dr. Charles Edel. Charlie is, of course, our inaugural Australia chair and a senior advisor here at CSIS. He previously taught at the University of Sydney, where he was a senior fellow at the United States Studies Centre. And before that, Charlie spent time as a professor of strategy and policy at U.S. Naval War College, served on the State Department Policy and Planning Staff, where he was focused on the Indo-Pacific.

We’ll hear also from Mr. James Carouso. Jim is a senior advisor and is the chairman of the Advisory Council to the Australia Chair at CSIS. We had an excellent meeting earlier today with that distinguished group of former ambassadors and officials to think through how Charlie and the rest of the team can impact the relationship going forward. Jim is well known for his 25-year career in the foreign service, where he had important positions at the U.S. INDOPACOM as senior political advisor, deputy chief of mission, and really during a transformational phase in Canberra as DCM and chargé d’affaires at the U.S. Embassy, as well as
posts throughout Southeast Asia. He received the State Department’s distinguished honors award for that service.

And joining us also on the panel, Dr. Kori Schake, a former colleague from NSC days and co-collaborator on various forlorn hopes throughout the years. Dr. Schake is a senior fellow at the director of the Foreign Policy and Defense Policy Studies at AEI, the American Enterprise Institute. She’s worked at the Institute for – the International Institute for Strategic Studies, IISS, in London, and has worked at the State Department, the Department of Defense and, of course, the NSC. She’s taught at West Point, SAIS, Stanford, and UM, University of Maryland. Wrote a fantastic book “Safe Passage” on the U.S.-U.K. relationship and has a long record of working in Australia-U.S. relations as well.

And finally, last but not least, Australia’s ambassador to the United States, Arthur Sinodinos. Ambassador Sinodinos has been ambassador to the U.S. since arriving in February 2020. He previously served as Australia’s minister for industry, innovation, and science. Was senator for New South Wales in the Australian parliament, held other key positions in and out of the Cabinet, including Cabinet secretary and assistant treasurer.

I’m going to turn to Charlie first for our panel. But before we do, we’re delighted that we’re joined from the White House by the senior coordinator for the Indo-Pacific, a very, very strong and, indeed, honored with quite significant awards, friend of Australia, and key player in the U.S.-Australia relationship. I understand Dr. Campbell is a knight in the Australian system, but no need to call him Sir Kurt. Just Kurt to all of us. But a towering figure in our relationship with Australia and our strategy in the Indo-Pacific, and really delighted, Kurt, you could help us celebrate this launch of the Australia Chair. Over to you.

Kurt Campbell: Mike, thank you. And thank you so much for convening this meeting. I can’t imagine a more exciting development than our leading think tank in the United States and perhaps in the world, CSIS, launching this important initiative, not only to celebrate but to concentrate on a critical bilateral relationship, a relationship that not only is critical in the Indo-Pacific, but it transcends the region. It is taking on a global significance.

And I’m pleased also that you have with us today a fantastic representative for that country. One of the things that you can always count is in that you know that Australia will send their very best to the United States to represent the country and to engage bilaterally. And that’s what they’ve done with Ambassador Sinodinos. It’s been one of a
– you know, this is a tough year. A lot of challenges. COVID, let’s go down the list. But one of the great benefits has been to conspire and to work with him.

Let me just say to Charles that, Mike, I just – I can’t imagine choosing a better person for this job. And what’s fantastic about his record and experience, you’ve gone through it, but if you look at the breadth of this – a naval reservist, a well-known author who’s written books about Adams, about the challenge of, you know, the global role. I think he’s working on a book now on how the United States has engaged with authoritarian countries. Wonderful insights into those issues. And now he’s going to bring his substantial diplomatic experience that he’s had at the State Department and also in policy planning to the bilateral relationship.

And so, Mike, you chose well – CSIS chose well. He is going to be terrific in this capacity. And frankly, you’re just building strength on strength. And so we inside the government who are focused now not only on the bilateral relationship but on innovative new approaches like AUKUS, that, you know, we’re excited about. Watch this space, we’ll have much to report with respect to increased cooperation not only on submarines but also on new arenas of technology and military capacity. So there will be a lot of things to study, and to understand, and interpret.

And I’m just pleased to see that this alliance really is – you know, it’s always been in rarified air, Mike. But now it really has ascended to the very, very top highest level. And I think as we go forward in the Indo-Pacific region everything we do of consequence we will do with Australia. And the fact that you’ve decided as an institution to invest in it – and I want to thank those that have backed it. I’m not allowed to talk directly about that here at the White House, but you know who you are. And we’re grateful for that support.

And I just want to underscore, Mike, that if there’s anything that we can do in the White House or in the U.S. government to make this effort a success, we will do it. I do want to just offer my sincerest congratulations to Charles for everything that he’s accomplished. But more importantly, what he will do now in this new capacity. Mike, thank you for the opportunity.

Dr. Green: Kurt, thank you very much for joining us and for keeping the U.S. government focused on our alliances in Asia, especially with Australia, in and out of government. As you point out, there’s enough work here for those in and out of government to do together to keep putting
forward our best foot with Australia and with all our friends and allies in the Indo-Pacific region.

I’m going to start now on the panel discussion with Charlie. And as you heard, Charlie Edel is an accomplished historian, a student of the esteemed John Lewis Gaddis, with experience in policy. But I’m going to put a little more of the scholarly perspective in this question for you and ask how you see the U.S.-Australia alliance today in a larger historical context. You and I have both written about the history of the U.S. in Asia. And I think it’s fair to say that John Foster Dulles, Dean Acheson, the architects of our alliances in Asia would be sort of stunned by how much we do and what kind of things we work on with Australia today. Maybe they wouldn’t be surprised about the competitions with China, but rare earth metals, AUKUS, all these things. But to give us some perspective at the beginning, Charlie. Where do you characterize this alliance? Where is the trajectory, as you see it right now?

Charles Edel: Well, thanks, Mike. And before answering, let me just thank everyone for their participation today as we launch the Australia Chair. And let me just note how extraordinarily honored I am to be sharing the stage, or really just my computer screen, with this incredible group. And I’m extremely appreciative of John Hamre, of Anthony Pratt, and of Kurt Campbell’s support in this endeavor. I’m really just sorry that CSIS’s vaccine requirements precluded the participation of Novak Djokovic on this panel. (Laughter.) So maybe next time around. Onto the question at hand.

Mike, you had asked how to characterize the trajectory of the U.S.-Australia alliance today. In short, the answer is very good, rapidly expanding in scope and complexity, and with some major work ahead of us if it’s going to achieve lift. But let me start with a couple of basics. The U.S. is by far the number one investor into Australia. And U.S. firms are also number one when it comes to total employment, exports, capital, capital expenditures, and contribution to GDP in Australia. Australia, in turn, invests more in the U.S. than it does anywhere else in the world.

Moreover, Australia and the U.S. have been treaty allies since 1951. We’re at the 70th anniversary here. And they’ve fought side by side in every war for the past hundred years. Our cultures are complementary and our values – shared commitment to rule of law, religious liberty, free speech and debate – democracy, in a world, provide the foundation of our prosperity and our security. And that’s before we even get to this past year. This is a very exciting time for the alliance. And it should be noteworthy that President Biden recently declared that the United States has no closer or more reliable ally than Australia.
To that end, let me point out a couple of trends that are having a profound impact on the alliance right now. First, it’s been turbocharged. Yes, the alliance was already developing and broadening in a lot of interesting ways. But with this year’s trifecta of AUKUS, AUSMIN, and the Quad – not to mention the 70th anniversary of ANZUS – it’s been turbocharged.

Second point. Somewhat ironically, we’re seeing something of a role reversal between the U.S. and Australia. It used to be that the U.S. wanted Australia to be more involved in their own region. Now we’re seeing Aussies, after mounting pressure by China in multiple domains over the past decade, doubling down on the U.S., and agitating for the U.S. to make defense-related decisions faster and do more in the region. And we’re now asking more of each other. And we’re going to have plenty of tension as we do it. Hopefully, I would say, that this is tension of a productive kind, as we both encourage each other to do more.

Third, the interest level in Washington about Australia, as you have noted, as everyone has noted, is sky-high. Conversations across the administration, with members of Congress, with the press, with industry partners all underscore the amount of attention Australia is now getting. And that’s mainly because Australia is seen as a bellwether. They were the first to experience a range of coercive measures from China, and in many areas they are the first to respond. Now, that has defense applications. No matter what swings happen in the U.S. political system, it’s clear that we want more capable allies willing to do more on their own, and together with the U.S. Australia might be the prime example in this space. Figuring out how to empower Australia to do so is the question we’re grappling with now.

And then just finally I’d note that with all the developments in the alliance there are an increasing number of questions about how exactly the U.S. and Australia will cooperate together in those areas. There’s some basic questions being asked about what AUKUS is actually going to deliver and what it will require from government and industry. And beyond that, what exactly we’re going to do with the alliance, on what timeline, with which partners, and in which countries are really the salient questions that are going to drive the conversation of both countries for the next several decades. Which is all to say that the parameters, the trajectory, and the pace of the relationship are evolving. And doing so quite quickly.

Sorry, Mike, back over to you.
Dr. Green: Thank you. And we’re going to – we’re going to come back to many of those themes. Let me turn to Jim Carouso. Jim, you were chargé during, you know, one of the most remarkable, really transformation phases in the history of our alliance. And as Charlie just pointed out, it’s a very ambitious, very big agenda. And I guess what I would like you to introduce in the discussion is how you see the politics of the alliance in both countries. And are there areas we need to invest in? Younger generations, different regions, subnational? You know, we’re democracies, the U.S. and Australia. We have strong support from our peoples, the polls show that. But this is an ambitious agenda, Jim. So where does the Australia Chair, where do those of us who care about the alliance need to focus on nurturing support within our two democracies, which ultimately get to decide how much we do together? So over to you, Jim.

James Carouso: Thanks, Mike. Charlie did a great overview of the relationship overall, and the continuing strength of the alliance, and the importance of the alliance to both parties. But when I arrived in Australia in mid-2016, the first half, there still was a bit of a tension between the business community in Australia and the importance of China as a trade and investment partner and the United States as a security guarantor for Australia. And it was clarified somewhat early on when it was said by an early Australian: We have two friends – China and the United States – but only one ally.

And Chinese efforts to really drive that point home, through economic coercion efforts and efforts to affect the political outcomes in Australia, really forced Australia to say, OK, we need to put at risk somewhat our economic relationship with China, because they’re going to try and effect our fundamental democratic character. And that has given rise, thanks in part to Kurt and the new administration, to AUKUS, which is a truly transformational agreement among allies in sharing more and more technology. And it would call upon industry to work with government to make this a real thing.

So the first thing about what we will do going forward? We have to bring industry in. Defense industry, other industry, to get the best use of all our brainpower in this vital competition we’re going to have. Secondly, as you mentioned, Mike, in Australia you notice World War II and remembrance of things like the battle of Coral Sea and the United States coming to help Australia defend against Japanese invasion is still remembered and commemorated. That’s not done here. The United States still has a sort of vague understanding of Australia as a good friend, but far away. It doesn’t understand it.
So one thing I'm hoping for CSIS and this chair is to really increase awareness of Australia as it is now, why it's vital as an ally, why it's vital as an investment partner and a trade partner. And finally, how do we broaden this conversation outside of just Washington? And the opportunities for investment and trade with Australia are vast. We have a free trade agreement with them. Now can we work more to get the people-to-people, business-to-business ties growing? So huge opportunities. A lot of work for Charlie to do. And we, as the advisory council, look forward to working with Charlie and yourselves to get that done. Over to you, Mike

Dr. Green: Thanks, Jim. Kori, you've – first of all, I'm going to plug your book again. You've written a great book on the transformation of Anglo-American relations from adversaries to the special relationship. And you spend a lot of time with Australia and in Australia. Putting this in a strategic context within a topic you know well, overall American strategy today, where does Australia fit? What are the expectations? What is the Australian part of U.S. grand strategy, assuming we have one? I think we do. Where do you see Australia fitting in, in that context?

Kori Schake: I think the parallel actually is to Great Britain, Mike. That Britain is not only the anchor of America’s Europe policy, it’s the anchor of American policy overall, right? A country with which we have such similar strategic reflexes and view our interests as so carefully aligned and so strongly anchored in the fundamental political values of the country, that it’s a shock when they’re misaligned. And I feel like that’s actually even more true for Australia and the United States than it is for Britain.

You know, one of my favorite examples of how the United States leads well in the international order was the quiet support we gave to the Howard government when Australia was willing to step forward and lead the U.N. mission in East Timor. It was a difficult decision – during the Clinton administration, this was. It as a difficult decision for Australia, but it was really important because the United States didn’t take all the credit. We quietly asked Australia what help they might need and offered it.

And there always arguments between allies about whether you’re giving and getting enough support, but I do think that was the moment at which the United States realized that Australia isn’t just a crucial regional power for the United States, but in everything we are trying to do in the world we want Australia by our side. And there are instances in which Australia is actually a better leader than the United States is. And we need to double down and support what they're trying to do.
I think, for example, what Australia is doing now with its Pacific Islands Initiative, that is something that is so valuable to the United States in arraying a group of countries to understand that this is not a bilateral U.S.-China, who get to be the most important country in the world kind of great-power narcissism. What this is, is the United States and most other countries in the international order who favor the existing set of rules because they create a level playing field for us all, and China attempting to change those rules in ways that are prejudicial towards everyone except China. Australia is the frontline state in countering those Chinese moves and has paid quite substantial strategic price for it.

Australia was the first country to identify the dangers of Huawei being an essential component of communications networks in free societies. They have taken the lead on making a number of difficult decisions, even when they had to do it alone. And one of the things I think is so exciting about the world that Dr. – the work that Dr. Edel wants to do in the Australia Chair is to help Americans understand just how exposed our close ally Australia is, and what more we can be doing together to set an example of how to strengthen countries that stand up for their values, stand up for their interests, stand up for the rules of the international order that are mutually beneficial.

Dr. Green: Well, you make a really important point, something I know Arthur Sinodinos, Kurt and others on this panel are well aware of, but Australia is out there taking the heat for us, a lot more than Americans realize. We were in the White House in 9/11.

Kurt? Yeah, please.

Dr. Campbell: Just – I just – I want to just quickly – and I apologize to – I did want to just build on one thing that Kori said, that I would love to challenge CSIS and others to focus on as part of a broader effort going forward. I think Kori’s point about Australia’s leadership role, they are the country that privately urges us to understand that, as part of our strategic approach, we have to have a comprehensive, engaged, optimistic commercial and trade role. And they’ve consistently and persistently been with us. They’ve engaged us about multilateralism generally. And they are constantly focused on ensuring that when we have an agenda that we deliver on it, like in the Quad.

But there is one thing, Mike, that I will say the issue that I’m most concerned about over the next year or two is a point that Kori mentioned. If you look – if you look at the arena on the planet, where we have enormous moral, strategic, historical interests, where we have not
done enough, and Australia and New Zealand have done plenty but we’ve got to substantially set up our game, it is in the Pacific. And if you look and if you ask me where are the places where we are most likely to see certain kinds of strategic surprise, basing or certain kinds of agreements or arrangements, it may well be in the Pacific.

And we have a very short amount of time, working with partners like Australia, like New Zealand, like Japan, like France, who have an interest in the Pacific, to step up our game across the board. That means in COVID. That means in fishing. That means in issues associated with investment and clean energy. You can go down the list. That’s an area – Mike, and I know you worked on it when you were in government. But that’s an area that we need much stronger commitment. And I’m, frankly, looking to Australia as the lead here. And we, as the United States, have to be a better deputy sheriff to them in this overall effort.

So I’m sorry to interrupt there, Mike. But I do want to just underscore how important that – unfortunately, the Pacific in the Indo-Pacific sometimes has not gotten the attention it deserves. Australia’s constantly reminding us of this. But we really have now a limited amount of time to ensure that we husband and support this magnificent historical legacy we have in that arena. Thank you, Mike.

Dr. Green: Kurt, I take what you say very seriously because I know you’re involved in some pretty intense negotiations right now in that part of the world. And you, and Kori, and all of us who have been in government have experienced this but, you know, people in Arthur’s position, Australian ambassadors, senior officials, they never come to Washington or meet with people like Jim Carouso in Canberra and tell us what we think we need to do and have us on the U.S. side come away and think: They don’t understand our interests. Never. Australia understands the U.S. role in Asia very, very well. And people who work on the region know that. And when Australia stepped up in the Pacific, you know, the Trump, to its credit, took note, and paid more attention. And I think the Biden administration is going to do the same in the Congress.

Arthur, you know, it is a very ambitious agenda, with AUKUS, with the force posture initiative in northern Australia, technology and supply chains. There’s a lot on the plate. And it all, you know, comes to you. What in Washington do we need to be doing as allies – where do we need to be focusing to get all this – to get all this through, to get all this done. Where would you encourage us to pay attention?
Well, thanks very much, Mike. And, look, thank you to the crew at CSIS for this initiative. Anthony Pratt, a great patriot. And thank you for your generosity on this. And thank you, Kurt, for participating today. You do so much for the relationship. I’m sure there’s a way we can find to upgrade your honor in due course, because you’ve been fantastic for the relationship. And so many people on this call today are important to the relationship.

Look, Mike, you’re right, there’s a lot on. There is a lot on. There’s a whole series of initiatives come out of AUSMIN last year. There’s the follow-up to AUKUS over the next year. AUKUS will be about, on the submarine side, working out exactly what kind of design and build is required, and – so that ministers, prime ministers, and leaders are in a position to make the appropriate decisions. There’s another stream on advanced capabilities around AI and machine learning, cyber, quantum, undersea warfare capabilities, looking at what’s possible there and over what timeframe.

But to step back from the day-to-day on AUKUS, the vision behind it ultimately is that this trilateral cooperation would be not just about specific capabilities, but how we work together where it’s in our industry basis. How interoperable, how interchangeable those industry bases are, how we work together on scientific and technological cooperation more broadly. And so from our perspective, the prime minister’s perspective, certainly, in Australia, AUKUS is more than just – the subs, very glamorous. They’ve attracted a lot of the attention. But it is much broader than that. And the trilateral cooperation coming out of AUKUS is, I think, going to be its great legacy. And that cooperation has never been more important.

One of my personal goals for cooperation in this space is how we get better access to the national technology industry base. And one of the things we’ve spoken with Charles and others about is how we promote the debate around making sure that export controls, the international trade, you know, arms regulations, and the rest of ITARS, all of that, how that can be streamlined to facilitate our capacity to work more effectively in terms of our industrial bases. There’s a whole series of force posture initiatives you talked about before potentially coming up, particularly in northern Australia. There’s a real attempt – and this is one of the things I think Charles is going to be focusing on, is how the Northern Territory plays into the overall Australia-U.S. defense and security relationship. That’s an important topic in its own right.

The final thing I’ll say is on leadership. I think what’s – having worked in the Australian system on and off for four decades in various contexts, not all of them defense and security, the thing I’ll say is that in
recent years in particular Australia has taken more leadership in its own region in terms of its engagement in the Pacific, as Kurt and Kori alluded to; what we’re seeking to do to deepen our relationship with countries of Southeast Asia; the way we’ve reacted in relation to issues around geostrategic competition.

We’re pragmatists. The decisions we’ve taken, whether it’s on Huawei; on COVID, the origins of COVID; countering foreign interference in our political or administrative systems; those decisions have been dictated by our circumstances, but they’ve been underpinned by our values and interests and our view that our sovereignty should not be compromised. And if that’s been an example to others, I think that’s terrific. That’s important. But it’s those same values and interests which have informed our alliance with the U.S. and which have meant that we have worked together so well over such a long period of time. And going forward, those values and interests are more important than ever. And we’re prepared to stand up for them. We’re prepared to stand up for them in international fora.

We’re prepared to do more in military terms. We’ve put our money where our mouth is. We’re increasing our defense spending. It’s now going towards 2 ½ percent of GDP. We’ve entered into AUKUS. There are other things we’re doing.

So Australia is stepping up in a whole series of ways. And I think the message coming out of the Australia Chair in Washington will be that we want not only to draw attention to that – that we are making a contribution; that while we look to the U.S., we don’t leave it to the U.S – we also want to make it clear that we’re committed to meeting the broader geostrategic challenges that we face.

Just on a historical footnote, Kori was kind enough to raise the East Timor matter. I was there at the time when President Clinton and Prime Minister Howard were discussing what was to be done, and it was clear the U.S. did not want to be in the position of having to take the overt leadership role but offered all of the assistance that was required behind the scenes – the heavy lift and everything else – to help get the process going. And John Howard took the lead, helped put the INTERFET, the international coalition, together. Great exposure for him to how the international system in those sorts of circumstances worked. And we were happy, I think, to do that.

And it was a great demonstration that we understand that the U.S. has an important role to play, but it cannot be left to the U.S. And one of the things we want to convey is that, as allies, we’re prepared to pull
our weight in all of this and do what’s required in the interesting times ahead. Thanks very much.

Dr. Green: Thank you, Arthur, very, very much. And, you know, the fact that Australia is, you know, as they say, at the pointy end of the spear, whether it’s counterterrorism, or military operations, or technology, or disaster relief, technology, you name it, it’s precisely because Australia more than pulls its weight, punches way above its weight class, that, you know, Americans listen. That’s one of the things I think the chair’s going to want to make sure people understand.

Charlie, you have a question – we have questions from the audience. I was going to have a panel discussion, but the questions coming in from the audience are excellent. The audience is in Canberra, in Washington, New York, but in Europe, in the Middle East. We have a lot of interest in this. But the first question, Charlie, is for you, and right to the point we just heard from Arthur, which is: What are you going to do? What are the sort of – there’s a lot on the table. What are the first things you’re going to start trying to tackle as the chair?

Dr. Edel: Thanks, Mike. So, look, we had a running start of, like, three and a half weeks before we had this panel. So the way that I think that we’re going to use this, as really the first Washington institution to have a dedicated Australia program, at a time precisely when Australia is becoming so important to how the United States thinks and acts in the region. And as Kurt said, if we are allowing ourselves to play the rule of deputy sheriff to them, I would say that there are three broad areas that I think that we can do a lot of great work here.

The first is, I noted that everyone thinks of Australia here in Washington, because there’s this perception that they’re on the pointy end of receiving coercion in lots of forms, and the first to move out. But that’s where the conversation stops. And it strikes me that there’s a wonderfully important and rich conversation to begin to look at different areas of where our democracies are facing challenges. And how, because we’re different, we respond differently. And how we can not only learn from each other, but maybe also point to our examples to others as well. So that’s a long-winded way of saying we’re going to do some profile raising of just what it is that Australia’s been doing.

The second thing that I would say is so much of what we’re talking about really involves the intersection of everything. This is bipartisan, you’ve seen, in both Australia and the U.S., which is quite rare to be able to say. If we’re talking about AUKUS we actually have to talk about the intersection between business and government. And frankly, what
we’re going to be doing is an awful lot of convening, not only if you think about these issues but to begin to help point the way forward.

And then finally, you know, the final point that I tried to make, Mike, is the questions are proliferating at a pace we almost can’t track. So to make sure that we are abreast of them, as you said, broadcasting how Australia thinks, but beginning to point the way forward and providing, hopefully, some real useful, practical policy recommendations. That’s where we’re going to be moving out.

Dr. Green: Thanks for that. That’s a lot. I should note that Charlie, you know, is part of the larger Asia Program. So there’s a lot of connectivity to work on here on Japan, on India, so forth. And one of the questions we’ve received is about that. Australia recently signed a new reciprocal access, you know, security agreement with Japan. It’s actually Japan’s first real security treaty since the mutual security treaty with the U.S. in 1960. That’s kind of a big deal. I wonder, Arthur, can I turn to you first, and then Charlie, about the Japan piece? I have views on this too, of course. But it is a remarkable transformation.

I mean, I remember when you were working for John Howard, Arthur, I was in the White House. And they – the Royal Australian Regiment said it would provide security for – or the Australian government proposed the idea that security for the Japanese deployment in Iraq would be done by Australia after the Dutch finished their cycle. And I remember reading the Returned Serviceman’s League, the veterans, you know, robustly endorsed that move. A group that earlier would have condemned Japan for its history. So just a remarkable transformation with Japan. But can you help us understand the significance of this new agreement?

Amb. Sinodinos: Yeah, thanks, Mike. And you’re right, it’s a big deal. I think it’s a great marker of the extent to which Japan is stepping up in the region in response to what they see as the heightened geostrategic competition. In part, this is also a legacy of that great Japanese prime minister, Shinzo Abe, who did so much to, I think, bring Japan more actively into the region on the front foot. And a number of Australian prime ministers – Tony Abbott, Malcolm Turnbull among them – really developed the relationship with Abe. And indeed, when the U.S. at the last moment decided not to proceed with the Trans-Pacific Partnership, it was leader – it was really Abe who stepped up and said, no, no, we’ve got to do this. And he and Malcolm Turnbull, and then later I think Justin Trudeau, worked to try and bring this to fruition, and that’s the reason we have the CPTPP today.
In terms of Australia, they’re our closest partner in the region. We think very closely on a whole range of issues. You know, years ago – you hark back to my time in government. We used to think, you know, in 2006-2007: Where do we take this relationship further? And yet, you know, like a lot of things in life, Mike, circumstances change and they bring new challenges. And what’s happened is the underlying values and interests that we hold in common have meant that we have taken our relationship to a new level to respond to our changing circumstances in a way that’s consistent, as I think Kori was mentioning before, our support for this global rules-based order and what that means in practice.

So very important development. And I think you’ll see Japan, Australia, the trilateral cooperation with the U.S. increasing further. And I think what Charles said before about how we weave some of that trilateral cooperation into the work of the Australia Chair is going to be important because there’s going to be a lot of it happening.

Dr. Green: Charlie.

Dr. Edel: Yeah. Look, for those of you who don’t know, who don’t have lots of fun kind of digging into the history here, we do not have NATO in the Pacific, right? There are a series of bilateral relationships, right? A hub-and-spoke system. And when we were living in Australia recently, I used to say all the time to all of my Australian friends, look, if you’re concerned about the U.S., how powerful it is, what its staying power is, how much attention we’re going to give to you over the long run – I’m not that worried but there are causes of concern here. If you are worried, you have two options. Number one, you start grabbing the other wheels of that spoke – the other spokes on that wheel as quickly as you can, to have a firmer foundation. Or you jump onto a bicycle that’s heading in the complete opposite direction.

Now, it’s very clear which decision Australia has made. And you asked, Mike, about Japan on this new agreement that’s been signed. But don’t forget that President Jokowi of Indonesia was down in Australia. Australia just concluded an agreement with South Korea to improve defense production together. They have been working with the Quad. So there’s a lot of activity going on with India. And I point to these just to say that the amount of activity that’s coming out of Australia to reinforce its ties to other allies and partners in the region, is the noteworthy story here. It’s easy to get confused at kind of what’s happening yesterday or today. It’s part of a much a large picture here of a reinforcing and then doubling down on, I think, the rules-based order.
Dr. Green: We are getting – we’re getting some really good questions. It’s an interesting audience. It spans the globe and it spans different sectors. And you can still, if you’re listening, send questions in through the CSIS website. We’ll try to get to them. I have a number of questions from people in the private sector. And I won’t mention their names or companies, because I don’t know if they realized we might. But it won’t surprise you that they’re asking about what the U.S. and Australia can do together on regional economic statecraft, trade architecture.

And I’m going to start with you, Jim, because this is what you spent much of your career on in the State Department. You know, we talk about all the areas where the U.S. and Australia are stepping up. One area where we are underperforming – and mainly it’s on the U.S. – is trade, economic statecraft. You know, Jim, what should we do? I mean, obviously join TPP. But what can we do with Australia in the near term to start building some momentum again for U.S. leadership on rulemaking in Asia? And I’ll open it to the whole panel, Jim, but why don’t you get us started?

Mr. Caruso: Yeah. Well, look, TPP, as we know, was a geostrategic agreement at least as much as it was a geo-economic agreement. So when we pulled out there was a lot of disappointment. But as Ambassador Sinodinos noted, the countries in the region took the bull by the horns, and finished it, and got it over the line, even without us. But there’s still a real call for more U.S. engagement, economic engagement in the region. Leadership on things like setting standards, on digital technology, for instance. I know the administration has said they are working on an Indo-Pacific economic framework that they’re going to present to the region very soon. We’re hoping that even though it’s not a trade agreement necessarily, writ large, it will address some of those important issues about standards, about how countries trade with each other, privacy issues. And would be a step forward towards U.S. reengagement on the economic front.

Similarly, infrastructure is a huge issue for the region. Indonesia spends 60 percent more than other countries on logistics because they don’t have any infrastructure. How can we work with Indonesia to help improve that, make them a better trading partner? It’s something we’ve been working on for a while, trying to find ways. It’s important. It’s a way to compete with China as they offer initiatives under the Belt and Road Initiative. So there are a lot of things we can do, and I think we all are going to wait to see what the Biden administration proposes in the next few months.

Dr. Green: Kori, as Jim said, this is fundamentally a question of geostrategy. When we were in the NSC, it was usually the national security advisor who
made the call whether or not we did trade agreements, because it’s such a heavy lift it can’t just be about economics. Are we paying a price for this? Can Australia help us get out of it?

Dr. Schake: I think we are paying an enormous price for this. I mean, one of the biggest mistakes in the Biden administration’s first year was allowing trade promotion authority to lapse from Congress, instead of working to sustain it in a way that would allow them to participate and hopefully even lead the development and mutually supportive political economic framework for Asia. I think the Biden administration is struggling to figure out what they mean when they talk about a foreign policy for the middle class, but so far what it seems to mean is trade protectionism. That is damaging to the United States, damaging to America’s allies, and will prevent us having the ability to execute a strategy that allows countries to reduce their reliance on China’s economic – on China economically. It’s a really big mistake.

Dr. Green: I’m told the votes are there for trade promotion authority, if the administration wants to go for it. But the problem is it implies we’re going to rejoin TPP, and so people are a bit afraid in, frankly, the wings of both parties.

Dr. Schake: And the person who is most afraid of this is the president of the United States. And I think what I thought I heard his senior counselor for Asia saying is that the White House understands we actually need an economic strategy as a component of our national security strategy. And the White House still doesn’t have it.

Dr. Green: Well, there have been hints that we’re going to get an Indo-Pacific strategy. Secretary of Commerce Raimondo and others have spoken out about what would be in the agenda. So the ingredients of where we’d work together are there, it’s just what we do.

Arthur, are you seeing some signs of hope that we can start getting traction as allies on economic issues in the region?

Amb. Sinodinos: Yeah. Look, I think, to pick up your last point, what we get out of the administration through the promulgation of the Indo-Pacific economic framework is this recognition of our lifting the level of trade and economic engagement in the region. And that is a framework. It’s being filled in as we talk. We’re talking, as well as New Zealand, Singapore, and others, with the administration about a digital trade agreement in the region. I think that’s very important going forward, to push back against other countries that may seek to have, if you like, digital systems that are more authoritarian, rather than more open systems that are internationally compatible, and which encourage the free flow of data,
and which underpin ecommerce and all the rest of it in a way that we can all live with – rules of the game that we can all live with. That’s certainly an important component.

We’re also, in that context, looking at supply chains, particularly for those sorts of dual-use technologies, which are becoming increasingly important. I talked about some of them before in the context of AUKUS, advanced capabilities. This is an issue that’s going to be very important.

To be honest, personal view, trade agreements are very important at driving supply chains. The most important trade agreement in the Indo-Pacific at the moment is the Regional Comprehensive Economic Partnership, which is the 10 ASEAN countries, their free trade partners – Australia, New Zealand, Republic of Korea, Japan – and China. That’s the biggest trade agreement in the region. And that’s the one, through the changes to rules of origin and the rest, that will drive supply chains.

So an important part of driving supply chains is what you do with trade. So that’s why we don’t resolve from raising with people in the Congress, people in the administration the possibility of reconsidering trade policy. It’s interesting you say that the votes could be there for TPA. We find in the Congress a lot of interest in trade agreements, more so than perhaps you might pick up from the press, and so we haven’t given up hope on more being able to be done in this area. And certainly, the administration has been keen for us to provide ideas and for other countries in the region.

And so all I can say at this stage is watch this space. There is more to come. And I think also through the Australia Chair and others will be promoting the case for what some of these trade agreements can look like in a way that’s consistent, obviously, with the sort of political imperatives that we realize the administration and the Congress face as well.

Dr. Green: Thank you, Arthur. I’m not sure if you and Kurt signed up for this, but one of the things that think tanks do is pester governments to do more and do it faster. And I think we’ll be doing that on trade. So over to you, Charlie. How are you going to pester Arthur and Kurt in the coming months on economic issues?

Dr. Edel: Well, look, I would just actually for a second move the conversation away from the government and away from leadership level. Because there’s actually a different and very interesting conversation amongst the American people about how they feel about trade. I mean, Kori, you pointed to President Biden being hesitant, but let’s be clear, this goes
back way beyond President Biden. We knew that President Trump didn’t want to do anything with trade on a multilateral basis. There was hesitancy even before that.

But what’s really interesting is if you kind of subtract the leadership level – which is all important, because that’s how you get policy. If you look at where the American people are consistently on trade, the numbers actually tell a different story. You know, 75 percent of Americans say trade is good for consumers and for the overall economy and for their standard of living. More than 60 percent believe trade is good for manufacturing and creating jobs. And that actually spans the political spectrum.

The point, though, is that there’s a very large caveat to those in the American public who support trade. It’s that Americans want to further restrict commerce with China and support a more robust industrial policy that can help companies outpace their foreign rivals. So I think what’s happening at the government-to-government level is, of course, of supreme important. But to understand where some of the drive comes from, sometimes it’s important to take our eyes off of our capitals and look out across our countries as well.

Well, this is an issue where the administration is going to be, I think, hearing with an increased pitch not only from Australia, but from Japan, and from Singapore, and New Zealand, and Canada, and other close friends.

We have a lot of questions on AUKUS. And so if it’s OK, I’d like to spend a couple minutes trying to unbundle that one. Kori, I’ll start with you because we have a question from someone you and I both know at King’s College, which is: What exactly is the role of the U.K. in AUKUS and in the Indo-Pacific? So would you start us off with AUKUS? There are also questions in the mix about, you know, what can we do to enhance deterrence before the first submarines come online in 15 to 20 years? Are we up for this in terms of the procedures in place or not in place for technology cooperation? So a kind of open final round, or maybe second to last round, on AUKUS, starting with Kori.

Yeah. So I think Britain’s role is really important, both because they are expert on the technology that Australia is moving into the area of proficiency and reliance on, and second because I think, you know, Britain has talked a lot about a post-Brexit global Britain. And Asia is a natural area of British influence, British participation, a place where Britain has deep diplomatic, economic, and military relationships. So one of the real benefits of AUKUS is providing an anchor of Britain in the Pacific, in addition to what Britain will contribute to Australia, to the
United States, and to creating a common front for protecting the sovereignty and the prosperity of their common countries.

The other important thing it does is that Britain is a leader in Europe. And even after Brexit, it will matter a lot in bringing other Europeans forward into solidarity about support for Australia as a frontline state, and also for a common approach to managing China. Whether China continues to be successful or whether, as the work of AEI scholars Hal Brands, Michael Beckley, Derek Scissors suggests, we are looking at a stalling China that believes its windows of opportunity are closing. So we may not have a lot of time to organize a broad coalition of countries with common values in support of Australia’s sovereignty, in rejection of what China is attempting to do to other free countries. And Britain’s really important for that.

To the question of what can we do before the submarines come online? Oh, so many things. We could have Australian sailors on British and American submarines participating in the operations so that you begin to create the culture in the Australian naval forces that will be necessary to successfully operate the equipment. And to merge, as cooperatively as possible, into common operations with Britain and the United States. I think there’s a lot that can be done. And we ought to create the momentum such that when submarines are delivered Australia is all ready to be a full participant in cooperative military operations.

Dr. Green: Probably we have about a minute, but what – AUKUS is the big one. It’s huge. It has strategic significance. It may be the most significant movement among U.S. allies in the last decade in this region, followed very closely by what we’ve done with Japan with expanded defense cooperation. It’s a big, big deal, but it’s a long-term plan. So what do we do in the short term to enhance deterrence?

Dr. Edel: I would slightly edit my good friend Kori Schake’s comment and say that we are not going to hope that deterrence is ready to go when those subs are ready to roll off the line in 10 or 15 years, but deterrence should be ready to go now. And actually, if you look at – look, I’m a historian. I love documents. And if you read the AUSMIN do-outs, the 2+2 ministerial between our two countries, it’s not a secret. It’s hiding in plain sight. We can actually flip the switch on a whole range of capabilities and on activities that can perhaps start as early as, I don’t know, a month from now up in Australia’s north, if we begin thinking about different things beyond submarines that we start taking effect, that will help.

Because this is what AUKUS is. AUKUS is a bet that with more advanced capabilities, submarines being only one part of those, that we begin to
right the balance in the region and to deter further acts of Chinese aggression. So if you read what’s happening there from advanced aircraft, to TACAIR, to long-range strike, to kind of broadening some of the runways that you need, and to prepositioning some of our munitions and our fuel depositions in the north of Australia, there’s an awful lot that can happen. And that is only when we’re talking about Australia and the United States.

When we’re talking about deterrence, we’re talking about collective efforts. And it really does strike me that what AUKUS is is, yes, an agreement between London, Canberra, and the United States. But it is also a hope that by putting this marker down others will begin to join in efforts to more collectively meet the challenges that we face together.