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TRANSCRIPT

The Asia Chessboard Podcast

"Antipodean Knight: Australia on the Chessboard"

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SPEAKERS**:**

Peter Jennings

Executive Director, Australian Strategic Policy Institute

HOST:

Mike Green
Senior Vice President for Asia and Japan Chair, CSIS

Andrew Schwartz: Welcome to the Asia Chessboard, the podcast that examines geopolitical dynamics in Asia and takes an inside look at the making of grand strategy. I'm Andrew Schwartz at the Center for Strategic and International Studies.

Hannah Fodale: This week, Mike is celebrating 70 years of U.S.-Australia relations with Peter Jennings, Executive Director of the Australian Strategic Policy Institute. The two discuss the history and evolution of the ANZUS Treaty. How Alliance dynamics play out in both Washington and Canberra, and the future of the alliance, including trilateral cooperation with Japan.

Mike Green: Welcome to the 47th episode of the Asia Chessboard. We are meeting here in our studio on the 70th anniversary of ANZUS, our historic and consequential alliance with our closest ally Australia, and are joined by one of the most influential strategic thinkers from Australia, Peter Jennings, of the Australia Strategic Policy Institute. Peter, welcome.

Peter Jennings: Mike, thank you. It's a pleasure to be with you.

Mike Green: We'll talk about where we are with ANZUS in historical perspective. Your institute just put out a short, readable and very interesting collection of essays on that, where the alliance needs to go, where Australia is in its strategic thinking, its views of the US, and so forth. But we always start with you. So you grew up where, in Australia?

Peter Jennings: I grew up in a little country town in New South Wales, and did my secondary schooling there for strange family reasons that no one can really recall why. I went to Tasmania to do my undergraduate degree, and studied at the University of Tasmania for four years, working primarily on European medieval history, Mike, of all things. And I found my way into this line of work in my final year of my undergraduate studies, because I took a course on the strategic nuclear balance, and then not long after that applied for a Fulbright scholarship. And I thought that I would have a chance of winning the scholarship if I pitched a proposal to do a study on the US Alliance Network in the Asia Pacific region, which I then subsequently got the scholarship and went to MIT for a period. And that really changed me, saved me from probably a very average career as a medieval historian and pushed me into the world of international security.

Peter Jennings: And then from an early fairly uncertain, spectacular academic career, I discovered that you can actually make policy as well as write about it. And that pushed me into the public service and advising governments here in Canberra. And I've now been a Canberra person for about well, over 30 years, in fact, which begins to make me a Canberra local.

Mike Green: And I suspect that behind every strategic thinker in the Indo-Pacific, there's a lapsed historian of medieval Europe or a classicist somewhere. It gives you the realism perspective, right?

Peter Jennings: No, I think that's the right intellectual framework. I have friends who've moved into strategy via physics and via philosophy, but I actually think history is the right starting point to be a strategic thinking.

Mike Green: This is something I've written about, you've written about, I'm a historian who was forced to become a political scientist by fate, but the great strategic thinkers who come to mind, May Han, Hedley Bull, Kissinger, John Quincy Adams, they were historians, first and foremost, and they understood contingency, they understood the linear aspect of history, and were able to keep a big picture in their head. So yes, history is important. Political Science gives you the discipline, but history is the right way to get your brain started for anyone listening.

Mike Green: So this year is the 70th anniversary of ANZUS. Take us back to 1951. Why did we create this treaty? And is it doing today what John Foster Dulles or others in Canberra would have expected?

Peter Jennings: Well, ANZUS was an outcome really of Australia's neurosis about its own security at the end of the Second World War. Australia had a shock during the course of the war, which was to discover after the broad Japanese attack, that really Britain was no longer going to be able to be the underpinning power, guaranteeing Australian security. And as our then Prime Minister said so we... John Curtin said we'd look to the United States to be the ultimate guarantor of our security in the Battle of the Coral Sea in 1943, really underpinned that that reality.

Peter Jennings: Then you come to the end of the war and the United States is looking to secure a peace treaty with Japan. We have a very uncomfortable situation arising on the Korean Peninsula. And it's precisely the time that war begins to break out on the Korean Peninsula that Australia comes to the United States and says, "Hey, we would like to formalize our treaty relationship." Up to that time, I'm now talking 1950, the US was actually reluctant to formalize treaty relationships with its key partners in the Indo-Pacific region. We also had the British still wanting to exert a role, wanting to be a formal treaty partner, and the United States not being interested in that.

Peter Jennings: But things changed under the pressure of the North Korean invasion of the South, and the heavy involvement of China with the North. And Australia was able to impress on the United States, now is the time to formalize a security commitment between ourselves, the New Zealand, and the US. And we were able to squeak it through at probably a fairly narrow window of opportunity, from the point of view about how the United States thought about its interest, that led of course to Australia, committing in our terms, reasonably serious forces to the Korean conflict. And it really became the basis for our postwar thinking, our thinking over the last 70 years about how we conceive of our security interests, which is always best in a coalition of like-minded countries.

Peter Jennings: And that's how ANZUS came about. If you read the treaty, Mike, it's only about 850 words, it's a page and a quarter. It's only 11 active articles. In some respects, it's the absolute opposite of NATO. There is no standing headquarters, there is only a single ministerial level meeting every 12 months, and then a bunch of stuff, to back that up. So it's an alliance, which is defined by an absence of machinery. But some people say that that is actually the key to its success. It's been immensely flexible, it's been able to serve the political and strategic purposes of at least Australia and the United States very effectively over that period of time, it's redesigned itself to meet different threats and different strategic situation. And historically speaking, it's been remarkably successful, but there are very few alliances which last 70 years. Both Australia and the US, I think are as, in fact, I would say closer now than we probably have been at any point since the Second World War.

Mike Green: When I was looking through the archives for my research, I was struck at how much the Australian side wanted out of this new alliance, including a joint combined command relationship basing in a more explicit defense commitment. And the Joint Chiefs of Staff, not the State Department, not Acheson, state wanted to give Australia what it wanted. But the Joint Chiefs said in the new containment strategy in the Korean War, that, out of respect for Australian fighting capabilities that Australia didn't need all that. Japan did, the Philippines did, but Australia should be expected to defend itself, unless a major power or a nuclear power attacks it. And we didn't give Canberra what it wanted. And you read the archives back in those days, and there was some palpable fear of abandonment in Canberra, it seems to me. Do you think that's abated over time or does the Australian public still time to time worry about the US?

Peter Jennings: It's always there under the surface, and there have been periods in the history of the Alliance where that concern has been quite substantial. So in the early 1960s, when Indonesia was seeking to incorporate West partway into the Indonesian Republic, we looked to the United States, to the Kennedy administration to provide support if we found ourselves in a conflict. The US was disinclined to support us on that occasion. You move forward to the late 1990s, and East Timor has just voted to Jakarta's surprise to remove itself from the Indonesian Republic. And Australia finds itself leading an international effort to stabilize East Timor as the Indonesian military withdrew. I was very closely involved in that as a defense official at the time. Our government then went to the Clinton Administration asking for American ground troops to support that international effort and the Clinton administration was not interested in doing that. Yes, they provided intelligence support and logistic support and marine detachment over the horizon, but they left it to Australia to manage its own affairs.

Peter Jennings: So there have been occasions where we have wanted more from the Alliance than the United States in an operational sense was prepared to provide. I don't think that's actually been a bad thing, Mike, because I think it has actually kept Australia focused on what it needs to do for its own defense. The risk of an overly successful alliance, if I can put it this way, is that you can drift, a small

country can drift and not be prepared to invest in security, because we have the United States there to do it for us.

Peter Jennings: And I think part of the success of alliance management between the two countries has been to ensure that from an American perspective, Australia is always pulling its weight. And from our perspective, that we're not drifting, we're not allowing ourselves to become complacent. And we have a time, so then I think, the risk for Australia is always that we under invest in our security. But broadly speaking, the ANZUS relationship has managed a successful balance between trying to extract the best out of each of us for our mutual interests, and not allowing either of us to drift and become too complacent, because the other power is going to look after our interests.

Mike Green: I was an advisor to the Pentagon during the East Timor crisis, and remember a secure video conference with the Australian chief of defense appealing to General Shalikashvili, his American counterpart, and evoking as always happens, Americans serving under Monash at Hammel, the Coral Sea, Korean Vietnam, and it was heartbreaking, but General Shalikashvili said, "No, we'll give you the intelligence, the strategic support, but we're not in a position to have boots on the ground." It was probably a little bit terrifying for the ADF at the time, but they pulled it off.

Peter Jennings: Well, I was running something called the East Timor Policy Unit, which was planned together on virtually no notice to try to assemble the international coalition forces that went in. And yes, there's no question that the default expectation was that we would have a battalion of Marines or something of that nature to contribute to the force. I think the shock was more public though, rather than inside the defense organization. The big effort for us was to essentially drum up support from the wider Southeast Asian countries. I did a trip with our Vice Chief of Defence Force to the rest of Southeast Asia to say, "What would you be prepared to provide in terms of ground troops?" And there was actually something of competition amongst Malaysia and the Philippines, and Thailand to see who would come in with the largest consignment.

Peter Jennings: So all the papers, the newspapers, were in alarm over the absence of American ground troops. We were perfectly happy getting those forces from Southeast Asia. What we needed from the US was the enablers. We needed the logistic support to get those countries trained up and ready to deploy and get them into theater, we needed intelligence. And the most important thing the United States, of course, provided was it went around Jakarta, saying to the Habiebie government, "Look, don't get silly now about what you might actually be thinking you can do to damage the international force when it deploys." That was critical, Mike. I think if the Indonesians had felt that they could engage in more offensive action, teamwork could have been a very different situation altogether. So yes, it was a good reminder that you can't just assume that even the closest alliance is going to turn up and do exactly what you want. Alliances are always negotiations, and we needed to work hard to get American support. We got what we needed, but it was also a reminder that we needed... America

expected Australia to be more of a leader in the region. And at times we felt comfortable doing and I think we came out of Timor, the better for that experience, frankly.

Mike Green: And the ADF was transformed, creating a joint operational command and a completely new relationship with Indonesia, and Southeast Asia. So it was a success. The flip side of the abandonment worry for any ally, the city's would say, is fear of entrapment. And the Australian press and academic writing is full of stories of whoa, as Australia's pulled into this conflict and that conflict by the Americans. In my experience in government though, Australia's influence on American strategic thinking is significant. And you go back to Australia's influence on the San Francisco settlement itself, the peace treaty with Japan, the alliances Australia had a veto in effect, and shaped that or the escalation of Vietnam, historians have shown quite clearly that Menzies and others were alarmed in 1964/65 and were pushing the US to get into Vietnam. Not that the outcome is Australia's fault, but very influential. And when I was in the White House, Australia was in at the pointy end of the spear in Afghanistan, Iraq, SAS, FAT, right at the beginning. And that gave a unique parallel only by the Brits, unique insight into American planning, American thinking and also, politically, I felt made Australian support for the US indispensable.

Mike Green: So Australia could ask for and got quite a bit. The public doesn't see because one of the ways we run this alliance is to not air all our dirty laundry. What do you think now is the influence of Canberra on US strategy. I think it's considerable, but in Canberra, do people realize how much influence Australia has per capita compared to other countries in the region or do people still worry about entrapment or being ignored?

Peter Jennings: Well, Mike, you had some in Canberra, the last US ambassador of Trump administration, Arthur B. Culvahouse used to say that he felt that in some respects, America had a higher regard for Australia's capabilities that we did ourselves. And I still think that's true. I tend to think we discount our effectiveness, and perhaps actually don't use our effectiveness in Washington as much or as least as we should. Having said that, I'm also very conscious that the truth of the matter is, Australians will always think more about the shaping the purpose of the ANZUS Alliance than the United States will. The power relativity is such that this is an existentially central relationship for us, perhaps less so for the United States. And so we invest much more effort into it, the best and the brightest of our policy establishment. And the outcome of that is that Australia, I think, has a disproportionate ability to shape what that Alliance looks like to define the activities take place under it, because it's that much more central to our thinking.

Peter Jennings: An example of that was when obviously, the Defense Department is the Deputy Secretary for strategy in the late 20 teens. The first decade of the 20th century, the US under Obama was going through the force posture review. And we persuaded the United States that, let Australia be a part of that. If you're looking at your force posture internationally, sure you're going to have to let your allies

become a close discussing in that position, which was something that I think was quite unique to how the Pentagon thought about it.

Peter Jennings: And out of that emerged the decision to rotate, as we describe it, a detachment of US Marines out of Northern Australia, which Barack Obama announced too with then, Prime Minister Julia Gillard, in 2011. That would never have happened had America been left to its own devices, if I can put it that way, to shape that force posture outcome. So small allies can have disproportionate impact, I think when it comes to shaping DC policy. Now, you ask, how is that playing out today? Well, I think there is a continued Australian neurosis both under the Trump administration and under the Biden administration about the degree and seriousness of American commitment to security in the Asia Pacific region. And really, the core Australian strategic interest is to do whatever we can to ensure that the consistency, and strength, and credibility of America's presence in the Asia Pacific remains. This week in Washington, DC, we'll have the annual AUSMIN meeting of our foreign and Defence Ministers, your Secretary of State and Secretary of Defense. And I would say to you, Mike, that whatever comes out of that meeting, it will all, from an Australian perspective, be designed to strengthen the commitment of America to Asia Pacific security.

Peter Jennings: And I think what that will mean is we'll see a raft of new forms of security cooperation between us and the United States, because our contribution to that American credibility is to make ourselves the best ally for the United States to want to actually cooperate with. So again, Australia will be bending it's aims towards that particular objective. Whether we were always successful, I think that's a different point, whether there are occasions where we refrain from having the right conversations that we should be having with the US, because it all looks a bit too difficult and there are things we could talk about, generally speaking in Australia if it is all about trying to keep the US engaged, and we think the best way to do that is to be the best, most credible ally that we can be.

Mike Green: You have a great line in the report which riffs off of that famous remark about NATO. It's designed to keep the Americans in, the Germans down, and the Russians out. And you have a line in the report that ANZUS's purpose on its 70th birthday is to keep the US in, keep Japan up, and to compete against cooperate with and confounded China. That should be on your business card. Peter. That's brilliant. What does that look like? Well, ANZUS 70 years ago, was focused on the Indo-Pacific. We didn't call it then, but the Pacific and Diggers and GIs fought side by side in Korea and Vietnam. But after Vietnam, of course, all were experiencing combat together that the high end which drove our alliance in many ways was the Gulf War, Iraq, Afghanistan. But the last 10, 15 years and with increasing intensity, it's now about what you just described, keeping Japan up, the Americans in, and cooperating with competing within confounding China.

Mike Green: So it's a much more comprehensive agenda, isn't it? It's more than just intelligence defense, as you point out. How would you describe the range of ANZUS activities today?

Peter Jennings: ANZUS has become a strategic relationship, not simply a military to military or intelligence agency to intelligence agency relationship. Those things are important, but I think if you look at how the alliance is growing these days, it's now looking at things like the security of supply chains, it's looking at what we can jointly do together, defense industry, it's working even in a whole range of domestic security areas to do things like strengthen our societies from being undermined by covert foreign influencing. Cyber, of course, has opened up a whole new range of activities, which in the Australian and American context came from very, very firm, deep connections in the signals intelligence work, but now move out across the whole of our economies and societies and in quite profound ways.

Peter Jennings: So I think what we've seen is that the alliance relationship is moving from primarily a defense grouping to something which now has a much broader set of foundations across how we think about national security. And that makes it more complex, because it's not just a bunch of people that know each other very well in the Pentagon and a few intelligence agencies. It's much wider range of activities across government that has to be considered. The other point I'd make is, as I said earlier, existentially important for Australia, I think, also increasingly important for the United States. If you're going to have a world where America expects its friends and allies to do more for their own security, that means to say that America's security interests have to be addressed by friends and allies doing things that the United States wants.

Peter Jennings: And I think that means that ancestors are probably lifting in terms of American priority, compared to how it might have been in some past decades. I think another area where it's emerging very quickly, and be interesting to see how further this develops, Mike, is our trilateral cooperation with Japan has just taken off immensely quickly, in the last five, 10 years or so. After a lot of foundation building, now we start to have, I think, a very effective strategic relationship or an alliance really in all but name emerging between those three countries. And I think Australia, Japan, US trilateral relationship, doesn't really have a title, that's going to become one of the most powerful factors for promoting the interests of Western democracies in the Indo-Pacific region in coming years.

Mike Green: You flirt with a ton on your report, you call it, Genesis right with Japan. But look, the agenda you just described, we are almost perfectly aligned with both Japan and Australia, more so than with our European allies, more so than with Britain, Great Britain, our special relationship, on trade on technology, on decoupling, on defense, on the Quad, on regional architecture, we could not be closer... We could be closer, of course, but we have no allies we are closer to than Japan and Australia on this whole range of issues that emanate from strategic competition from China. And it was striking to me when Abe was pushing his defense reforms and reinterpretation of the Japanese constitution to allow collective self-defense. In the diet debate, he would mention, or his cabinet would mention that this is necessary to help the United States or Australia. And putting

Australia out there with the Japanese public actually helped the debate. It made this move towards collective self-defense, more attractive, not less.

Mike Green: So it's really, really interesting to see how this relationship has unfolded. The first planes after the March 2011 earthquake into the Sendai Airport, which Marines and Air Force and Japanese defense forces rebuilt, first plane to land was Australian with supplies. There's a depth to this trilateral relationship a lot of people don't see. And it's gratifying, frankly.

Peter Jennings: That's right. The moment of the triple crisis in Australia's early involvement was one of those threshold points where I think the Japanese did begin to see it very differently. And another one I'd point to was a couple of years ago now, when Prime Minister Abe, visited Australia, but went to Darwin. And a lot of Australians saw this as being a ruling of a line on the ledger after the Japanese attack on Darwin in 1942. And yes, it was that and that was an important step that Mr. Abe took. But I think more significantly, it was also an expression of Japan's strategic interest in a stable Australia today. And in fact, a strong sense of Japanese strategic interest in Darwin as a one point of Abe's diamond, security diamond you might recall, it's one of the phrases that he used. So I think Abe has been actually very important personally in driving the closeness of that relationship, but it's now at a point where I think it will survive any particular change of government in any of our three countries.

Mike Green: It was Abe and John Howard, in Abe's first term, then Abe and Tony Abbott. And there was some griping from the Australia Labour Party about that relationship in some quarters. I don't see it anymore. It seems to me that support for ANZUS and for the relationship with Japan have quite broad support within Australian politics. Is that how you see it?

Peter Jennings: Yes, I would agree. It's always difficult for oppositions to think of opposing things to say about Australian foreign and security policy. Generally speaking, labour in opposition wants to make itself look strong on national security. And it does that by ensuring that there's virtually no visible difference between itself and the government on key issues. So there's very strong Australian support for the alliance relationship. It was a labour government, which was able to announce the arrival of the US Marine rotations into the north of the country. And I think that was actually accidental in the sense, but important that labour can say that it's the owner of that expansion of the alliance relationship. And typically, what oppositions will do is complain about the implementation of policy and how they would do it better and smarter and more cleverly, and they wouldn't allow cost overruns on defense equipment projects, and those sorts of things.

Peter Jennings: But when it comes to the basics, we are really fortunate in Australia in a way that a number of other countries have not been fortunate, New Zealand and Canada, to have a strong bipartisan approach on the fundamentals of our defense and alliance policies. And so if we do have a change of government in Australia, early next year, when our federal election is most likely, I don't think

it's going to change any of the key policy settings concerning the alliance relations with Japan, the fundamental problems that we have with China, you may find some language changing, but broadly, the key policy settings will remain in place.

Mike Green: You probably saw when CSIS last year surveyed the American public and thought leaders about China, we asked how much risk we should take to defend key allies against Chinese attack with 10 being significant risk and one being no risk. And all our allies and partners do well, but Australia scored an almost perfect 10 in terms of how much risk Americans, not just defense experts, leaders in universities, leaders of labor unions thought we should risk to defend Australia. So it's strong and mutual. You mentioned New Zealand. So of course, that's the NZ and ANZUS. How would you describe where we are with New Zealand and where we should be?

Peter Jennings: Well, there's certainly no prospect of a return to a close trilateral ANZUS relationship where New Zealand has a seat at the table of those annual meetings that I talked about. And ANZUS had its own existential moment in the 1980s when New Zealand elected a labour government with very strong anti-nuclear policies, which ultimately led to the US suspending its security obligations towards New Zealand after the David Lammy government refused pulled access to an American warship in 1984.

Peter Jennings: At the time, I actually wrote my master's thesis about that particular issue, Mike. At the time, it seemed to be something of a disaster in terms of the US Alliance situation in the Pacific. But actually, a number of positives came from it. One was that the labour government in Australia redesigned its approach towards the alliance and really killed off any prospect that it could go down the track that the New Zealand Labour Party went down with its strong anti nuclear policies. So we had a strengthening of the bilateral relationship.

Peter Jennings: Second thing was Australia in the United States have always been more simpatico in terms of how we think collectively about defense and security interests. New Zealand always tended to have a more equivocal approach that I just thought about their security differently, not surprisingly, because their geography is very different. So previous Australian Foreign Minister once said, they don't have the hot breath evasion breathing on their neck in the way that Australia does. And so what we got from New Zealand was a situation where it was comfortable with its foreign and defense policy settings after the breakup of the ANZUS relationship.

Peter Jennings: New Zealand has always continued to spend less on defense than Australia does quite significantly. So we would like them to spend more, but broadly speaking, they are a country which is aligned in terms of values. They did provide, in their terms, significant forces to the East Timor stabilization operation. They provided useful and forces that did valuable work in Afghanistan. So New Zealand has played, I think, an important role for itself, particularly in the Pacific as a stabilizing good quality power with the right values and the right approaches.

But it does not wish to be as close of an ally to the United States as Australia is. And so I think we're just going to be in that situation for the future, where the United States describes New Zealand as a very, very good friend, but not an ally, and the United States describes Australia as exceptionally strong ally. And I think that suits all of these three players at the moment.

Mike Green: Of course, New Zealand's in five eyes. So the intelligence side has survived. When the US cut New Zealand off from the benefits of the alliance, because they refused to accept, it's a more complicated story than I'm telling, but as you know, refused to accept the American guarantee about neither declaring or denying whether there's nuclear power on US ships, and the US couldn't give New Zealand that out, because if they did, Japan would ask for it, which was much more important strategically. And at the time in the 80s, we in Washington, I was a student, but Washington was worried about the Australian Labor Party. But as you point out, the Australian Labour Party is solid now, and Japan is solid. We don't have to worry about the demonstration effect.

Mike Green: So what I think I hear you saying is the main reason New Zealand is not back in the alliance is because New Zealand is ambivalent, and the New Zealand political leadership is somewhat ambivalent. Is that fair?

Peter Jennings: Yes, that's right. There was a period of during the '90s, that's the first decade of the new century where there was some thought about what the center right at New Zealand politics want to get back into a closer alliance relationship with the United States. And frankly, the answer was no, there was also an Australian concern about that, because I think our view was if New Zealand is allowed to have a relatively easy right back to alliance table, then what does that say about the rate of effort that an ally has to expand, in order to be seen to be a credible ally in Washington, DC? We frankly have got more out of the bilateral security relationship with New Zealand, not there. And that has enabled Australia to plan its own strategic course in ways that suit the Australian population, that New Zealand would probably have put a brake on had we had to do this as a trilateral partnership.

Peter Jennings: From the Australian perspective now, we would like to see New Zealand be more front footed in dealing with China, less coated in the sorts of language they used to talk about resisting Chinese pressure. New Zealand for its part, I think, regards Australia has been a bit too heavy handed in some of the language we use about the bilateral relationship with China. But mostly, we get value from each other and we get benefit from the fact that we are two different countries without having to broker a consensus on what our shared foreign and strategic policy goals should be. So that's how I see it. If there was a discussion today, or at the AUSMIN meeting coming up in Washington, DC, about should New Zealand be brought back, I don't think either Australia or the United States would particularly want that. And if there was an option to bring in Japan rather than New Zealand, I think that would be a far more constructive thing to do, even though I don't think that's going to happen either actually, Mike.

Peter Jennings: So we're just at a place where the alliance frameworks suit each of the existing players, but I think it's still important. New Zealand still has an important international voice, and it's still important for Australia in the United States to keep working with them so that they don't just drift off into some non-aligned way of thinking about the world. But broadly speaking, they are where they need to be. And I think they're doing what we Australia would want to do.

Mike Green: So as the US and Australia refocus on the Indo-Pacific, and compete across a whole range of domains, military, trade, technology, it's a very large agenda, but I just want to get a lightning round, get a quick reaction from you to some of the issues that I think are going to be most interesting. One is strike capability. Australia's defence forces are moving faster than Japan or Korea, which are also interested towards having an indigenous capability for strike. I assume LRASM or some kind of air launch, or sea launched missile, surface to surface missile. What does that tell us about Australia's Defence thinking and threat assessment?

Peter Jennings: It tells us that the threat assessment is certainly much, much greater now about short-term risk. We used to operate according to a planning assumption that said we'd have a decade of notice if a country was going to actually develop malign intent against Australia, but now has formally been abandoned as a planning assumption. And I think the view is that we're in a world where threats to Australian interests could manifest themselves very, very quickly. Then I think the next concern we have is that the Australian Defence Force, which is probably in the best shape it's been in, certainly in my professional lifetime, still suffers from being, I think under gunned in terms of its capacity to put high explosive on to target. We are a small force with a small number of exquisitely capable platforms and weapon systems. But now the challenges, frankly, to be able to bring more hitting power, more quickly across the dispersed, cheaper platforms. And I think we have come to the view that the best way to do that is to work with the United States to produce our domestic missile production capability here in Australia.

Peter Jennings: And there's two benefits from that. There's the obvious benefit for Australia's Defence Force, but then there is a benefit for the United States, which I think needs to diversify its own sources of production. If you do find yourself in a conflict, you're never going to have enough missile arms. And you need to have access to the missile arms in the theater that you're going to operate it. So being able to do things in and with Australia, I think it's got to be an important part of an American strategy of dispersal, as well.

Peter Jennings: The challenge here, Mike, is delivering this not in 10 years' time, but as quickly as we possibly can, and making sure that we don't become a casualty of a congressional view, which says that missile production must remain in my congressional district and can't see a US dollar being spent, for example, to produce, with Australia, some joint capability. And I think the only way we'll be able to cut through that type of argument over turf will be our foreign and Defence Ministers at AUSMIN and then the Prime Minister, who will be visiting a

few weeks after the AUSMIN meeting, when he has his first face to face meeting with Joe Biden, is able to get that top level American political agreement to say yes, this is a priority for both countries and we need to pursue this as fast as we possibly can.

Mike Green: Another one that will be a focus in this future AUSMIN is what to do about Chinese economic coercion. And Australia is under an enormously intense Chinese economic embargo and is not buckling or backing down. And there's a lot of thought in Washington and elsewhere about whether a collective security system can be developed to provide mutual support when democracies are embargoed in this way, but it turns out to be much more complicated, legally and economically and diplomatically than people think. There was even some ambivalence, I think, within Canberra about the US playing any role at all at first, since Canberra, wanted to be managing the relationship with China on its own. So your institute has done a lot of thinking about this. Where do you think this particular policy issue is going to go?

Peter Jennings: I think what's happening in Australia is actually working in the medium to long term well, from the point of view of our economic interests, and that is Chinese bad behavior is forcing our businesses to diversify the markets. We had allowed ourselves to become way too dependent on China as a single market for everything from Australian commodities, to foodstuffs, to tourism, to higher education. And, frankly, because of China's bad behavior, the business community has recalibrated their risk assessments, and then they're now generating markets in different economies. That's a real positive for us. It would be nice if the democracies could at least agree a shared approach to this in such a way that when the loss of an Australian market for wine, for example, is eagerly jumped on by American wine producers to say, "Okay, well, now we can take advantage of that gap in the Chinese market." And I say that because although Australia is the poster boy for Chinese coercion at the moment, this is a strategy which they are applying globally, whenever they find a country which is not exceeding to subordinate themselves to China's interest more broadly.

Peter Jennings: And then finally, Mike, I think there is a missing dimension, still in American policy, and has been for a number of administrations now, about how America wants to pursue its own interests in the trade and economic agenda in the Indo-Pacific region. And that is the second part of American power, which I think the administration needs to work on to be able to create opportunities for close trade and economic integration on the part of the democracy.

Peter Jennings: Ultimately, this is going to require, I believe, a further degree of separation between the US and the Chinese economy. That's going to be immensely painful for large parts of the American business sector. But I think it's where China's policy's now driving the world. This is not going to lead to complete disengagement, but it is going to lead to a selective disengagement in sectors of the US economy. I think that's inevitable, Mike. I can't find a way to imagine how that could be any different, at least for as long as Xi Jinping is in power.

Mike Green: We have a very, very intense agenda in front of us as allies. And Peter Jennings, thanks for joining me to celebrate our 70th birthday, not yours and mine of course, the alliance, and congratulations on all the success with ASPI and a different turn your career, you would have been spending the last 30 minutes talking about French medieval literature. And this is much more fun. And thanks to Napa Valley, and the McLaren Valley, the wine is also better now too. So thanks for joining us.

Peter Jennings: Thank you, Mike. I'm glad I had that sliding doors moment in my career where I abandoned English, medieval agricultural history and moved into this. This has been a great career experience, and here's to the next 70 years of alliance cooperation.

Mike Green: Here, here.

Andrew Schwartz: Thanks for listening. For more on strategy and the Asia programs work, visit the CSIS website at csis.org, and click on the Asia program page.