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- produce distinctive research and fresh policy options for Australia’s international policy and to contribute to the wider international debate
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Lowy Institute Policy Briefs are designed to address a particular, current policy issue and to suggest solutions. They are deliberately prescriptive, specifically addressing two questions: What is the problem? What should be done?

The views expressed in this paper are entirely the author’s own and not those of the Lowy Institute for International Policy.
WHAT IS THE PROBLEM?

Donald Trump’s election as US president is accelerating a profound global transformation that has huge consequences for Australia. Unlike his predecessors, Trump is less willing to defend the liberal international order that has been of immense benefit to Australia’s security and prosperity. If fully implemented, the US president’s protectionist agenda would be a direct threat to Australia’s economic interests. And the US alliance is coming under unprecedented pressure from China in the region. At home, there are an increasing number of Australians who see a growing gap in both interests and values with a Trump-led America.

WHAT SHOULD BE DONE?

Turnbull should go into the meeting with US President Donald Trump on board the USS *Intrepid* with three objectives: to add his voice to those of other US allies urging Trump to play a constructive leadership role internationally; to imbue the president with a deeper appreciation of the value of the alliances in general and the Australia–US alliance in particular; and to encourage him to support a US accommodation with China that reduces the possibility of a full-blown conflict in Asia but pushes back against Chinese adventurism in the South China Sea.

The key to achieving these three objectives will be to convince President Trump that Australia matters. We are not free-riders but a tried and trusted ally and a nation of lifters, not leaners — precisely the kind of friend that the United States needs in these difficult times. How Turnbull delivers these messages is as important as their content.
On 4 May Prime Minister Malcolm Turnbull will hold his first face-to-face meeting with US President Donald Trump. The meeting will take place in New York on the deck of a retired aircraft carrier the USS *Intrepid* at a commemoration for the Battle of the Coral Sea, the Second World War naval engagement in which the US and Australian navies fought side by side.

As with past meetings between Australian prime ministers and American presidents, this brief summit will be heavy on symbolism and congenial reaffirmations of the strength of the long-standing alliance between the two countries. But as Turnbull has already discovered following his testy telephone call with the US president in February, Trump’s persona and iconoclastic approach to diplomacy could make this a difficult and challenging first meeting.

Trump’s election as US president is accelerating a profound global transformation that has huge consequences for Australia. His election victory has fuelled nationalism and protectionism, two forces that are on the rise in many Western countries. Moreover, the new US president seems unwilling to defend a liberal international order that all of his predecessors have championed since the end of the Second World War and which has delivered immense benefits to Australia’s security and prosperity.

If fully implemented, President Trump’s protectionist agenda would be a direct threat to Australia’s economic interests given our heavy dependence on a well-functioning global trading system, a reality acknowledged by Foreign Minister Julie Bishop in her remarks to a gathering of Australian ambassadors in March.1 The alliance itself is also coming under pressure. Domestically there are those who see a growing gap in both interests and values between Australia and a Trump-led America. Regionally, Xi Jinping’s China is probing for opportunities to weaken the US alliance system in Asia.

This Policy Brief argues that Prime Minister Turnbull should pursue three objectives in his meeting with President Trump: he should add his voice to that of other US allies urging the president to play a constructive leadership role internationally; he should try to imbue the president with a deeper appreciation of the value of alliances in general and the Australia–US alliance in particular; and he should support a US accommodation with China that minimises the possibility of a full-blown conflict in Asia but pushes back against Chinese adventurism in the South China Sea.
UNDERSTANDING THE TRUMP PERSONA AND FOREIGN POLICY AGENDA

Understanding the Trump persona and foreign policy agenda is the key to effectively shaping his view of Australia and establishing an enduring and constructive relationship with a president who defies simple typecasting. The conventional view of Trump is that he is a shallow, amoral, dealmaker — a celebrity businessman, thin-skinned, and prone to narcissism. While much of this is true, it is important for Turnbull to develop a nuanced picture of the US president and avoid the perils of stereotyping.

Two myths about Trump need to be dispelled. The first is that he is merely a transactional president, bereft of strong convictions. As Thomas Wright argued in an influential Lowy Institute Analysis, three core beliefs run through Trump’s world view going back three decades — his criticism of allies for not paying their way, his opposition to every trade deal that the United States has signed since the Second World War, and his soft spot for authoritarian strong men. Each of these beliefs has been on display during the early months of Trump’s presidency, from his rejection of Obama’s signature Trans-Pacific Partnership (TPP) to his demand that NATO allies increase defence spending to 2 per cent of GDP and his frequently expressed admiration for Russian president Vladimir Putin.

Second, ‘America First’ does not mean America only. Nationalism ought not to be mistaken for isolationism or parochialism. The April Tomahawk cruise missile strike on the al-Shayrat base in Syria in retaliation for President Bashar al-Assad’s use of chemical weapons shows that Trump can be simultaneously a nationalist and interventionist, confirming his unpredictability and capacity for sudden policy reversals. It also suggests a previously unseen moral dimension to Trump’s foreign policy approach. But this should not be exaggerated. He is not about to transform into a liberal internationalist.

In preparing for his meeting with the president, it is also vital that Turnbull pay attention to the personal and philosophical differences inside the administration as a pointer to key rivalries, tensions, and likely policy outcomes. There are three competing groups of advisers on foreign policy and national security, characterised by Lowy Institute Nonresident Fellow Thomas Wright as religious warriors, America Firsters, and traditionalists. The religious warriors are defined by their apocalyptic view of Islam as an existential threat to US security. They had a major influence on Trump’s Youngstown, Ohio speech in August 2016, widely regarded as his foreign policy blueprint, in which he promised to wage ideological warfare against “radical Islam.” With the departure of former National Security Advisor Michael Flynn, their influence has waned but not disappeared entirely.
America Firsters believe that other countries have taken advantage of the United States and it should eschew a global leadership role. America Firsters include Tea Party adherents and anti-establishment ideologues. Within the administration, their most prominent advocate is chief presidential strategist Steve Bannon, who considers himself a “virulently anti-establishment” revolutionary out to destroy the ‘administrative state’. Bannon had his wings clipped when removed from his position on the National Security Council in April. But America Firsters are likely to retain considerable sway over Trump, who is clearly sympathetic to their core agenda.

In the ascendancy, for the moment at least, are traditionalists who have coalesced around Vice President Mike Pence, Defense Secretary Jim Mattis, Secretary of State Rex Tillerson, National Security Advisor HR McMaster, and Secretary of Commerce Wilbur Ross. They advocate taking a firmer line with Russia and China and working with established allies to manage terrorism and threats from hostile regional states such as North Korea and Iran. Ross has de-escalated trade tensions by moving away from the abrasive rhetoric of earlier months towards a more measured approach to resolving differences.

The traditionalists’ position has been bolstered by support from Trump’s son-in-law, Jared Kushner, who has emerged as a trusted consigliere and policy broker despite his lack of government and foreign policy experience. This reflects the primacy Trump accords to loyalty and family in keeping with his highly personalised, strongman approach to politics. Kushner is a pragmatic, moderating influence on Trump and seems to have established a close working relationship with administration traditionalists including Gary Cohn, Director of the National Economic Council.

WHAT CAN TURNBULL LEARN FROM OTHER LEADERS’ MEETINGS WITH TRUMP?

Prime Minister Turnbull will be one of the last significant allies to meet President Trump, so it is worth asking what lessons he could learn from the earlier meetings of his Japanese, British, and German counterparts. Each meeting had its distinctive dynamics and atmospherics. Shinzo Abe was proactive and primarily focused on engaging Trump. Theresa May was more businesslike and had a clear message to deliver on the importance of the “special relationship” between the United Kingdom and United States. Angela Merkel knew she was unlikely to establish an easy rapport with Trump. She compensated by doing her homework on the president and responding to his criticisms of Germany with firm, evidence-based rebuttals that stressed the contributions Germany makes to US security and prosperity.

...America Firsters are likely to retain considerable sway over Trump, who is clearly sympathetic to their core agenda.
Turnbull could usefully borrow from all three approaches. Like Merkel, he should prepare well, have clear objectives, stay on message, and look for common ground. And like Abe he needs to concentrate on building a personal relationship with Trump, dispelling any lingering bad feelings from their February telephone call by playing to their shared backgrounds as entrepreneurs-turned-political leaders. The outpouring of American support for Australia after Trump was seen to have discourteously berated a loyal ally could work to Turnbull’s advantage, as Trump will be motivated to patch things up.

If May can play the ‘special relationship’ card then so can Turnbull. He should argue that Australia is an indispensable ally and a country that is becoming more important to the United States because of our strategic geography, the high value of the intelligence relationship, the utility of the Australian Defence Force as a force multiplier for the US military, and the contribution Australia makes to the US economy through trade and investment. He also has one major advantage over Abe, May, and Merkel. The symbolism of his meeting with Trump on board a Second World War-era aircraft carrier to commemorate the Battle of the Coral Sea is replete with opportunities for the two leaders to underline the contemporary relevance of the alliance and to send a message that both countries are stronger and safer when they work together.

WHAT OBJECTIVES SHOULD TURNBULL PURSUE?

There is obviously a limit to what can be achieved in the first short meeting between Prime Minister Turnbull and President Trump. But this will also make it important for the prime minister to focus on a limited number of objectives that are vital to Australia’s national interest and that are likely to be important themes in the Australia–US relationship in coming years.

The first of these objectives should be to emphasise the importance of a strong US leadership role in the world. A deteriorating international security environment makes such a role even more essential to Australia’s national interests in coming years. Priorities include stabilising the Middle East and containing Islamist terror; opposing the annexation of disputed or sovereign territory by military force; and countering the use and proliferation of weapons of mass destruction by Syria and North Korea. In the absence of US leadership these problems will only get worse. In a much harsher world than the one we have known, Australia alone does not have the clout to preserve the values, institutions, and principles that have served us well and are unmistakably eroding.

Persuading an avowedly America First president to commit to any kind of global leadership may appear a difficult task, although President Trump’s missile strike on Syria also suggests that it is not impossible. In making his case, Prime Minister Turnbull will need to avoid the language of globalisation and references to a ‘rules-based order’ and focus on appeals to American self-interest.
appeals to American self-interest. Contrasting Trump’s preference for strong and effective leadership with former president Barack Obama’s approach of “leading from behind” on issues such as Syria and the South China Sea will also likely win the prime minister points with the president.¹¹

Prime Minister Turnbull’s second objective should be to make the case for the importance of acting in concert with allies and like-minded countries, especially Australia. It would be disastrous if Obama’s caution and indecision were to be replaced by a muscular unilateralism that causes more problems than it solves, traduces friends and established alliances, and pushes the world to the brink of avoidable conflicts. Nor does Australia want a disengaged, transactional America pursuing a values-free foreign policy, cocooned in self-interested isolationism, unwilling to distinguish between friends and adversaries.

Turnbull must add to those voices advocating for the US-led European and Asian alliance system. This will not be easy but it is a necessary correction to Trump’s simplistic campaign view that alliances are tradeable assets and valuable primarily as a means of furthering US economic interests. Prime Minister Turnbull’s argument needs to reinforce the message of traditionalists in the administration that America is strongest when it mobilises friends and allies behind well-conceived and articulated policy positions that form part of a discernible, overarching strategy.

The good news is that Trump has recanted his earlier criticism of NATO. At a White House press conference on 12 April with visiting NATO Secretary General, Jens Stoltenberg, Trump reversed his position on NATO, calling it a “great alliance” and declaring: “I said it was obsolete. It’s no longer obsolete.”¹² If Turnbull can elicit an endorsement of the Australia-US alliance and the importance of working together with regional allies, it will alleviate concerns that Trump is indifferent to the US alliance system in Asia.

Turnbull’s third objective should be to shape the administration’s still unformed Asia policy by ensuring that the United States remains constructively engaged in the region. In particular, Prime Minister Turnbull should urge an accommodation with China that minimises the possibility of a full-blown conflict in Asia but pushes back against Chinese adventurism in the South China Sea. This will require a carefully calibrated, integrated US strategy that is not yet in evidence.

The risk is that Trump’s penchant for unilateral action and the influence of China hawks may lead him to overreach, triggering a trade war and conflicts with Beijing over North Korea and the South China Sea. However, there are signs that Trump is beginning to step back from his aggressive anti-China campaign rhetoric to chart a more moderate course. His meetings with President Xi Jinping at Mar-a-Lago seem to have been successful in establishing a working relationship between...
them. Both leaders have confirmed a willingness to cooperate on North Korea, the region’s most dangerous and intractable security problem. The prospect of a trade war has receded.

Furthermore, the administration clearly recognises the need to elevate Asia in US foreign policy priorities with a renewed focus on Taiwan, Japan, South Korea and Australia, underlined by recent visits to the region by Vice President Pence, Secretary of Defence Mattis and Secretary of State Tillerson. There are also plans under consideration to base a second aircraft carrier in the region, enhance military rotations in Australia and Japan, and install long-range air force strike assets in South Korea.13 This reflects a ‘peace through strength’ philosophy designed to strengthen US policy in Asia, which the administration rightly believes was under-resourced by Obama.

Turnbull may find, therefore, that he is pushing on an open door in arguing for a greater US focus on Asia. However, he must be wary of the administration giving too much weight to Northeast Asia at the expense of Southeast Asia, which is a crucial region for Australia. Turnbull should emphasise the growing economic and strategic importance of Southeast Asia for both Australia and the United States as a vibrant market of nearly 650 million people straddling the critical maritime crossroads of the Pacific and Indian Oceans.

There seems little prospect that the United States will vacate the field to China as some fear. In fact, it’s quite conceivable that Trump could make Obama’s failed pivot to Asia a successful reality. Even so, Trump will have his work cut out to limit the self-inflicted damage to US credibility and interests caused by his peremptory withdrawal from the TPP and Obama’s neglect of a region he once prioritised. If Turnbull can impress upon Trump the need to re-engage Asia with all the considerable soft power assets at the president’s disposal, he will be halfway to a successful first visit.

**WHAT SHOULD TURNBULL SAY ABOUT AUSTRALIA?**

The key to achieving these three objectives will be to persuade Trump that Australia matters; that we are not free-riders but a tried and trusted ally and a nation of lifters, not leaners — precisely the kind of friend that the United States needs in these difficult times. On the face of it, this should not be an insurmountable task in light of the closeness of our bilateral ties over the past 75 years. However, given Trump’s superficial knowledge of history and the ongoing sensitivities concerning his frustration at having to accept asylum seekers from Nauru and Manus Island, Turnbull would be well advised to press home the following points.

The Australia–US alliance is a relationship bound by shared values, as well as many shared interests. Australia’s alliance credentials are impeccable, having shed blood in every US war since the Second World War.
Australian defence spending has risen from 1.56 per cent of GDP in 2012 to nearly 2 per cent — Trump’s benchmark for assessing whether allies are paying their way. Australia is a vital contributor to US security through our extensive cooperation on counterterrorism, which includes the largest foreign commitment to the US-led multinational forces in Iraq and Afghanistan. Furthermore, Australia is increasingly important to the US force structure in Asia. We have moved from “down under” to “top center” as the global centre of gravity shifts from the Atlantic to the Indo-Pacific, Australia’s maritime backyard.

Australia is a net contributor to the US economy, helping to create American jobs through investment and trade. The United States is the number one ranked country for Australian outward investment which totalled A$594 billion in 2015, more than Australian investment in all our Asian trading partners combined. We run a substantial trade deficit with the United States in both goods and services. Of total two-way trade worth around A$70 billion in 2015, we bought A$33 billion of US goods and exported only A$14 billion in return, a ratio that has been sustained for over 30 years. Trade in services is also heavily weighted in favour of the United States. In 2015, US service exports to Australia of A$15 billion was almost double the A$8 billion the United States purchased in return.

The other key message is that an alliance must be a two-way street based on mutual respect and a willingness to acknowledge and speak frankly about differences, where they exist. One obvious difference is our belief that the demise of the TPP was a setback for free trade, ceding space and influence to China at the expense of the United States. If Trump does not like multilateral trade deals then he should compensate by strengthening bilateral trade in the region, particularly in Southeast Asia. As to the South China Sea, Australia is not going to risk a confrontation with China by unilaterally conducting freedom of navigation operations that involve flying or sailing within 12 nautical miles of occupied islands, although this could change if China were to declare an air defence identification zone over the South China Sea.

CONCLUSION

Turnbull’s New York meeting with Trump provides a much-needed opportunity for both leaders to reaffirm the enduring value of the alliance and to arrest the drift that has uncharacteristically cast a shadow over the bilateral relationship during the first 100 days of the Trump administration. The core challenge for Turnbull will be to develop a practical working relationship with a president who still seems remarkably uncommitted to the US-led order that has unequivocally benefited Australia. But like all new presidents, Trump the politician is a work in progress so there is ample scope to shape his views on the issues that matter to Australia. There are clear indications that Trump is moving towards a more traditional approach to foreign policy as the
realities of leadership moderate his impulsive nature and he comes to understand the value of friends and allies even for a self-interested America.

Turnbull should think carefully about his core messages and how he intends to deliver them, as he will not get a better opportunity. The principal message should be that we are exactly the kind of ally that Trump wants. We pay our way and there is a remarkable congruity of interests that bind our two countries. But differences over trade and protectionism should not be glossed over. Trump cannot rejuvenate his rust belt economies by retreating behind a tariff wall. As a successful entrepreneur and self-declared innovation prime minister, Turnbull is better placed than almost any other leader to persuade Trump that the path to economic recovery lies in the innovative use of new technology through international trade and investment.

Turnbull is also well placed to argue that since the global economic and strategic centre of gravity has shifted decisively to Asia, it is in America’s interests for Trump to fully implement the rebalance to Asia that Obama initiated but failed to consummate. This means an enhanced US naval presence along with a suite of complementary economic and diplomatic initiatives that augment US influence and credibility in the region, stimulate economic growth and investment, and restore strategic stability. All these outcomes would be in Australia’s interests, too.
NOTES


4 To answer the question posed by The Australian’s foreign editor: Greg Sheridan, “Trump’s Transformative Moment”, The Weekend Australian, 8–9 April 2017, 18.


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