



THE CANBERRA LECTURE 2010

Dr Kurt M. Campbell

THE CANBERRA LECTURE

The Canberra Lectures recognise those individuals who, in their professional careers, have been able to bridge the worlds of academe and international policymaking. The lecture series reflects the key objective of the Lowy Institute to produce original research that combines academic rigour with policy relevance.

The 2009 lecture was delivered by Professor Sir Lawrence Freedman and the 2008 lecture by Professor the Hon. Kim Beazley. The inaugural lecture was delivered by Dr Coral Bell AO, whose career epitomises the successful union of international policy theory with its practice. Having begun her career as an Australian diplomat, Dr Bell became a major figure in the scholarly study of international policy as a Reader in International Relations at the London School of Economics and Political Science, as Professor of International Relations at the University of Sussex, and as an early and prominent member of the International Institute of Strategic Studies. She is now a visiting fellow at the ANU's Strategic and Defence Studies Centre. Her contribution is reflected not just in the great body of original research she has produced, but in her tutelage over many years of Australian diplomats, soldiers and strategic policy professionals. Dr Bell is author of Lowy Institute Paper 21, *The End of the Vasco da Gama Era*.

THE LOWY INSTITUTE FOR INTERNATIONAL POLICY

The Lowy Institute is an independent international policy think tank. Its objective is to generate new ideas and dialogue on international developments and Australia's role in the world. Its mandate is broad. It ranges across all the dimensions of international policy debate in Australia – economic, political and strategic – and it is not limited to a particular geographic region.

THE U.S.-AUSTRALIA ALLIANCE: AN ANCHOR OF STABILITY, SECURITY, AND PROSPERITY

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This essay is based on Dr Campbell's Canberra Lecture on 6 May 2010.

In its short history, the Lowy Institute has established itself as a hub in the Asia-Pacific region for advancing debate on the most pressing strategic, economic and political challenges of our time. Since its inception, the Institute has been a firm advocate of the U.S.-Australia alliance and has provided guidance to both Canberra and Washington while maintaining a political bridge between Republican and Democrat, Labor and Liberal. Following the dramatic 2010 election outcome in Australia and the re-election of Prime Minister Gillard, and as we celebrate seventy years of bilateral relations and look toward the future, one thing is certain: the U.S.-Australia alliance will remain a strategic and enduring anchor of prosperity and security, not only for the Asia-Pacific region, but for the world.

Over the past decade, the alliance has expanded into a truly global partnership, with

increased information sharing and collaboration on issues such as cyber security, counter-terrorism, and nuclear non-proliferation. As a bulwark of stability in the region, Australia has demonstrated leadership in Southeast Asia and the Pacific Islands through military cooperation with Malaysia and Singapore, assistance in Timor-Leste's transition to independence, the provision of stabilisation forces in the Solomon Islands, and many other important initiatives that are often times overlooked by others. On the basis of our two countries' strengths, together, Australia and the United States have worked to confront some of the most daunting challenges facing the international community, ranging from military operations in Afghanistan to close cooperation on climate change and providing stability and security to the greater Asia-Pacific region.

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Yet, as much as the U.S.-Australia alliance has played an integral role in promoting peace and security in the past, it will be even more vital to ensuring the spread of peace, security, and prosperity in the future. As we enter the second decade of the Asia-Pacific century, this region's dynamism and importance to both Australia and America will put a premium on close cooperation and coordination between Washington and Canberra. At this historic and exciting moment, I am honored to collaborate with the Lowy Institute in providing an overview of the state of the U.S.-Australia alliance and offer insight into how the Obama Administration views this critical partnership.

The current strength of the U.S.-Australia alliance must be understood in the context of the dynamic Asia-Pacific region. The Obama Administration entered office in 2009 with a deep and abiding appreciation of the strategic importance of the Asia-Pacific to both U.S.

national interests and the global order. As President Obama has stated, the United States is a Pacific nation, connected, not separated, by the waters of the Pacific. From our first economic engagements in the region almost two centuries ago to the breakneck pace of our economic and political interactions in this globalised and digitised age, our collective futures have become increasingly intertwined. This interrelatedness was on full display during the global economic crisis, when U.S. cooperation with key financial centers in the Asia-Pacific was instrumental to charting a global economic recovery.

In this context, we view our relationship with Australia as invaluable. Bilaterally, our two countries already enjoy a thriving economic relationship. Australia is the United States' 22nd largest goods-trading partner – our goods and services trade totaled over USD 50 billion in 2008 – and U.S. foreign direct investment in Australia reached almost USD 90 billion that same year.

The United States-Australia Free Trade Agreement (FTA) – a comprehensive agreement that covers goods, services, investment, financial services, government procurement, standards and technical regulations, telecommunications, competition related matters, electronic commerce, intellectual property rights, labor and the environment – has been in force since 2005.

The United States values Australia as an economic leader in the Asia-Pacific, a region that accounts for almost 40% of global GDP and whose innovative nations have been instrumental in fueling the global economic recovery. The stabilising and creative energy of established economic powers such as Japan, Australia, and South Korea has created vital opportunities for the region and made possible the peaceful rise of economic powerhouses in the region.

However, despite the region's significant economic growth, influence, and relative stability, the Asia-Pacific region is home to some of the world's most complex

challenges. The proliferation of weapons of mass destruction, spread of radical extremism, increasingly embattled democracies, growing plight of economic migrants, and the shared peril of climate change are but a sampling of the persistent challenges we jointly face in the region.

Critical to managing these threats is the network of alliances and partnerships that provide a framework for stability and peace in the Asia-Pacific. Undoubtedly, the U.S.-Australia alliance will continue to play an indispensable role in maintaining this framework. It will be our challenge in the coming years to demonstrate together that democratic and free-market nations provide stability and offer the most promising environment in which to foster prosperity.

The United States and Australia also have a shared interest in the stability and well-being of the Pacific Island countries.

Just this month, the United States and Australia collaborated with Papua New Guinea on a Pacific Partnership multinational humanitarian mission to

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New Britain province in Papua New Guinea, where personnel from our three countries provided medical assistance and reconstruction work. In August, I had the opportunity to attend the Pacific Islands Forum and the Post-Forum Dialogue in Port Vila, Vanuatu, and had the pleasure of personally meeting with many Pacific Island leaders, along with my Australian counterparts. The United States and Australia care deeply about these countries and are serious about working together on issues of mutual interest.

The strong relationship the United States enjoys with Australia and Japan, another vital regional leader, in the context of the Trilateral Strategic Dialogue, is an excellent example of how our bilateral relationship supports regional stability. This forum – which meets regularly in our three capitals to formulate strategies on a range of issues from counter-terrorism to humanitarian assistance and disaster relief – proves that we have the potential to accomplish more together

than can be accomplished individually. For example, in May of this year, Australia coordinated a humanitarian exercise involving participants in Washington, Tokyo, Canberra, Honolulu, and elsewhere to test trilateral communication and information-sharing mechanisms in a disaster situation. This type of cooperation and preparation will be invaluable when we are called on to respond to an actual emergency – in moments of crisis, these open and frequently utilised lines of communication will prove critical. In July 2010, Deputy Secretary of State James Steinberg met with his counterparts for the Trilateral Strategic Dialogue Senior Officials Meeting in Tokyo where our three nations were able to exchange views on the most pressing security issues facing the Asia-Pacific region. The fact that our three countries remain committed to this trilateral process, at such a high level, underscores the value of our cooperation.

Just as the Asia-Pacific region is home to some of the greatest threats to

our shared interests, it also hosts some of the remarkable economic successes of the century. Australia and the United States have shared interests in the rise of Asian powers like China and India. These powerful economic engines can help promote continued peace and stability in the Asia-Pacific and Indian Ocean regions. Both our nations have increasingly important economic and political relations with India as well as crucial economic and strategic relationships with China. For example, China is the largest customer for Australia's vast mineral resources and U.S. companies are the largest investors in those resources.

In particular, the U.S. and Australia have a strong desire to develop a stronger and stable relationship with China. Both Canberra and Washington recognise that China's growing role both in the region and globally is one of the most consequential events in modern history. We have a shared interest in getting our relationship with China right, and continue to encourage

China to be engaged internationally and play a responsible role in the international system. Increased interactions and engagement with China, through such mechanisms as bilateral dialogue and engagement in multilateral institutions, will continue to grow in importance. Providing stability in the region and serving as a security guarantor is the lynchpin of our approach to peacefully welcoming China's rise.

It is also in our common interest to nurture strong, positive relationships with emerging powers like India, Indonesia, Singapore, Malaysia and Vietnam. These nations share a common interest in a stable and prosperous Asia-Pacific, and both Canberra and Washington look to them to play an important role in regional politics.

As new actors increasingly gain visibility and influence on the world stage, the participation of the United States in Asian regional fora will become increasingly important. In November 2009, President Obama clearly articulated

America's desire to be more engaged in Asia-Pacific multilateral institutions, and he has prioritised multilateral diplomacy because he understands the benefits of working with partners to achieve common objectives. Recognising the important role our alliance plays and how successful Australia has been in enhancing its role in the Asia-Pacific architecture, President Obama has consulted with Australia and sought its input on how best to enhance American engagement and involvement with these regional institutions.

The United States has followed through on the Obama Administration's commitment to be more engaged in Asia-Pacific multilateralism by attending critical meetings and pursuing creative diplomatic initiatives. Over the last 18 months, we have signed the Treaty of Amity and Cooperation, announced our intention to open a mission and name an ambassador to ASEAN in Jakarta, and held two U.S.-ASEAN Leaders' Meetings. In addition, we have reinvigorated our engagement with

the island nations of the Pacific via high-level U.S. attendance at the Pacific Islands Forum. At the most recent ASEAN Post-Ministerial Conference in Hanoi, Secretary of State Hillary Clinton announced another major step in our deepening commitment to Asia's multilateral institutions, announcing she would represent the United States at the October 30 East Asia Summit (EAS) in Vietnam. This continues a process of consultation between the United States and EAS members which will eventually lead to full presidential participation in 2011. President Obama and Secretary Clinton understand that strong, trans-Pacific links to key regional institutions in Asia can ensure that the United States remains a critical partner in this dynamic region.

As Secretary Clinton emphasised during her address at the East-West Center in Honolulu in January of this year, it is vital to ensure that Asian regional organisations develop common agendas and have true capacities for both idea generation and, most importantly, solution

implementation in order to address regional challenges, including political and social repression. The United States looks to our alliance with Australia and other allies and partners in the region as a basis from which to define and achieve these common goals.

Already, Australia has been a critical, steadfast supporter of ensuring the United States is integrated into this vital region and its institutions. Australia and the U.S. are both members of the emerging Trans-Pacific Partnership (TPP) free trade negotiations. The TPP is a promising platform for economic integration across the Asia-Pacific region and a means for the U.S. to advance its economic interests to keep pace with the fastest growing economies in the world. Australia hosted the first round of TPP negotiations in Melbourne this past March, and the United States hosted the second round in San Francisco in June. The United States is also hosting APEC in 2011, a multilateral forum dedicated to regional prosperity and

one where we have cooperated closely with Australia since 1989.

Outside of the Asia-Pacific context, the U.S.-Australia relationship will continue to have a profound impact on the international order. One of the most important attributes of the U.S.-Australia relationship is the level of trust we share and the counsel and advice we seek from one another every day, and on almost every subject. This advice has been vital to the increasingly global nature of our partnership.

Nowhere has that trust and good counsel been better exemplified than on the battlefield and in the theatre of war. Australian and American troops have fought side by side in every major global conflict since World War One: from the dark days of the great battle of the Coral Sea to the cold winters of Korea and to the unforgiving heat of the Vietnam and Iraq campaigns. Indeed, during our greatest moment of need in the past decade – the terrible attacks of September 11, 2001

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– Australia invoked the ANZUS treaty and came to our defence. The United States will never forget that heroic act or Australia’s current, crucial role in Afghanistan, during what Australians have termed “the hard yards.” In Oruzgan Province, Australian and American forces are once again fighting side by side and reconstructing Afghanistan to further our mutual goal of a strong, stable, secure and prosperous Afghanistan that will not become a safe haven for terrorists. We know the road ahead is still difficult, and the United States and our NATO allies are deeply grateful for the sacrifices being made by the brave men and women of the Australian Defence Forces and their civilian colleagues. Your sacrifice and commitment in Afghanistan exemplify one simple but critical fact: the United States has no better friend or ally in the world than Australia.

The United States and Australia have also worked closely to counter the spread of weapons of mass destruction (WMD).

Australia was a key partner contributing to the success of the Nonproliferation Treaty (NPT) Review Conference earlier this year, which reaffirmed the value of the NPT to international security and provided a roadmap to strengthen all three pillars of the Treaty – nonproliferation, disarmament, and promoting peaceful uses of nuclear technology. Australia participated in the first Nuclear Security Summit in April, supporting President Obama’s call to strengthen nuclear security and reduce the threat of nuclear terrorism. Australia has also been a significant leader in the Proliferation Security Initiative and the Global Initiative to Combat Nuclear Terrorism, hosting workshops and exercises to help neighboring countries improve capacity to deal with WMD challenges.

Additionally, our two nations have fought hard to counter terrorists.

The Australian Government leads effective efforts to combat domestic and international terrorism, particularly in

Southeast Asia, where addressing the threat of Jemaah Islamiyah remains both countries' highest priority. Australia provides significant insight to the United States in conducting successful counterterrorism efforts and we value Australia's assistance to Southeast Asian countries to improve their counterterrorism capabilities in areas such as law enforcement, border management, transportation security, and countering terrorist financing. Together with Japan, the United States and Australia have also been steadfast partners in regular Trilateral Counterterrorism Consultations.

The United States also continues to look to Australia for its leadership role in achieving a global strategy to combat climate change. We are two of the world's most important producers of energy and energy technologies, and the world's second and fourth largest coal-producing countries. As such, it is imperative that we continue to work together on partnerships to combat climate change, enhance global energy security, support green industries,

and create green jobs in both countries.

We must continue to work together to carry out the provisions of the Copenhagen Accord by finding ways to cut emissions, promote clean technologies, ensure the transparency of national efforts, and mobilise financing so that developing countries can better adapt to climate change and invest in clean energy.

Most recently, the United States and Australia have been two of the world's leaders in responding to the disastrous floods in Pakistan. The medical personnel and aid Australia has dispatched to the region have saved countless lives. We are now entering the recovery phase of this disaster, and coordination between the United States and Australia will be essential in helping Pakistan through this difficult time.

All of these shared successes demonstrate that the U.S.-Australia relationship has never been stronger or more important, not just to our own citizens, but to global security and

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economic success. Much has changed in the Asia Pacific region since the ANZUS Treaty was signed on September 1, 1951. The relationship has weathered geopolitical transformations and has been shaped by the passage of time. Dictatorships have become democracies. Controlled economies have given way to open markets. Living standards have risen while poverty has diminished. Our strong democratic traditions have provided a bulwark against Soviet expansionism during the height of the Cold War and been instrumental in catalysing a wave of democratisation throughout the Asia-Pacific that has been critical to the region's growth and stability. Through all these changes, the fortunes of the United States and Australia have remained inextricably linked and our alliance has built on the solid foundation of our shared values and common strategic interests.

Looking toward the future, Australia and the United States recognise that our alliance must remain dynamic if it is to

remain relevant. Nurturing this dynamism requires that we offer the next generation of Australians and Americans space to articulate a vision for the U.S.-Australia alliance. I have no doubt that the young men and women of our armed services deployed together in Afghanistan today will return with a new appreciation for our enduring bond. But beyond these brave soldiers, I hope the continued exchange of young people touring and studying in our respective nations also serves as a source of friendship and goodwill that will animate the relationship in the coming decades. For this reason, we must continue to advance our commitment to youth and academic exchanges and ensure our brightest minds are being nurtured through vehicles such as the Fulbright Program. We already enjoy strong people to people ties, with our citizens visiting one another at a pace of over a million trips each year. This number will continue to increase over the years. I envision young Americans and Australians studying together in classrooms and

researchers working side by side in laboratories to discover cures, invent new technologies and deploy innovations that will bring prosperity and help heal our planet.

The spectre of the Cold War, which first bound the United States and Australia together, is long gone, but we must now face new multinational threats such as failing states and terrorism with the same energy and commitment of those dark days. Working together, America and Australia are confronting these challenges with all the intellectual discipline and technical capabilities at our disposal. As a new chapter begins for Australia, our shared willingness to address such evolving and multifaceted challenges together will continue to demonstrate how friendship and understanding between our nations can ensure security and prosperity throughout Asia and the world.

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