



U.S.-Indonesia Relations at 70: History, Policy, and the Future

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Hudson Institute, Washington D.C. Headquarters
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TRANSCRIPT

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KENNETH WEINSTEIN: Good morning. Morning, I'm Ken Weinstein. I'm president and CEO of Hudson Institute - delighted to welcome you to the Betsy and Walter Stern Conference Center on this very auspicious occasion. On behalf of Hudson Institute and our co-sponsors, the U.S.-Indonesia Society and the embassy of the Republic of Indonesia, it's my great privilege to welcome you to this special event marking 70 years of U.S.-Indonesian relations. And for those watching online, allow me, also, to thank you for joining us. The United States has played an instrumental role in supporting Indonesia's emergence as an independent nation. And today, you will hear from noted historians some of the little-known background and major milestones of past U.S.-Indonesia relations. Not without some dramatic twists and turns, we have built the foundation for a vibrant and growing bilateral relationship. You'll hear from assistant secretary of defense for the Indo-Pacific, Randy Schriver, and other U.S. officials about the maturation of this critical strategic partnership for a free and open Indo-Pacific - for the free and open Indo-Pacific region.

After only India, the United States and Indonesia are the world's largest democracies. And I congratulate President Widodo, better known as Jokowi, on his recent reelection. Since the fall of Suharto in 1998, Indonesians have demonstrated their commitment to free and fair elections. And this recent election is another contribution to this growing legacy. The United States, I should note, currently has more than \$15 billion of foreign direct investment in Indonesia, but the best is yet to come. Indonesia is now poised to move from a G20 economy, one that is currently ranked about 16th in the world, with more than \$1 trillion in GDP, to a top-10 economy in the coming decade. And it is projected to be a mid-five economy by midcentury - the opportunity for a top-five economy - I'm sorry - by midcentury. The opportunity for further growth is huge - that is, if our two democracies can come - can overcome various obstacles through persistence and creativity. We share a common interest in supporting strong, independent sovereign states, and we have a successful track record in combating terrorism and radicalization. Now, we at Hudson Institute have had a long and storied history of research on Indonesia, dating back to the 1960s, and we have done numerous joint conferences and projects with Indonesian think tank partners. We were privileged, in particular, to have a close working relationship with former Indonesian President Abdurrahman Wahid. These endeavors in recent years, I'm sorry to say, have increasingly focused on radicalism and the need to fight what has been called the Arabization of Islamic practice in Indonesia and the transformation of a once widely pluralistic and tolerant form of Islam into one that evinces, unfortunately, increasing intolerance and anti-Semitism. Now, if Americans have any general fear of Indonesia, it is that religious identities could be exploited by extremists for anti-democratic and even violent political purposes. I am sure Indonesians harbor their own concerns about the United States. Even so, I am optimistic that we can expand this strategic partnership into one of the most consequential relationships in the Asia-Pacific. Let us build that brilliant future by working together to deepen our understanding of the past.

Before we turn the podium over to an all-star panel, let me recognize the hard work of all three co-organizers for making today's event a reality. First, let me commend the efforts of Dr. Patrick Cronin, Hudson Institute's Asia-Pacific security chair, for helping to catalyze today's event. Patrick has been a superb addition to Hudson Institute, deepening our research and outreach bench significantly and particularly on Southeast Asia, on which he has worked for more than three decades and especially during his time at the U.S. Agency for International Development. As many of you here know, Patrick was actually in Indonesia on 9/11 on that very fateful morning. And I know from Patrick's recent visit to Jakarta that our outstanding U.S. ambassador

to Indonesia, Joe Donovan, shares our enthusiasm for celebrating the 70th anniversary of U.S.-Indonesia relations. Secondly, Ambassador David Merrill, president of the U.S.-Indonesia Society, has been a tireless advocate for improving U.S.-Indonesia relations with a deep commitment to education and exchange. We are so very pleased to be collaborating with David and USINDO as equal partners in today's program. Ambassador Merrill will moderate the expert history panel in a few minutes.

Finally, the embassy of the Republic of Indonesia is the third co-sponsor of today's event. I want to personally express my gratitude to his excellency Mahendra Siregar, ambassador of the Republic of Indonesia to the United States. He is an outstanding representative for his country and has the broad economic and political experience needed to build bilateral relations and take us to the next level. Let me also commend political counselor Ferry Pasaribu and the entire team at the embassy for all their help, including providing lunch for today's program. It is now my high honor to introduce Ambassador Siregar for his opening remarks. (Unintelligible) Siregar was inaugurated as ambassador of the Republic of Indonesia to the United States on January 7, 2019. He most recently served as executive director for Palm Oil Producing Countries and is adviser to the minister of foreign affairs of the Republic of Indonesia. Prior to that, he was chairman of the Investment Coordinating Board - BKPM - vice minister of finance, vice minister of trade, chairman and CEO of Indonesia Eximbank and deputy coordinating minister for economic affairs. He joined the Ministry of Foreign Affairs in 1986 and has a long track record in numerous key posts, including here in Washington and in London. So it's my distinct honor to welcome the ambassador to the podium and thank him once again.

MAHENDRA SIREGAR: Thank you, Dr. Ken Weinstein, the president of Hudson Institute. It's my great honor to have you co-host this very important gathering for us to commemorate and celebrate the 70 years of Indonesia-U.S. relations, although the official title should be the diplomatic relations. But I think it should be more proper if we say just relations because now it's not just diplomatic relations, and it's not just diplomats who build the relations. It's everybody. And for that matter, I really welcome Hudson Institute contribution in co-hosting this and particularly Dr. Patrick Cronin, the Asia-Pacific security chair of the institute, in working hard in ensuring that we have this gathering this morning. And, of course, I would like to thank David Merrill and the whole USINDO troops, I would say, that always play the most effective, I would say - this is what I'm a little bit not sure; whether we call it the second track, the 1.5 track or 1.7 track - whatever track. So now I think with the telecommunication and the IT and the Internet, this track sometimes are as important as the official track, if not, in many instances more important, especially during, sometimes, rainy days.

Ladies and gentlemen, very good morning. (Speaking Indonesian) as we say it in bahasa Indonesia. It's really my honor to be here. I've just been here in Washington, D.C., for three, almost four months now. It's been very exciting. And people always ask me whether this time - because I was here 20 years ago also during 9/11. Dr. Weinstein shared about that moment little bit earlier and asked me, what's the difference between then and now, especially within the diplomatic world? I would say 20 years ago, Indonesia was the center of the show. Sometimes, a not very good show because we had the Asia monetary crisis taking place. We had the process to Reformasi, and then, of course, we had the four times amendment of our constitution, which never happened before in the previous 50 years. And, of course, we lost East Timor, so it was a very difficult time for Indonesia. And for that matter, all eyes were on us. But this time, it's the other way around. It's our eyes on this side of the globe. And this is, I think, to put into perspective, probably as challenging for the U.S. as Indonesia 20 years ago because now, I think, it would probably change not only the future and the history of the U.S. but because of the presence and influence of the U.S., for that matter, the global situation. So that would be my take and answer to a question - what would be the difference between 20 years ago and now? And, of course, as ambassador, I have the luxury to have the ringside view of the show. Now, certainly, the official diplomatic relations between Indonesia and U.S. began in the last week of December 1949, when President Truman sent a message to President Sukarno welcoming the new nation into the world of nations and also asked Sukarno for the first U.S. ambassador, at the time, Merle Cochran, to present his credentials. So that was the beginning of why we celebrate the 70 years of the relations this year, and particularly, at the end of this year.

However, the prelude to this event was more historical, at least from Indonesia's perspective. Between 1945 and 1949, Indonesia struggled to defend its hard-won independence. The U.S., despite earlier position favoring the Netherlands as ally, at the end, had demonstrated to Indonesia and to the world that it did take side with the young republic for a good cause. We will hear more about that from two prominent historians, namely Dr. Baskara Wardaya and Dr. Robert McMahan on the historical perspective. So I don't want to go too much detail in that. But what I would say about what I learn from history is that, No. 1, Indonesia view on the U.S. always perceive from its immediate national interest. In the beginning, it was from the eyes of the fight for its independence and its effort for international recognition, and then its effort to improve and accelerate economic development. And the last part is, of course, during the transition of Reformasi and up to date. And now, as we have seen and also mentioned earlier

by Dr. Weinstein that Indonesia just had, I would say, the largest-ever presidential - direct presidential election in the world. So that would put Indonesia 20 years ago in this difficult and challenging situation and probably on the brink of collapse or disintegration. But now Indonesia, with 156,000,000 turnout voters, formally and officially is the largest presidential election country in the world. That is Indonesia. And from the U.S. side, U.S. always views the relations with Indonesia as part of its global strategy and geopolitical interest. Right after the World War II, it was viewed part of the Cold War strategy. And then after the Cold War, it's part of the single superpower strategy and, of course, more recently, during its fight against terrorism. As a result of this situation, I would say the countries have never been an ally, nor an enemy. And I would never perceive we would become an ally or enemy - in the near future, at least. Indonesians view America and Americans ranging from friends to people or culprits behind conspiracies while America and Americans view Indonesia as benign neglect to suspicious and untrusting people.

Now I think it's a different situation. With globalization, it's being questioned, and geopolitical system values are disrupted. I think we are ripe for a new strategic partnership relations. Indonesia has become more pragmatic and has played much more important in the region and globally. And I think this is where Indonesia-U.S. relations would take more equal and level playing field rather than what happened in the past. And this is the golden opportunity, which I think should be an interesting opportunity for both countries, both of the governments, but, more importantly, both peoples to make sure that this time, we'll go to the next level. And, of course, as I mentioned in the beginning, it is an important feature that we also strengthen the people-to-people relations. USINDO and some other organizations that support the economic, the social, the education, the cultural relations between the two countries are needed even more in the coming few years. And with information technology, with online communication, now not only diplomats can play a role in diplomacy; everybody can do that. And for that matter, I think it is important, despite government-to-government relations would have ups and downs, we will have much stronger people-to-people relations to ensure that this long-lasting 70 years of anniversary of diplomatic relations would not only reach its next 70 years, but even the much higher level than before. Thank you very much.

PATRICK CRONIN: Well, ladies and gentlemen, good afternoon. I'm Patrick Cronin, the Asia-Pacific security chair at Hudson Institute. While you continue to eat your lunch and take a seat, it's my distinct privilege to introduce one of the linchpins of U.S. regional policy. The honorable Randall G. Schriver is the assistant secretary of defense for Indo-Pacific security affairs, a post he was appointed to by President Trump more than 18 months ago. He recently oversaw the first Indo-Pacific Strategy Report released by the Pentagon last month. His government experience in regional security affairs is long-standing. A former active Navy intelligence officer, Schriver once served as an attache at the U.S. embassy in Beijing. During the Clinton administration, he served in the office of the secretary of defense, where he managed the daily relations with the People's Republic of China's PLA and ties with Taiwan. In the George W. Bush administration, he served as chief of staff and senior policy adviser to the deputy secretary of state before becoming deputy assistant secretary of defense for East Asian Pacific affairs. And prior to this latest stint in public service, Randy was CEO and president of the Project 2049 Institute, one of five founding partners of Armitage International LLC consulting firm. So that's what the resume says. But let me just tell you in three sentences that this is a man of deep integrity, of fairness, of tolerance, a man who is a courageous public servant, a smart man. I don't know any harder-working experts on Asia-Pacific security. And it's really just a great privilege to be able to introduce Randy Schriver. Please welcome him.

RANDALL G SCHRIVER: Well, that was a very kind introduction. Thank you very much. And great to be back at the Hudson Institute, particularly on this occasion. Very great occasion to celebrate the 70th anniversary of our diplomatic relationship and talk about where we stand as a partnership and where we may go in the future, particularly on the defense side, which, of course, is the portfolio we work. I know you just had a panel on the history of the relationship, so I guess we're the - we did the history. We'll do the present. And then there'll be another panel on the future. But I want to be future-looking as well because we're very bullish on this relationship and believe that this shared foundation of history and interests and values positions us well for cooperation going forward. So at our Department of Defense, we just released our Indo-Pacific Strategy Report at the Shangri-La conference. Of course, just prior to releasing that, our then-Acting Secretary Shanahan stopped in Indonesia, felt it was important to have that discussion, even prior to rolling out the report and making his speech at Shangri-La, and underscore the importance of the relationship. But let me say a few things about our vision for the Indo-Pacific and where this important relationship fits in from our perspective. So our report is the DOD implementation of the whole of government Indo-Pacific strategy. So we do talk about the same concepts - promoting a free and open Indo-Pacific, talking about the enduring principles, respect for sovereignty, no matter how large or small a country may be, peaceful approaches to dispute resolution, upholding international law, international norms. So DOD has a role in supporting and promoting and all that. But we also believe that this echoes the Indo-Pacific outlook, which Indonesia's, of course, played a key role in developing and being a leader and being the convener for those discussions as ASEAN has developed its vision.

So again, we see a lot of convergence and alignment when we talk about these enduring and inclusive principles. In the Indo-Pacific Strategy Report, we talk about three lines of effort. And we - our own branding - we use three Ps. You've got to have a little branding so people remember. We talk about preparedness, partnerships and promoting a network region. Preparedness, of course, means having the appropriate force for the 21st century security challenges, so how we make our joint force more lethal and oriented toward the emerging challenges, particularly the reemergence of great power competition and near-peer competitors.

We think it's important to have capability and understand widely that you could prevail in a conflict in order to prevent a conflict. It is our - at the core of our deterrence strategy. With respect to how Indonesia supports that, Indonesia's an important partner for us in exercising. Last month, Cope West, the bilateral Air Force exercise, provided the opportunity for the U.S. and Indonesia's F-16s to train together, thereby enhancing our interoperability and making our joint force and our partnerships more lethal. Later this month, we'll kick off a bilateral naval exercise with Indonesia called CARAT. This exercise focuses on maritime domain awareness, interoperability, the ability to conduct ship seizure - pardon me, ship search and seizure missions - and underwater demolition. For next year, we're working with Indonesia to expand the Garuda Shield, our premier bilateral Army exercise. And that exercise will bring together up to 1,500 soldiers for small-unit tactics practice, airborne operations, combined arms operations and live-fire exercises. The second P, as I mentioned, is the partnerships. We're reinforcing our commitment to established alliances, but also emerging partners. And this very much has our relationship with Indonesia in mind. We're proud to be Indonesia's largest military engagement partner, and we derive mutual benefit from this bilateral security cooperation. The United States conducts more than 240 military engagements with Indonesia annually. Common platforms, such as F-16 fighters, Apache helicopters, and C-130s, enhance our interoperability. Counterterrorism is a critical component of our defense relationship, and this includes civilian-military cooperation and focuses on human rights and rule of law.

And our counterterrorism is especially important because of the threat of radicalized fighters returning from the war zones of Syria and Iraq. As a result of this threat, DOD recently announced expanded training for Indonesian counterterrorism forces. Dozens of Indonesians have also received education at U.S. military schools, and that's largely through our IMET program - we partner with State Department on that - the International Military and Education Training program. And now these graduates include some of the highest-ranking officers in Indonesia, including the chief of the Indonesian army and the chair of the Indonesian coast guard. Indonesia's the largest recipient of these IMET funds in the region, and we hope to continue and expand that. The United States also appreciates Indonesia's support to the recovery efforts for U.S. personnel lost during World War II, and we look forward to expanding that cooperation. Beyond defense, both the U.S. private sector and government as a whole are actively invested in Indonesian - I know my colleague from State Department will talk in greater detail about that. The third P, the promoting a networked region, involves dealing with the security challenges we face in the region, which are inherently multilateral, increasingly multilateral, requiring multilateral responses. The department continues to cultivate intra-Asia security relationships that support common goals, including maritime security, counterterrorism and counterproliferation.

At the U.S. Department of Defense, we have responsibility for implementing the Maritime Security Initiative. This initiative authorizes training, equipment and supplies for several countries, including Indonesia, to enhance their ability to see, sense, share and contribute to maritime security and maritime domain awareness. This helps create a credible regional maritime picture and, ultimately, to retain freedom of maneuver and freedom to access the global commons. The United States doesn't have to be a part of every hyphenated organization and grouping in the region, but we seek to enable and promote intra-Asia security where we see it's supportive of our goals. And in that light, I would mention the Indonesia-Malaysia-Philippines trilateral patrols in the Sulu Sea. We're also encouraged by Indonesia's effort to establish Our Eyes, a platform to improve strategic information sharing among member countries. We also, of

course, in our Indo-Pacific Strategy Report, underscore the importance of ASEAN centrality. We work with ASEAN as a whole, as well as its members, and would note that we look forward to Indonesia participating in the ASEAN-U.S. maritime exercise in September. This will be the first of its kind, which will help build an interconnected Indo-Pacific. So again, our strategy aligns, we believe, with the Indonesian-led ASEAN Indo-Pacific outlook. And we'll continue our discussions to take that alignment that we see and operationalize it in terms of how we implement our relationship and the various activities. I'll have a chance to travel to Indonesia next week to continue those discussions. But this is a relationship that our department is very committed to, and, again, looking forward, we see a lot of potential. So in closing, the United States, along with our like-minded allies and partners, will remain fully engaged in the Indo-Pacific and work closely with regional institutions, especially ASEAN.

But in particular, we're focused on building out the relationships with great potential like Indonesia to ensure that the rules-based international order, not coercion or force, dictates the future of the Indo-Pacific. The recently signed joint statement between the Department of Defense and the Indonesian Ministry of Defense states, quote, "the strong and resilient Indonesia-U.S. military relationship is founded and guided by principles of equality, reciprocity, respect for international rules and norms, respect for territorial integrity and sovereignty and pursuit of mutual interests." If you oppose any of that, I think you're opposed to the wrong principles for the future of this important region. In fact, these principles will carry us into the next 70 years of our strategic partnership, which promise to be productive, mutually beneficial and successful. Everything I've discussed today - our history, our exercises, training, foreign military sales and more - this is just merely the beginning of what we expect to be a growing and deepening relationship between our two nations. So Patrick, thank you for the opportunity, and look forward to any questions or comments or criticisms. But thank you for allowing me to be a part of this discussion.

CRONIN: Randy, thank you very much. You want to just stay up there? Use that microphone...

SCHRIVER: OK.

CRONIN: ...If you will. Thank you so much for sort of providing the present policy. Of course, Randy actually took a history degree, his first degree. Before he was at Harvard, he was at Williams doing a B.A. in history. So he appreciates the first half of this program, as well, David. And we want to just take a few questions because we are very short on time. We're mindful of the time. Our officials are going to have to rush back. And Mark Clark is waiting to speak next after this. But I want to take a few questions with Randy Schriver. Do we have a microphone ready to go out there? I see my colleague.

AUDIENCE MEMBER: Thank you. Thank you for an interesting presentation, Randy. My question is very brief because when you look at the U.S.-Indonesian history, it's very complicated, and you never quite seem to manage to get past the barrier of a close partnership. At the same time, Indonesia, like you also said, is a key country in the current order - Asia - Indo-Pacific order. It's a democracy. It's an economically growing country, et cetera. It's not tied in with China, although it has a relationship to it. It's not - you know, it's not communist. It's not all of these things. How can you get past this barrier to create, you know, a lasting and stable relationship that won't have these ups and downs that we've seen historically? Thank you.

SCHRIVER: Yeah.

CRONIN: You want to just think about that for a minute? Let me take one or two other questions and just get them in because we're just so short of time. Do you want to ask a question? You have a microphone?

AUDIENCE MEMBER: Yup. Thanks a lot, Patrick. Randy, thanks for the presentation. I wanted to ask you a question about the elaboration on the convergence and alignment between the Indo-Pacific Strategy Report, as well as ASEAN's strategy that has come out. The ASEAN document is much briefer, as you know, relative to the Indo-Pacific Strategy Report. But you and other officials have been talking about rather than talking about this as an opposition between the United States and China, we need to get alignment on a series of principles that all countries, or most countries, can get alignment on. Has there been any traction or conversation by the administration and other countries in the region about how we might get some sort of document or more formal appreciation for these principles and maybe operationalizing that as a sense of how we can talk more concretely about the rules-based order in terms of principles? Thanks.

CRONIN: I think those are both big, rounded questions for you, Randy. I think that's all we're going to have time for, if we have time for those two, which is sort of, how do you build a lasting, sustainable relationship beyond the partnership with Indonesia? And then how do we get closer alignment with Southeast Asia in general, ASEAN in particular, given our U.S. Indo-Pacific strategy?

SCHRIVER: Well, I think, in a way, they're related questions. I would say any relationship is going to experience challenges, perturbations along the way. I think what helps us, to use your words, break through and arrive at a point where we have a stronger, closer partnership is focusing on the strategic landscape and focusing on where the real shared challenges are because they're immediate, and they're quite significant. So when we look at counterterrorism challenges, when we look at maritime security, maritime domain awareness, these are not sort of hypothetical. We don't have to go to a academic setting and talk about whether or not we're aligned. These are real, immediate challenges that we have capabilities we can bring to bear. We have interest in what our partners can also bring to bear. And I think that strategic landscape is going to drive us closer together over time. But, yeah, there'll be, as I said, perturbations along the way. That's natural in any relationship. But I think the conversations that we're participating at the government level show a lot of alignment on some very important strategic issues. So that makes me confident on the way forward.

And I say it's related because I think this is true, more broadly through ASEAN. You know, we can acknowledge within ASEAN there may be different views. There may be, you know, different states of relations with China. But China's important for everybody and important for us - important trading partner. So we don't come to the table saying, choose Washington or Beijing. In fact, as I said the other day, and I think you were there, Prashanth, but, you know, don't think about it as choosing Washington or Beijing but can you choose protection of your own sovereignty? Can you choose peaceful dispute resolution? Can you choose international law and international norms? If you can choose these things, you - don't worry about Washington versus Beijing because you'll be with us because we're not seeking your - control. We're not seeking anything that's illiberal or against the interests of the citizens. In fact, we want strong, prosperous, autonomous, sovereign partners. That's all we are really seeking. So set aside the context, which I think is being promoted by Beijing, in fact, to make countries feel uncomfortable, that we're forcing a choice, and think about the enduring principles. And I think

whether that results in a document - I don't think we've sort of gone to those - that level of specificity, but we'll continue those conversations in our U.S.-ASEAN engagement. We have the ADMM-Plus coming up, as we do every fall. And we'll talk about that in a U.S.-ASEAN context. But we're on a good foundation for cooperation. And, again, I think sticking with those enduring principles that are widely shared, if not universal, gives us the best chance for operationalizing the relationship with ASEAN as a whole, as well as its member states.

CRONIN: Thanks so much to Randy Schriver for those remarks. It's a very important point to end on. Sorry time is so short, but we're delighted that Mark Clark, acting deputy assistant secretary for Southeast Asia and the Bureau of East Asian and Pacific Affairs of the Department of State, is also with us and has a few minutes to give us a chance to think from the diplomatic perspective about the future of this important relationship. I invite you to read Mark Clark's resume. He's one of the most decorated foreign service officers I know right now who is just steeped in Indonesia, and Southeast Asia in particular. There's no wonder why David Merrill, our co-sponsor here, along with the Indonesian Embassy, our other co-sponsor, reached out to him early on to say we need Mark Clark up here to say something about the importance of this relationship on the 70th anniversary year. So, Mark Clark, without further ado, please come up.

MARK CLARK: Thank you so much, Patrick. Good afternoon, everyone - and to express my deep appreciation to Ambassador Mahendra, Indonesian Embassy, Hudson Institute and USINDO for hosting this special event. It's great to see so many friends and colleagues in the room this afternoon. And it's a true pleasure for me to speak - personally, to speak about the strategic partnership between the United States and Indonesia. As you know, today's program is timely and valuable. Our 70th anniversary is an opportunity to reflect on our historic friendship and ties, but also, importantly, a chance to understand the strategic partnership between our two nations and identify the opportunities we have ahead. Now, I know a common wisdom is you should only convey sort of three major points in your - to your audience. Instead, I'm going to give you six and hope that you agree with me at least half the time. These six observations are ways that I think may be helpful to frame our thoughts about our strategic partnership with Indonesia. First, the basis of the U.S.-Indonesia partnership has evolved and expanded beyond simply shared strategic interests, although those remain important, but to include shared principles. And Randy Schriver, I think, really got into that in a very useful way in his address.

Now, it's been my privilege to intersect with Indonesia now over four decades - since the mid-1980s - and I've had the honor of witnessing the evolution of the relationship from various aspects. Now, the United States and Indonesia worked together during the New Order, often as a - on the basis of shared strategic interests. In the past 20 years, Indonesia's emergence as a vibrant democracy has expanded and strengthened the foundation of our partnership. I guess Ambassador Mahendra and I can have a great debate about which of our countries is the second or third-largest democracy in the world. But that's a wonderful argument for us to be able to have at this point in time. Regardless, we now share principles and commitment to democracy and good government - good governance, respect for human rights, in addition to promoting stability and prosperity in the region and beyond. While we don't have identical views on every application of these principles - and no two countries will have identical views - the expanded basis of our bilateral partnership bodes well for its longevity and potential. And I think that speaks to one of the earlier questions that was raised. A second observation - even as the foundation of our partnership has expanded, Indonesia's role, regionally and globally, clearly has evolved, adding a stronger impetus for our strategic partnership. Regionally, Indonesia has long been a leader in Southeast Asia. And today, more than ever, we recognize that dynamic role that Indonesia can and does play in support of ASEAN unity and centrality and the promotion of stability in the evolving strategic context. As Randy mentioned in his remarks, Indonesia's initiative to forge a shared ASEAN vision of a free and open Indo-Pacific region stands as a very fresh example and welcome example of such leadership. This led to ASEAN's adoption of their own Indo-Pacific outlook, which, like our own Indo-Pacific strategy, endorses

important principles of international law, good governance, transparency, as well as ASEAN centrality.

We recognize Indonesia's growing leadership on a wide range of global issues - important global issues. There are many examples, and these will be very familiar to all of you. Indonesia, of course, is a member of the G20. Indonesia, consistently an active member of the United Nations, is a top source of U.N. peacekeepers. Indonesia is currently serving a term on the U.N. Security Council, where we are very pleased to coordinate closely on the top issues facing the world, including the denuclearization of North Korea and counterterrorism. Last year, Indonesia hosted the Our Ocean conference and continues today to marshal key global attention and resources to address marine debris and illegal unreported and unregulated fishing. We certainly appreciate the special role Indonesia can and does play as a positive example where Islam and democracy not only coexist, but thrive. And Indonesia's application of this to real-world problems, such as their efforts to support peace in Afghanistan, are highly valuable and promising. So in sum, Indonesia's growing regional and global roles increase the scope and importance of our strategic partnership. Third, our strategic partnership with Indonesia is a priority for the United States in the context of our Indo-Pacific strategy. Recognizing that Indonesia is a key partner for the United States in the Indo-Pacific, it's certainly no accident that on their first trips to the region, our vice president, our secretary of state, our defense - former defense secretary and acting defense secretary all traveled to Indonesia this - in their first trips to the region. We welcome this continued high-level engagement between our two countries. Indonesia intersects in major ways with all of the pillars of our strategy, from security to prosperity to transparency and good governance. All of our lines of effort under the U.S. strategy have relevance, we believe, to our strong and strategic partnership with Indonesia. While we've had a number of captain and leader-level engagements with Indonesia in recent years, we also hope to hold our first ministerial-level strategic dialogue as soon as practical to seek ways to further bolster the partnership.

This dialogue would present a more holistic opportunity to advance our bilateral relationship, increase economic engagement and advance shared global policy priorities - and certainly within the Indo-Pacific region, as well. As a fourth observation, the scope and breadth of our engagement with Indonesia continues to expand. U.S.-Indo - engagement with Indonesia is both broad and deep. We have productive counterterrorism and defense cooperation, impactful development programs, maritime security cooperation, growing science and technology ties. I'll cite just a few examples. In April, I was very pleased to participate in the first-ever U.S.-Indonesia civil space cooperation dialogue - civil space cooperation dialogue. This is a wonderful opportunity to reinvigorate cooperation on aerospace research and stimulate new commercial partnerships. In May, we signed a bilateral health agreement promoting cooperation in emergency preparedness, disease prevention, health research and development. One of our first joint goals is to work with local partners in making Indonesia free of tuberculosis by 2030 under this new health agreement. Earlier this year, we announced a second Millennium Challenge Corporation compact with Indonesia. And I believe we have colleagues from MCC here, so they can speak directly and authoritatively to that. But MCC team has already sought - has gone out and sought the input and guidance of the Indonesian government and stakeholders for the second compact's design. So that's very promising. Many of you will be familiar with the Young Southeast Asian Leaders Initiative, which we call YSEALI, which brings inspiring young leaders from the Southeast Asian countries together to make positive and lasting changes in their communities - for example, in the areas of entrepreneurship, women's

leadership and preventing marine debris. It's astounding that more than 35,000 Indonesians belong to the YSEALI network, which, region-wide, has more than 150,000 participants. And as Randy Schriver has already discussed in his remarks, the U.S.-Indonesia security cooperation has never been more comprehensive. As Indonesia's largest military engagement partner, we seek to increase our joint preparedness and capacity, such as responding to disasters where U.S. expertise - whether it involves early warning systems, lift capabilities or disaster education - can help save lives. And Randy has mentioned many other important areas in our military engagement. So these are just a few sample highlights of the scope and breadth of U.S.-Indonesia engagement. The bottom line is that we're doing more together in a greater number of areas in which has become a rich and broad partnership.

No. 5 - and this where we look a little bit more to the future. And I'll just mention - highlight one particular area - but we don't see our strategic partnership as static - not at all. But it's something dynamic and growing. We recognize we need to identify and act on opportunities that are before us and not take things for granted. Not long ago, I had the distinct honor of joining many of you in helping USINDO welcome Master Mahendra to Washington. And I took the opportunity to highlight a particular challenge that we have, jointly, to strengthen our economic ties. Deed - I believe we have a special opportunity to advance a far more significant, balanced, bilateral economic and trading relationship. Given the size of our respective populations and economies, I think we have to realize that we do have a lot of room to grow. We should be able to increase our bilateral goods trade from the roughly \$29 billion to a much larger figure, one that better reflects the size of our markets and the depth of our cooperation in other areas. The extent and type of our two-way economic engagement will form an important bedrock for our long-term partnership.

One great example of growing economic engagement is the area of innovation and digital technology. While the United States is the birthplace of many digital technologies, it is evident that the future of the digital economy is also very much taking shape in Indonesia. In a few short years, Indonesia's digital economy has become a leader in the ASEAN community. And according to a 2017 Google-sponsored study, Indonesia has the fastest-growing Internet economy in the world. Indonesian online companies like Go-Jek, Tokopedia, Traveloka are becoming household names like Google, Uber and Facebook. U.S. companies, including Google, are helping to build up the talent of the Indonesian workforce with digital literacy and skills training to address the shortfall of 600,000 workers every year in the digital economy. Working together, U.S. and Indonesian innovators can and indeed are changing significant aspects of our countries' economies for the better, making farms and factories more competitive, making cities smarter and safer and creating new partnerships. The opportunities these create for both countries are tremendous. So I recognize my comments in this area only highlight one broad but very important priority area where we have room to grow with a strategic partnership. There are many others that intersect with education, science and technology and other fields, along with our strategic cooperation on evolving and emerging global challenges. Sixth and final observation, if you will - our strategic partnership is much more than government-led efforts. The ties between our two countries are much more than what our governments do together, how many meetings we have and official agreements we reach. The full strategic partnership is about our private sectors, working together. It's about our civil society, academia, think tanks. It's about our students and teachers from each country. It's about exchanges and events like the one that you all are so gracious to host today. More than anything else, it's about our broad people-to-people ties. Sometimes, officials and governments have a role in

encouraging and facilitating this rich array of ties. But more often than not, the leadership and hard work comes from people like you, who are pushing the relationship forward in new and dynamic ways.

This wealth of connections should be expanded and shared. Lessons and views from the private sector and civil society should also inform the government's roles and where we take the strategic partnership in the future. As part of the 70th anniversary, our embassy in Jakarta, Ambassador Donovan and his team launched a digital platform - indonesiausa70th.com - indonesiausa70th.com. This platform illustrates the work our citizens are doing side by side in tackling the challenges of the 21st century, and it's a celebration of the people-to-people connections that are the foundation of our strong partnership. I encourage you to take a look at that site. In closing, I'd like to emphasize that the United States is committed to expanding our bilateral engagement and strategic partnership with Indonesia. Following Indonesia's successful national elections earlier this year, we look forward to continuing our work with President Jokowi and his team to advance our shared goals. We feel, ourselves, fortunate to have such a dynamic partner in the Indo-Pacific. As two of the world's largest democracies, we also share responsibility and compelling national interest to address strategic challenges on the international stage to - and address them together as strategic partners. Thank you very much for this opportunity.

CRONIN: Thank you very much.

CLARK: Patrick, I apologize. I probably...

CRONIN: I know you've stayed longer than you were meant to. And I hope we're not getting you in trouble at the White House or the State Department. I did want to say on behalf of all three organizers, we deeply appreciate your diplomacy, what you're doing and you and your colleagues as well. So thank you very much, Mark - appreciate it.

CLARK: Appreciate it - thank you.

CRONIN: We're going to reset the stage here very quickly. Please stay here. But I'm going to ask the final panel to move up to the front of the stage while we put microphones up here. I think - Sean, is that all right? Ambassador Blake, have you got a microphone already? And David and ambassador...

: (CROSSTALK)

CRONIN: Ladies and gentlemen, while we're waiting for our final two speakers as they are fitted with microphones - they're about to come up. Here they come right now - Jenny Schuch-Page and Lori Abele both here now. Thank you very much. Lori, if you want to take their position there - yes. Wonderful. Thank you. Well, thank you again for this fabulous day that we've had. We're now going to try to use the last 35 minutes or so, 40 minutes of this program to talk about the future. And we've got a great panel to do it. I'm not going to waste any time. I've really asked them to make a couple of minutes - you know, brief remarks, at least initially, about just the broad question about what do they think about the future of U.S.-Indonesian relations. And if they want to focus on a particular area of the biggest opportunity and how to overcome any challenges to acquiring it, that would be terrific. But it's really up to them to give a short intervention here. Initially, we're going to go down the panel, starting with the very distinguished Ambassador Stapleton Roy, former ambassador to many countries, but most notably Indonesia

in this context, and one of our great career foreign service officers who really reached the pinnacle of diplomacy in the U.S. government - is now at the Wilson Center - among many other accolades and responsibilities. So Ambassador Roy, over to you, sir.

J STAPLETON ROY: Thank you. We're looking in the future, but the panels this morning are so important because we can't think intelligently about the future without taking into account the lessons of the United States. The U.S. relationship with Indonesia - has having its successes and failures - we need to understand why we succeeded in some cases and failed in other cases. So we supported Indonesian independence - the democratic elections in 1955, which we welcomed. Indonesia wasn't ready for democracy. Within three years, we went to guided democracy, which was just authoritarian rule. We were involved in the 1958 uprising in Sumatra - total failure - set back our own interests in Indonesia very significantly. We had to transition to Suharto, the Berkeley Mafia. That was the period that led to the enormous economic development of Indonesia, which paved the way for the success of the 1999 elections that brought democracy to Indonesia successfully, to the surprise of the Indonesians themselves. I couldn't find an Indonesian before Suharto fell who thought that Indonesia could make a successful transition to democracy. They did it themselves. We gave them significant support. It was totally driven by the Indonesians. We had no favorite candidates. It was not a color revolution - very important lesson from that. And we need to not forget the history of non-alignment by Indonesia during the Cold War. So let's look ahead. The success of U.S. policy in East Asia, I would argue, hinges on how well the United States handles two key issues - the challenge posed by China's rise and, secondly, Indonesia's orientation in the balance of power that's emerging in East Asia. We can influence both, but we have to manage those two factors so that they don't work against each other. A confrontational U.S. approach to China will inevitably lead to U.S. pressure for East Asians to choose between the United States and China, a choice Asians do not wish to make, including Indonesia. Imagine trying to organize the NATO alliance in the late 1940s if the Western European countries at the time all had more trade with the Soviet Union than they had with the United States.

All of our friends and allies in East Asia have more trade with China than they have with the United States. We sometimes forget that. When we pulled out of TPP, when we talk about disengaging the U.S. economy from China's economy, when we talk about breaking up global supply chains, how do the Asians react to that? To what extent are we reflecting an interest in their economic interest, as opposed to our own narrow interests? Consider the geography of East Asia, where none of the maritime powers and most of China's continental neighbors do not wish to see East Asia dominated by China. Constructive U.S. engagement in East Asia, economically, politically and militarily, will be critically important to achieving this goal. At the moment, the United States is behaving as though it is blissfully unaware of how its policies are driving our two main strategic rivals, China and Russia, closer together. It's almost as though we're seeking to test the validity of two conflicting strategic concepts that heavily influenced geopolitical thinking during the last century. In 1904, a prominent British geopolitical analyst, Halford Mackinder, put forward the hypothesis called the heartland theory that any nation or group of countries that dominated Eurasia would ultimately dominate the world. In opposition to this concept, the American naval officer and strategist Alfred Thayer Mahan postulated the countries holding the dominant sea edge and sea power would be able to offset the geopolitical advantage of whomever controlled the heartland of Asia. So in essence, we're seeing in East Asia a test of which of those theories is more valid. Indonesia is the key to a successful U.S. maritime strategy in the Indo-Pacific. I used to be asked by secretaries of state, why is ASEAN

important? No one can ask that question now when you are thinking in terms of Indo-Pacific strategy in which Indonesia is not only the hinges, the valves from which all of the traffic passes within two regions.

So a successful maritime strategy has to take Indonesia as the core of that strategy. And that means our strategic relationship with Indonesia has to be viewed as more important now than it has been in the past. But if we can't manage the relationship with China without pushing Asians into making a choice, we cannot count on Indonesia as that critical pivot that we need to have a good relationship with because Indonesian interests will not be in favor of push toward alignment. So I think we have a successful potential strategy in East Asia. But the test will be whether we can carry it out.

CRONIN: Thank you very much. And you can just hold onto that microphone because I think your mic was not working. But the others' lapel mics should work just fine. And I love how Stape Roy (ph) was able to play both the future back into the past and the present. So he's covered the whole program today.

(LAUGHTER)

CRONIN: We turn now to Ambassador Mahendra Siregar, from whom we heard some eloquent remarks at the opening of today's session. But Ambassador...

SIREGAR: Thank you, Patrick. I think what we learned from this morning session - and I also made that in my morning remarks - is that why the history was challenging for both sides in many events but not necessarily the whole 70 years, as we listen to the historians in particular. I think it's quite common that people focus on the negative sides or the breaking news elements, as they call it now, while take for granted the good relations and strong understanding and collaborations along these 70 years. What happened is that, as I suggested, Indonesia perceived the U.S. from its immediate national interest perspective, and that was fight for independence and get the international recognition at the beginning and then, of course, to promote economic development and prosperity for the people from '65 until Reformasi. And then, of course, Reformasi era is to promote democracy, human rights and other values that we have now chief today. So these are the Indonesian perspective. But from the U.S. side, it's always about geopolitical calculation, where Indonesia is directly or indirectly - is being taken as a factor within that bigger picture. And that's why it takes some time for the U.S. to digest, to comprehend and to listen to the people in Indonesia themselves. Then, they realize it's not always one-size-fits-all solutions for this global politics. And then they start appreciating more Indonesian perspective now. Today and future - because for me, as ambassador, when I talk about the future, the future starts this afternoon and tomorrow and until my tenure ends, so whatever you call it - it's present, future, but for me, that's the future - it's easier, actually. I understand that - a question earlier said that it's more complicated. My take on that - on the contrary, it's easier because I think we have passed that misunderstanding and riskier situations in the first 70 years because now we have shared principles. We have shared values.

And we know each other better than before. And as you listen to all the presentations up to this afternoon, the raise of collaborations, cooperations at all level - official level - well, let that be strategic level, sectoral sides and then military, counterterrorism, every single thing - maritime. And even now, we share some similarities in looking at the geopolitical and regional strategic issues like the Indo-Pacific aspect. So I think we have covered that stage. Now it's more about how to fill in the boxes of the strategic partnership. And this is where I think the two leaders and

the two administration governments play a big part of that. Now people said that, well, on the Indonesian side, the leader is more pragmatic. And on the U.S. side, the leader is more transactional. And it might say, on that, it's easier then. They speak the same language. And I understand the language, coincidentally, because my first 14 years of career was with the Ministry of Foreign Affairs, and my 17 years afterward is with the economic finance, trade business, Eximbank. So I understand the language. And I can share with you, they speak really the same language so that I can go back and forth without any translation and interpreters. So that is a big leverage in itself. So on that note, what we need to do is actually to ensure that this happen not only at the leaders' level but on all levels of the government bureaucracy. And to do that, unlike in the past, we can do several things. One - we can start now speaking or discussing and negotiating eye to eye, face-to-face. In the past, it was not possible because we - as I said, we had different priorities, different interests and different principles. Now we have the same thing, so we can talk and speak straightforwardly. Still not easy for some Indonesians, especially from - for the Javanese. But, again, I'm not a Javanese, so I'm easy.

(LAUGHTER)

SIREGAR: So for me, it's just talking with anybody that you have - with the same mindset. In the past, when America said, well, I don't like this, that could cost one or two years - turbulence of diplomatic relations. And now, if they say, show me why you don't like it, for me, this is better. Oh, OK, then. You see? This is a different language, the different communication capacity and the different effectiveness in doing diplomacy in this case. While, on the - again, the geopolitical regional interests and in many instances, multilateral issues are still now being sometimes questioned or revisited or challenged its relevance. These are all - for all countries in the world. I don't think it's only relevant to Indonesia or the U.S. And I think we have to ask that questions as well. But then, of course, we need to present the solutions at the same time. That's why the issue of the Indo-Pacific outlook is very critical. And look how fast that Indonesia has come with the idea and then promote that within ASEAN. If you think getting ASEAN unity in that kind of strategic view and document is easy, well, you certainly don't know ASEAN at all.

(LAUGHTER)

SIREGAR: So it is not easy. And then look what happened. Just a couple of weeks after it was officially announced, we got the full support statement by the U.S. administration. See? As I said, it's no longer a tough job like in the past.

(LAUGHTER)

SIREGAR: Now it's very transparent. It's very open. It's very online. So you can be part of it anytime. Now, why that can happen? I think another element that we - lesson learned from the past is that now both sides see each other in a more equal playing field. And I think this is very important. This is not about one look at the geopolitical and then just the other one as part of the bigger picture. No, I think it's more equal. And this is where I think the stake is very high to ensure that we do that sustainably. The last part - again, I don't want to undermine. And in fact, I want to even underline importance of the 1.5 or the second track or the people to people or the business-to-business world, for that matter, relations because they also part of the same shared principles, shared values, communities, and countries and nations. So they should speak as frank or even much more frankly than the officials. This is not easy because there were some misunderstandings and some misperception about one with the other. But that's fine. Don't worry if Indonesians look at the U.S. or Americans and its popularity or level of polling is not that

high because we always use the same view for other Indonesians anyway, so don't take it personally. So that's something that we have to work further. But I think we also have to invest and invest big deal in the younger generation that will really affect and influence the relationship in the future. And maybe I could speak the language of the current or the present governments and leaders, but I don't pretend I can speak the language of the millennials, which I still have problems in - at home anyway. So...

(LAUGHTER)

SIREGAR: That is something we have to invest and invest a big amount because while we have to capitalize and enjoy the benefit of the 70 years in the past in ensuring that we achieve a lot of things between now until, let's say, the five, 10 years, but we should never take that for granted and overlook not investing in our younger generation. Thank you.

CRONIN: Mr. Ambassador, thank you very much. We were so...

(APPLAUSE)

CRONIN: ...So fortunate to have Randy Schriver, the assistant secretary of defense, here for over the lunch period. But it's even better to have the person he turns to for expertise on Southeast Asia, the director of Southeast Asia, Lori Abele, to think about the future. Lori?

LORI ABELE: Thank you. And thanks for the chance to be here today to talk about one of my favorite subjects, Indonesia, as well as Southeast Asia more broadly. And I'd like to highlight three, I think, foundational elements to where I think, at least on the defense and security side, we could move forward together in the near term. One is highlighted by Indonesia's leadership in developing ASEAN's Indo-Pacific outlook and the alignment of the principles that you see between that and the U.S. in free and open Indo-Pacific strategy. And I think the common foundation principles of respect for sovereignty, the peaceful resolution of disputes, fair, free and open trade - there is a lot of common ground to build on. And I think there's much more, as I think everyone this morning has pointed to, that unites us than divides. The second is what the Defense Department's own priorities are for ASEAN, which is really building interoperability and capability among our defense and security partners within ASEAN. I think those are things we invest in to help each country be able to preserve their own independence, freedom of maneuver and to uphold their sovereignty. We like to think that we're a partner who's not just doing the things that most benefit our nation, but we're finding the sweet spot on every occasion of what benefits each of our partner nations in turn. The third is Indonesia's own leadership role. As the largest military within ASEAN, as the 11th-largest peacekeeping provider in the world, you have so much capability capacity and really are looked to as a leader already. I think there are a lot of areas where, using those three foundational elements, we can go together.

One I'd like to point to is pointing to President Widodo's own maritime fulcrum vision. There is so much in the maritime space that is not only important to safeguard and secure but is also important to capitalize on Indonesia's own investments and capabilities. I think that, going forward, investing in new technologies - whether it's to provide maritime domain awareness that helps each partner country make sovereign choices and really uphold their sovereignty, multilateral cooperation and exercises in particular, where, again, we focus on interoperability, common communications. And I would point to Indonesia's trilateral coordinated patrols with Malaysia and the Philippines as a good example of the type of practical cooperation that we'd all like to build on, where there's a real-world challenge or a common threat that we've defined, and

we're able to find really productive ways to work together. Indonesia's own leadership, again, on our eyes, within ASEAN and proposing strategic information-sharing among the ASEAN partners, is something that we'd like to both support, enable, but really see what we can do to build on it as partners, take - survey the threats that they face, and then we analyze together what we can best do to address those challenges. I think that exercises, not only bilateral ones where we work on interoperability, we each improve our own lethality and capabilities. But multilateral exercises in particular are another key space for cooperation in the future - again, using Indonesia's capabilities that exist to project those to other partners in the region, invite - whether it's something like a new major regional exercise that Indonesia could host, lead.

But I think the United States is looking for areas that we can enable ASEANs to cooperate together with or without us. We'd like to be there. And certainly, any time we're welcome, we will be a partner with you. And another element, because of the history between our partners, that I would point to is trilateral cooperation between the U.S., Indonesia and Australia. As the U.S. has courses and training opportunities in Darwin in Australia, having a measure of transparency and honesty between us so that there's no misunderstanding about the intent of U.S. forces in the region. Later this year, we hope to actually have Indonesian observers, TNI observers, in the U.S.-Australia exercises. I think that's one small step but is an example of the kind of trust and transparency we have to have going forward, and we hope to be able to build on that multilaterally. And so I would just highlight those three areas - multilateral cooperation, major regional exercises or other areas for interoperability both within ASEAN and with the United States, and then cooperation with the U.S. and Australia as opportunities for the future.

CRONIN: Lori Abele, the director for Southeast Asia, thank you very much.

(APPLAUSE)

CRONIN: It's very frustrating panel for our panelists because they have so much expertise and so many ideas to share, and we've given them no time to do this. By design, that includes this next speaker, Ambassador Robert Blake, who's former ambassador to Indonesia as well, is former assistant secretary of state. He's also the co-chair of the board of trustees of one of our co-sponsors, the U.S.-Indonesia Society, USINDO. So we're doubly appreciative for your time, Bob. And I'm sorry for the shortness of this intervention.

ROBERT O BLAKE: No worries. Well, first of all, thank you very much for the opportunity. It's great to be here, both in my USINDO hat but also as a former ambassador. Let me just say at the outset, of course, I am, of course, very bullish about the future of Indonesian-U.S. relations for all the reasons that everybody has talked about - our common values, our common interests. I think there's tremendous headroom on the economic side for us to do more, and I'll offer some specific ideas about that in a second. But I also think there's more that we can do together on global issues. And let me just tell one small story. When - as Patrick said, I was the assistant secretary for South and Central Asia in the Obama administration. And for four years, I sat around the circle with Secretary Clinton and all of her assistant secretaries several times a week. And there was always a sort of - as we brought up issues that we were all dealing with, there was an implicit assumption that the United States would somehow be involved in trying to solve whatever problem we were going to be talking about. So there was a very expansive view of the U.S. role in the world and how we should help to try to shape it. And I think we've lost a little bit of that in the Trump administration. They have a far less expansive view of what the U.S. role should be.

So I think it's, therefore, quite important for emerging countries like Indonesia to play a greater role. And frankly, I can't think of a country that I'd rather be cooperating with because of those aforementioned common values and interests. And I do think that as Indonesia develops its economy, it climbs the ladder of economic prosperity, becomes, as was previously mentioned, eventually, the fifth-largest economy in the world, it also is going to, over time, expand its strategic horizons. And like India in the early, you know - 20 years ago, it also began to work much more closely with United States and also began to take a much greater role in global issues. So I do see, and I do hope that we're going to see more of that from Indonesia. And, certainly, the fact that it's on the U.N. Security Council now, that it's working on a lot of the issues that many of our previous panelists have spoken about are very good signs for the future. I wanted to just give a few sort of very specific ideas because we've kind of been talking in generalities for a lot of today. First of all, I do hope that in - early on in the Trump administration that the Trump administration will make a priority of inviting President Jokowi for a state visit. That is long overdue. The last one was in 2015 when I was ambassador. And as all of you know, those visits have a way of really concentrating the minds of the bureaucracies and getting things done, focusing on getting some big ideas accomplished. So I do hope that that will be an early priority for the two sides. One of the things I do worry about - no one's really talked too much about some of the issues. One of the issues we do have is there's - as you know, there's a review underway now by the Trump administration of the GSP, Generalized System of Preferences, access for Indonesia.

I was saddened to see that the Trump administration withdrew GSP privileges for India just after Prime Minister Modi was reelected. India is the largest recipient of GSP privileges. So that is something that Indonesia should watch very closely. And I think there's a real opportunity for Indonesia to do more in terms of importing U.S. goods and, therefore, addressing the trade imbalance, which is quite substantial between our two countries. One of the areas that I would point to is energy. One of the previous speakers talked about how resource nationalism now in Indonesia has diminished a little bit the role of American oil majors and energy majors, which is a shame. And so we're seeing, for example, the takeover of both Mahakam and Rokan, those that - Indonesia is losing not only the expertise of some of those big oil majors but also the investments that they would be making otherwise in some of these concessions. But I do think that there's a huge opportunity still on the energy side. You're all familiar with the - that, basically, electricity demand is going to expand very, very rapidly for the foreseeable future in Indonesia, 6% a year or more. The most recent revised estimate of what Indonesia is going to need in terms of new power is about 56 gigawatts of power by 2028. So that's a lot of power that needs to be delivered. And, obviously, American companies are in a great position to deliver those. Hopefully, a lot of that can be in renewable energy and in gas and even in nuclear. And nuclear hasn't been much of a conversation piece so far, but I do think it's sort of a renewable source. And the cost of reactors is coming down now, so there's an opportunity in that area. So I point to energy cooperation as one big way to, first of all, redress the trade imbalance, but also as a way to promote greater energy cooperation between United States and Indonesia.

The second area that I think is super important for us to work on is higher education. And many of you have heard me talk about this in the past. As was mentioned previously, Indonesia's digital economy is the fastest-growing economy in the world, and so there are tremendous training needs now for these four large uniforms that are - that exist now in Indonesia, and for many of the smaller ones, as well. And I think all of us were cheered that the most recent

Australia-Indonesia CEPA, Comprehensive Economic Partnership Agreement, included in it a provision allowing Australia to set up campuses in Indonesia for the first time. So that really sort of cracked open the code for all countries. And so it's my understanding now that implementing regulations are currently underway or being drafted that would allow not only Australia but other countries, as well - hopefully, the United States - to benefit from similar privileges. And so I think there's great opportunity for some top American universities to come in, set up campuses, particularly in the areas where there's not a lot of expertise now in Indonesia - things like the digital economy, data, sciences of all kinds, cybersecurity. These are areas that are kind of where we have a particular expertise, and our companies have a particular expertise. And so there'd be a real win-win proposition, I think, for both of our countries. Third is disaster management. Lori and Randy talked a little bit about all the great things that we're doing on the (unintelligible) side. I think that this is another area where we've all seen the growing severity of storms and disasters around the world as a result of climate change. And, of course, Southeast Asia is experiencing exactly those same phenomena as well. Indonesia already has quite substantial capabilities. But, again, over time, it's a good bet that Indonesia is not going to just be addressing its own substantial disaster management needs but will increasingly take on a more of a regional and perhaps even a global role. And, therefore, I see a real opportunity to work with Indonesia as we did with India to increase its lift capability. Already, we're doing stuff on C-130Js, but I think much more could be done, and maybe even things like C-17s, where Indonesia - that will then give Indonesia capability to fly and project its influence and help these countries in farther-away parts of the world. And, again, I think that Indonesia will not only have the capability but, hopefully, also the ambition to do that. So I think, again, disaster management is a potentially really terrific area of cooperation for the future.

Let me just end on one other area that's somewhat particular that we never really talk about in these kinds of things, which is environmental cooperation. I'd love to say that we should do more on climate change. Unfortunately, I don't think the Trump administration cares too much about that issue, so I'm not going to go into that. There is one area where I think there is considerable work to be done, and that's on biological diversity. Many of you may not know, but Indonesia - if you think of what country in the world has the greatest both terrestrial and maritime biodiversity in the world, it's probably Indonesia, I'd say, without question. And yet, it's - that biodiversity is under challenge from many different threats that are too long to go into here. But next year, there's going to be a very, very important global biodiversity conference in Kunming in China next fall. And I really do hope that the United States and Indonesia can work more on biodiversity cooperation. And the specific idea is that we have a terrific institution called the U.S. Fish and Wildlife Service. And they have - they do bilateral agreements with big countries that have important biodiversity. And they have one with China, for example. I would love to see one with Indonesia as well because I think there's a big opportunity to do more, but also to help figure out ways to preserve Indonesia's unique biodiversity, figure out ways to help the communities that live on the edges of that biodiversity so they can benefit from that but also have an incentive to preserve it. So - and Fish and Wildlife is really terrific at doing that kind of thing. It's a great experience. There are some very specific and concrete ideas. I'm happy to talk more in that Q&A.

CRONIN: Terrific. Ambassador Robert Blake, thank you for writing that. Delighted to have Jennifer Schuch-Page here, who's vice president of The Asia Group, has previously been in the State Department out in the region. And I especially asked Jenny whether she might add onto this sort of investment environment, as she focuses on this very much in her day job these days.

JENNIFER SCHUCH-PAGE: Thank you, Patrick. It's a privilege to be on such a distinguished panel. Now, I haven't been an ambassador before. But I speak today from my experience living in Indonesia and consulting for U.S. companies on the - doing business in Southeast Asia. So from a business perspective and perhaps representing my generation's optimism, I am excited about the long-term relationship with Indonesia and believe that commercial relations will be a pillar of that growth. So from what I've seen, all of Southeast Asia is attracting a lot of attention right now as global trade tensions are causing companies in Asia to reconsider their longtime focus on China and are increasingly looking to Southeast Asia in order to diversify supply chains and operations to these emerging markets. While countries like Vietnam have received a lot of this attention, Indonesia, with the largest population in Southeast Asia, really has a unique opportunity here. I think the question is how does it position itself to be a competitive market in the region for these investments? So President Jokowi's reelection, I think, offers that opportunity to build on the policy initiatives of his first term and create an attractive environment, particularly for the tech and manufacturing investments that are looking to be diverted to Southeast Asia. In his second term, President Jokowi has promised to double down on the infrastructure drive that was really a hallmark of his administration. He's also exploring further deregulation, which is welcomed, and investments in human capital, I think as Ambassador Blake mentioned, and tax cuts in order to attract investment and value in sectors and boost exports. So there are some obstacles that we're observing that are - you know, make - that will - you know, overcoming them will help make Indonesia a more competitive market in the region.

First, while progress has been made, U.S. companies still face a high degree of regulatory uncertainty - comes from conflicting and frequently changing policies. They also are concerned about burdensome labor regulations and the need for a more skilled and efficient workforce. In this regard, President Jokowi has rightly identified human capital development as a priority for his next term and has indicated support for labor law reform early on. Preferential treatment for state-owned enterprises has also served as a deterrent, while import barriers have kept Indonesia from, I think, really fully participating in regional supply chains. Despite these obstacles, however, it's really important to just, you know, recognize the tremendous progress that Indonesia has made in only the last five years. Indonesia has strong economic fundamentals, a booming digital economy and a really impressive startup culture that I think are all testament to the fact that U.S. companies will have to take this market really seriously going forward.

CRONIN: And last, but by no means least, thank you very much, Jennifer. Ambassador David Merrill, our co-sponsor here, president of the U.S.-Indonesia Society, a distinguished public servant before that for many years and, really, absolutely behind this entire event, which is maybe the first of many events that you're planning at USINDO, which is the organization that everybody should join, by the way, if you're interested in U.S.-Indonesia relations.

DAVID MERRILL: I didn't pay him for this.

CRONIN: But, David, over to you.

MERRILL: I have two topical areas and one structural area to submit. One, which Bob has also mentioned already, is education. I have a slightly different detail - twist on it. One is Indonesians to the U.S. One is Americans to Indonesia. On Indonesians to the U.S., you may or may not be aware, but the Indonesian government has created a program. Its Indonesian acronyms are LPDP. This was created by Finance Minister Sri Mulyani. It has approximately US\$5.1 billion - B

as in billion, U.S. dollars as in U.S. dollars - as its corpus. And the interest alone every year is enough to finance the overseas master's degrees of hundreds of Indonesians. The U.S. is not getting its fair share of that. We're getting, I think, less than 20%. We should be getting at least 20% of that. Now, what are the issues? According to the Indonesian government, one of the issues is the high cost of U.S. master's degrees compared to alternative destinations. There may be other issues as well, but that's one issue. And that's an issue that we can tackle, working together with American universities and their associations. And that's what we're doing. We have an idea - it's embryonic - to see if U.S. universities in priority areas identified by Indonesia, such as IT, agriculture, tourism, a few others - particularly in those areas, can create 18-month master's degrees instead 24 months, obviously, lowering the cost. Australia has this, obviously, lowering the cost, and they don't even have to cut their tuition. If they want to cut their tuition, that's good, too. So that would be in priority fields.

And if Indonesia - and in return, Indonesia would agree to put more LPDP finance students through those programs, making it attractive enough for the American universities to design an 18-month degree. USINDO is working on this with LPDP, with others. It's hard. Each university has independent fiefdoms and so forth, as you know, but we think that's a promising area. And I might add that if that works, all that education comes to the U.S. So this is paid for by Indonesia, counts as a U.S. export, helping with the trade issue. The other is Americans to Indonesia. Bob touched on this quite a bit. We've operated for 25 years of a program and language and culture for Americans to Indonesia summer studies. There's absolutely nothing wrong with continuing to push language and culture as an attractive field. For goodness sakes, after 25 years, there must be some other fields as well - biodiversity, climate change, business, IT, environment, oceans, or opportunities with Indonesian NGOs. Americans - particularly, we're thinking graduate students can come to Indonesia for short periods, maybe connected with their master's degree thesis. And all we really need to do is organize to get U.S. companies or Indonesian companies to sponsor. But they wouldn't just be sponsoring the usual intern. I was an intern. I showed up in Denmark. I said, I'm your intern. And they said, what should we do with you? And then I realized I had to figure out what I needed to do. So we're not thinking of that. We're thinking of having the companies - and Bob originally had this idea, and we're enamored with it and we want it to work. We're thinking of having the company say, well - ask the company, what do you need? What do you need an American graduate student to help you on? What project do you need? And then we present those demand-driven ideas to the U.S. graduate schools and see if they can supply students. And then we'd of course ask the Indonesian companies to pay for their upkeep. It - they don't have to pay them a salary. So we're working on that. That's education.

The other one that hasn't been mentioned at all is expanded legislative-to-legislative ties. Ambassador Siregard mentioned that we have the government to government going well, and we have the people to people, the education to education, business to business. But we always leave out the legislative to legislative. Maybe it's implicit in the government to government, but it kind of gets lost in the shuffle. Now, our U.S. House likes to develop its relations with foreign legislatures. And USINDO has had a program for several years now - it's run through two cycles - of taking Indonesian legislative staff to the U.S. House to learn about legislative procedure. Now, I know it's - may sound amusing that we could teach another country about how to run the House of Representatives...

(LAUGHTER)

MERRILL: ...But, actually, we know a lot. I mean, these staff directors in the U.S. committees started 200 years ago, and their main function was probably putting the number on a bill. And now they're real powerhouses. So there's a lot to be learned. We hope that those contacts will increase in future, and it will not just lead to trips by Congressmen, which are very, very much needed on their own, but also to follow on programs like this one. And we want to shine a light on doing more in that area. Now, the last one is a structural, not a topical comment. And actually, I expected Stape to say this because I got this idea from a dinner with him. But anyhow, it's percolated in my mind since then. We have this strategic partnership. And that's amazing - as I said earlier, and that's amazingly good in itself, I mean, when you consider what we were like in 1960 or something. The structure was laid out both in the first version, with SBY, and in the second version of - an enhanced version with President Jokowi to explicitly bring in NGOs, business, civil society and all the rest as part and parcel of the relationship. But then, having said that, and although we get good support - let's say, for example, Ambassador Siregar's speech - then, when the government wants to set up the next strategic dialogue, they rarely consult with the NGOs. When should we have the strategic dialogue? What should be the topic? We sort of find out about that afterwards.

So I would say let's find some way to engage with the two foreign ministries in, you know, when - Mark Clark was here - we're going to have a strategic dialogue. We didn't hear when it's going to be. Maybe he knows. Maybe he doesn't know. But we would like to - we, meaning not just USINDO, meaning the NGO and civil society community - would like to have some way to engage with the two governments on when that should be, what the topic should be and then what the date should be and then back up and set up a track 1 1/2 process, let's say, three months before, run by - I don't want to mention the name of organizations, but several of the organizations in this town, think tanks, including, presumably, Hudson Institute. And USINDO would like to be there, and others, and along with government officials. That's why it's a track 1 1/2. Track II, you know, is NGOs only. Track 1 1/2 is when you have the government officials and NGOs sitting together in the room and discuss ideas that could percolate up to the next strategic dialogue. Now, if there's 10 ideas, and even two percolate to the next strategic dialogue, we'll be happy. And frankly - although we won't be as happy - even if none of the ideas end up in the strategic dialogue, we'll be happy about the process and really sit down in the room together with government officials. And maybe their thinking would change. Maybe our thinking would change. But it's all part of the thing that Ambassador Siregar laid out at the very beginning, that we have to do this together, I think, because you can't just add everything up. Together, we're bigger than the sum of the parts. So that's my plea for the next phase of the strategic partnership, that we be brought into the planning process. Thank you very much.

CRONIN: Ambassador David Merrill, thank you very much.

(APPLAUSE)

CRONIN: Unfortunately, I'm like Professor Baskara this morning. I've sort of, like, years to go and many things to talk about. But we're out of time. And hopefully this has whetted your appetite to both read more history, to dig deeper into current policy - there's a lot going on - and start to pick up on some of these great ideas for the future, including the opportunity that David Merrill's talking about, where there's really a potential to leverage a lot of different organizations to help. Would you - I want to give the ambassador, David - any last one-sentence word of thanks as we part here for our co-sponsors?

MERRILL: Thank you. And we couldn't have done it without you. I must say, this has been - this is already a perfect partnership. And it's a really good illustration because look at - we - this is a very good - I mean, it's sending tingles down my spine. We have the government of Indonesia and their ambassador. We have a leading thinking tank. We have an NGO concerned intensely with their relationship, USINDO. We have all our friends and other organizations that are here. And this is exactly what we're talking about, but let's just elevate this and make it a practice. Thank you all for having us.

CRONIN: Thank you very much. Thank you.

(APPLAUSE)