



# Dialogues on American Foreign Policy and World Affairs: A Conversation with Kurt Campbell

## TRANSCRIPT

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- Kurt Campbell, *National Security Council Coordinator for the Indo-Pacific*
- Walter Russell Mead, *Ravenel B. Curry III Distinguished Fellow in Strategy and Statesmanship*

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**Walter Russell Mead:**

I should give thumbs up and then we'll start. All right. Welcome everyone. I am Walter Mead the Ravenel Curry Fellow here at Hudson Institute and today I'm really very fortunate, very happy to welcome Dr. Kurt Campbell to join us. Dr. Campbell is the Coordinator for Indo-Pacific Affairs on the National Security Council, which means he holds one of the most important posts in the US government at a critical time. He was co-founder of the Center for a New American Security and CEO of the Asia Group, served as assistant Secretary of State for East Asian and Pacific Affairs from 2009 through 2013. For the past 20 years or more, Dr. Campbell has been one of the people most closely engaged with the development of American foreign policy for the Indo-Pacific region, now widely recognized as the most important strategic and economic theater for the 21st century.

Long before many others understood fully the importance of the region in American foreign policy, Dr. Campbell worked to build a consensus inside an outside government to recognize and respond to emerging challenges. His contributions to American policy and strategy in the region are widely recognized around the world here at Hudson. We're honored to have you. We thank you for coming. We appreciate what you're doing. And I guess to begin with, I'd like to ask you maybe what some would say is the biggest question in American foreign policy today, which is how do we think about what's happening with US China relations, China in the world, the smart way to try to wrap our heads around this development?

**Kurt Campbell:**

Well first of all, Walter, respect to you. You've been a terrific commentator and thought leader on American history, American foreign policy, and I'm always appreciative when you reach out and it's great to be at Hudson and I look forward to this conversation today. We've asked the hardest and most important question in American foreign policy without a doubt. And I would simply say that at the outset when the Biden administration came into office, I think it was clear when there was a sort of a deep review of the information available that there was a sense in some capitals that the United States was in a process of decline, was being challenged domestically and internationally, that our industrial base was in disarray, that some of our allies were questioning our position. I think there was a general acknowledgement that the Trump administration had correctly identified some of the challenges that the United States were facing with respect to China's rise, China's increasingly provocative activities on the global stage.

But I think the idea was to put in place what the president and his team hoped would be a consequential strategy that would have many elements. And I think probably the most important element was to try to erect a bipartisan consensus on the major elements of a strategy in the Indo-Pacific. And I think Walter, you are correct that there's always been a struggle about what is the dominant theater or whether it's even appropriate to think of foreign policy in these regional terms. But if you do believe as I do that the lion's share of the history in the 21st century is going to be written in the Indo-Pacific, the idea is to undertake that challenge in a way that is bipartisan, that is subjected to serious internal discussion and debate and then applied coherently on the global stage. So I think the president's general instincts are to try to work even when it's difficult in the bipartisan way.

We saw that exhibited last week with respect to the budget deal. But I think beginning first with the series of discussions with partners and friends on in the think tanks on Capitol Hill, I think the the elements of our strategy are these, first, to invest domestically with respect to

technology and capabilities. And I recognize there's lots of contention about that, questions about is there a better way to seed technology to bring manufacturing home? I'm happy to have that debate, but I think without question, the CHIPS Act and IRA other provisions are some of the most consequential, powerful examples of the United States determining that we will not see the high ground on technology and technology will be the cutting edge arena of global competition in the period ahead, in the way nuclear missiles were the sort of the defining feature of the Cold War.

And so I think that effort took place over the last year and a half. Simultaneously, I think what we have sought to do is to build and sustain a innovative and complex set of engagements with allies and partners. And we can talk about that in our discussion today. And that means doubling down on our bilateral relationships with Japan and South Korea and Australia, our key partners in the Indo-Pacific, linking the Indo-Pacific more with Europe. I think one of the appropriate criticisms, Walter, of the pivot that preceded this and the past was that somehow we gave the impression that we were turning away from Europe and that we were focusing exclusively on the Indo-Pacific. And I think anyone who has ever followed anything about American foreign policy understands that everything that we have done of consequence in our history, we have done largely with Europe. And I think what we've sought to do this time is to work more effectively with Europe in the Indo-Pacific.

And frankly, the reverse is also true working with Indo-Pacific partners in Europe on extraordinary challenges like Ukraine. This was highlighted at the Hiroshima summit in which some of the strongest statements of support for Ukraine were found in the Indo-Pacific region as a general proposition, innovative partnerships like AUKUS, like the Quad, trilateral engagements that bring in new partners like the Philippines, working constructively deeply committed to the partnership with India, recognizing that this will be, in my view, the most important bilateral relationship for the United States in the 21st century. But basically trying to weave all these together in a way that sends a comprehensive message of American engagement in the region and really weaving together a group of countries who believe in the operating system that we and other countries have helped create over 40 years in the Indo-Pacific that has provided the greatest period of prosperity in our history.

And then lastly, to undertake a careful, responsible, pragmatic diplomacy with China, recognizing that China's going nowhere, that it is important to ensure that there is appropriate diplomacy on the critical issues of our times, whether it's climate change or Fentanyl or Iran, North Korea, Ukraine. Those are all topics in which it's important to compare notes to see if we can avoid challenges and to see in certain circumstances whether there are alignments.

**Walter Russell Mead:**

And would you say at this point you feel that we're making progress with China on finding some areas of mutual cooperation? We're reading a lot of press accounts now that it's not very going particularly well.

**Kurt Campbell:**

I think that's an enormous challenge. I think that would be going too far. I think the more important thing to underscore at this stage, Walter, is that the lines of communications are opening up and we are able to lay out more constructively our areas of interest and concern. And I would highlight that one of the things that you heard from General Austin, Secretary

Austin in Shangri La was the importance of the United States and China establishing mechanisms of communication, procedures for crisis management. China is increasingly a great power. Her forces rub up against ours much more than they did in the past. The potential for miscalculation inadvertence is real and growing. During the Cold War, we managed to effectively create mechanisms that would allow for crisis communication in moments of unintended conflict or tension.

I think it'd be fair to say we've been unable to do that yet with China. China has been reluctant to embrace and engage in some of these mechanisms. I think we and other countries, other like-minded countries have been making the case consistently publicly and in private behind closed doors why these mechanisms are essential. And frankly, the juxtaposition of Secretary Austin making this case at the very time that a Chinese destroyer was practicing dangerous navigational tactics against the freedom of navigation mission in the Taiwan straits, I think was absolutely clear about why this is so important.

**Walter Russell Mead:**

We will definitely be talking about the regional context more because one of the things I really do appreciate about your approach is understanding that one doesn't talk about China in separation from the rest of the region. It doesn't make sense, but just in terms of US China relations and the potential for some kind of really dramatic crisis that would reorient everything we hear. We've heard a lot of statements from people in the US military and from others even in the administration about the danger that even in the rather short term China might take action across the Taiwan straits or otherwise trying to compel Taiwan to accept sort of the mainland dictat over the future. How worried are you that something might happen relatively quickly?

**Kurt Campbell:**

Look, Walter, you put your finger on, we have to remain vigilant. And I think as you've seen in almost every one of our engagements, we are enlisting other countries and institutions to make the case publicly that we all have an interest in the maintenance of peace and stability across the Taiwan straits. So I do believe that vigilance, important signaling preparation, these are all essential features of the mission that the United States has been engaged in for decades, which is indeed this maintenance of peace and stability across the Taiwan straits. We recognize the remarkable achievements of Taiwan, both in terms of its democracy and its technology.

We herald that, we support it, we want to sustain it. At the same time, I think we also have to be attentive, not just about the bolt from the blue, Walter, but the challenge of the inadvertence, the miscalculation, the bumping into fighter planes and things like that that can have unintended consequences. And so I think our objective at this time is to take the necessary steps to ensure that our deterrent message and actions, which are not simply military, they're across the board, are strong, and are durable, are well understood, publicly communicated, and at the same time also take the necessary steps to try to prevent circumstances where unintended consequences can have terrible consequences.

**Walter Russell Mead:**

You've spoken of technology as a key element in US policy and certainly, it becomes clearer every day that the information revolution, information tech is becoming critical to international power to the economic future. And there's been a lot of talk over the years about intellectual

property and espionage subsidies from China. How is the administration working to preserve what I think some have called the commanding heights of in information technology?

**Kurt Campbell:**

Well, first of all, Walter, let me just say that one of the great challenges is that if you believe that the dominant issues that will translate into national power, the effectiveness in our ability to maintain global leadership with respect to semiconductors or AI or biology, synthetic biology, robotics, you can go down the list. There are a number of key technologies that are absolutely essential. This requires a very complex set of activities. It means protecting certain areas that you believe are essential in terms of your own domestic innovation, seeding some of those where necessary, working collectively with allies and partners and then also making sure that you're taking not just bilateral but collective steps to prevent the seepage or the stealing of critical high-end capabilities to other countries. That is an incredibly difficult challenge in the best of times.

But I will also say one of the hardest things is ensuring that there is a group of people in our government that are literate about technology and that is challenging. There aren't a enormous number of people that can help design what are the capabilities of a semiconductor that are absolutely essential to maintain what you described the leading edge. And so the effort that we are seeing that is underway now, which is a shift in focus more towards the Indo-Pacific, also involves a capacity creation inside the US government. Both people who know more about the Indo-Pacific, but also people who are more literate with respect to technology and can inform decision making about things that will be critical for national power going forward.

**Walter Russell Mead:**

Are you finding that corporate sector, finance and universities are seeing these dangers and working cooperatively with the government to address these or is there still some pushback?

**Kurt Campbell:**

So I think it depends on the sector, Walter, to be clear. And I have found, generally speaking, one of my jobs is to do a lot of outreach with the finance community, with universities and the like. I find sometimes after an initial session that can be somewhat heated, once we're able to listen, go through various activities that we are contemplating, things that we think are important, most of these people are patriots and they're reasonable. They hopefully see that they're sitting across the table with people that have what they believe to be the best interest of the United States.

Also, at the top of mind, I have found generally speaking that while not uniformly accepted, that the dialogues with the academic finance and business community have become probably more robust over time. And I think there are elements of what is taking place in China that affect universities, businesses. And so I think we're in the past perhaps some elements of policy in the Trump administration and now in the Biden administration were questioned I think probably less so. I think there is a recognition that there are challenges to our institutions by certain activities in China and that there needs to be appropriate steps as a consequence.

**Walter Russell Mead:**

Great. Well, let's go to maybe a tour d'horizon of the regions and we see in East Asia maybe and always it's difficult to define the Philippines sort of floats, but I've seen a lot of activity from the administration in all of these regions, but in the East Asia with the Philippines, with the greater cooperation between Japan and South Korea. Yet at the same time we're seeing the Chinese being more active around Taiwan and in the straits and we're certainly seeing North Korea continuing to raise issues of concern. How does the administration look at East Asia and where are you confident that you're succeeding and what worries you?

**Kurt Campbell:**

Yeah, so look, there are a lot of issues that I think one has to be concerned by, Walter, but also there are some areas of reassurance as well. I would say that Prime Minister Kishida in Japan's hosting of the G7, probably one of the most consequential gatherings, probably didn't get the attention it deserved. But if you looked at the areas of solidarity between the United States and Europe on collective efforts, on technology, on debt, on economic coercion, it's quite remarkable and it does suggest a degree of common purpose that is I think important and we intend to try to nurture that going forward.

I think it is also the case that at the G7, you saw a number of groupings, both the trilateral grouping between the United States, Japan and South Korea, the Quad, other unofficial gatherings that we think are important with respect to the fabric of strengthening the region as a whole. If you asked me what I thought the critical challenges were though, I think the question of the American extended deterrence in the Indo-Pacific, we tend not to appreciate how important this has been to Asia's peace, Walter, for decades. There are probably 10 countries in Asia that have the capacity to build nuclear weapons that have chosen not to. And one of the key reasons that has been the case is the sense of the durable, predictable American force deployments of our forces, but also of our extended deterrence. When President Yoon was here just a month and a half ago, President Biden, President Yoon issued the Washington Declaration, which was designed to try to buttress through a number of steps, new mechanisms, new deployments that America's commitment to force extended deterrence remained rock solid.

But I think we have to recognize that there are challenges to what we think has been a very favorable set of considerations when it comes to extended deterrence. One is increasing North Korean provocations and in our diplomacy, this harkens back to an earlier question that you asked Walter. We've made clear to China that these actions on the part of North Korea are destabilizing and they're leading countries to reconsider their options. It's one of the factors that went into Japan's decision to up its military commitments to basically move beyond some of the previous self-imposed constraints that they had on military capabilities. And it has also caused South Korea to rethink a number of its long held provisions. Russia's saber rattling on the nuclear realm has also been felt across the Indo-Pacific and it is also the case that although it has received less attention, the fact that China is in the midst of what can only be described as a massive nuclear buildup has consequences in the region as a whole.

So I think going forward, Walter, it will be incumbent on this administration and future administrations to take every possible step to make clear that the United States is serious about sustaining our extended deterrent guarantees to the Indo-Pacific and to other countries. I think secondly, I do worry vulnerable regions are under pressure. I've worked a lot in the Pacific. The Pacific are proud nations, many of which have supported us for decades and we have a moral, historic and strategic commitment to them. I think it would be fair to say that a succession of administrations have let the Pacific down. This is a bipartisan neglect and it is critical for us to

step up our game. This is not just voting in the UN, this is climate change as an existential issue. It is dealing with these countries as important players strategically. We need to meet them where they live with respect to the challenges that they face with respect to training and climate change and illegal fishing.

And we're trying to do that. And again, this is another area where we've received a lot of encouragement from Republican friends more generally. There are a number of states in Asia that are problematic. North Korea, first and foremost, every effort I see my friend Jen Prista here who's who's worked on this for many years in the past, every effort at diplomacy that we've done to reach out to North Korea in recent period has failed. Everything has failed since basically the high level diplomacy between President Trump and Kim Jong-Un that ended abruptly in Vietnam. But what receives less attention is the tragedy of Burma of Myanmar. We're deeply concerned by the humanitarian plight, the brutality of the military junta. And those issues tend to make diplomacy in ASEAN, which is the key organizing institution of Asia, much more complicated.

So look, there are going to be lots of challenges here. All of these countries are stepping up their defense spending. Much of this is devoted to capabilities that are involving power projection to try to secure maritime domains, domains that are increasingly under challenge. I think what we have generally found, Walter, is that the demand signal for American leadership in active participation is undimmed and the hope will be whoever follows will continue to understand that the essential feature in the maintenance of peace and stability and Indo-Pacific, the essential feature of basically helping to orchestrate some of these nuanced and diverse venues is in fact the United States.

**Walter Russell Mead:**

Do you find in Asia that there's concern that the US will be distracted by Ukraine and the crisis with Russia from a focus on the Indo-Pacific?

**Kurt Campbell:**

At the outset, I would be lying if I didn't acknowledge that I probably had some concerns for that. I don't think that should dim in any way our commitment to what's going on in Ukraine. But what we have found has been actually completely the reverse. Our diplomacy with the Indo-Pacific, if anything has stepped up, our diplomacy with Europe has stepped up the connections that have formed for a variety of reasons. There is an undeniable connection to what happens in Ukraine has implications for peace and stability in Asia and that is not lost on any country in the region as a whole. So if anything, it has led to a deeper, more fundamental commitment to the Indo-Pacific, I think largely because there is probably a greater recognition for what the stakes are involved.

**Walter Russell Mead:**

Let's turn to India because Prime Minister Modi is coming to Washington very soon for what looks to be one of the highest profile visits by a foreign leader, state dinner, joint address to Congress, it's a lot of deliverables seem to be falling into place. What's your hopes for what will happen with this visit?

**Kurt Campbell:**

My hope is that this visit basically consecrates the USD India relationship as the most important bilateral relationship for the United States on the global stage. And that we effectively make it into sort of escape velocity. And what I have seen in my own period of engaging with India, one of the most important things that has been developed in this process, yes, there will be deliverables, yes, there will be discussion about areas where we are united, areas where we still continue to have concerns. Both of the United States and India are imperfect democracies. We both have challenges I think we will be discussing it in that context. But I think what has also developed more and more between the United States and India is a degree of trust and confidence that frankly was not present a decade ago. And I think our goal will be to seek to build on that.

**Walter Russell Mead:**

And that certainly seems to be a bipartisan consensus as far as-

**Kurt Campbell:**

Believe it is. I believe it is. And I think everyone understands the critical role that India is playing on the global stage. That that role is not, Walter, simply strategic. Many business groups, investment groups are looking at India as part of a strategy to diversify globally, new supply chains, new investment opportunities. The most impressive diaspora I've engaged with India Americans in the United States are proud and pleased with what they see generally in terms of the embrace going forward. I think the hope will be to open up venues and activities for more investment, for more people to people. Our universities need to train many more engineers and high tech people.

And I think the general attitude of India is sin me give me this opportunity. And so we want to open those opportunities up for greater people to people across the board. So yeah, I'm grateful for the way you presented this Walter, because I actually think that's what the stakes are involved. I think this potentially could be one of the most important sort of juncture points with the potential for the United States and India to assume its place, this relationship as really the critical dynamic relationship that I think we aspire to.

**Walter Russell Mead:**

To turn to Southeast Asia more and we've spoken a little bit about Myanmar, but that strikes me as if we think of East Asia, things seem to be going fairly well in terms of relationships and developments. South Asia, as you say, we're reaching a lift, an escape velocity maybe with India, with Australia, the Pacific Islands, a lot of really good things are happening.

**Kurt Campbell:**

AUKUS.

**Walter Russell Mead:**

AUKUS of course building new embassies in on some of these Pacific Island nations and reaching out I think in a very important way. Southeast Asia is a little bit more complex. I think one of the things, and I have to admit this is something I really don't understand, which is a newspaper commentator, I hate to admit, but what's happening in Thailand and how the



elections in Thailand and some of the internal difficulties there play into the larger regional questions play into Myanmar. Where are we with Thailand and how do you see it?

**Kurt Campbell:**

Let me give you a larger picture if I can. Obviously, we engage ASEAN as an institution and they convene the dominant diplomacy of the Indo-Pacific and we think that's important and the president has paid heat to that, hosted all the ASEAN leaders here last year, intends to engage actively with the ASEAN leaders. But it is also important, Walter, to recognize that ASEAN is made up of key countries and we have to basically engage intensively with a couple of those countries, which we think will play a key role going forward. For me, the countries that I think you're beginning to see will play a central role in American strategy. Obviously, Singapore, we have a Ford deployed engagement there, very close strategic dialogue. They are more an enduring, although they will face leadership changes, but an enduring feature in American strategy. But I would say Vietnam and the Philippines with the recent visit of President Marcos, which really has ushered in a new period of closer partnership between Washington Manila, reminiscent, but frankly different and deeper than the kind of partnership that we had during much of the Vietnam War.

And we're looking forward to consequential diplomacy with Vietnam. And we recognize Vietnam's key role as a destination for more investment in technology. They have a keen strategic interests. They've played a decisive role in insisting on how to interpret issues with respect to the South China Sea. So I think those areas I think are of critical importance. Thailand, we've watched carefully the election. This is a delicate phase in terms of the formation of a government. I think our goal is to sustain a strong bilateral relationship. They're our oldest treaty ally in the Indo-Pacific. We have maintained a strong relationship with them. Many companies are invested there. We have strong military programs and engagements with the Thailand forces. I think it is undeniable that the politics of Thailand have been unstable and complicated. I think our goal would be to support an effective, stable democratic government in Thailand and then work consequentially with it. But this is an undeniably delicate time.

**Walter Russell Mead:**

This maybe brings us to this question some people have asked and I have asked, how does one relate the two objectives, American objectives, democracy and human rights kind of diplomacy, which is clearly important to the president and to this administration. And then the realities of a strategic competition which have their own logic so that a country like, for example, Vietnam might be a problematic issue for a place from a human rights or democracy point of view, but is critical from a strategic point of view. How does the administration manage that?

**Kurt Campbell:**

Look, having spent a little bit of time with the president, Walter, I think it would be fair to say that I think the president is less about outward and ostentatious proselytizing about democracy and human rights and more about trying to let our model and our attempt to deal with our own challenges be a kind of model for how other countries might want to deal with their own challenges. There is always tension in the formulation execution of American state craft. There is that tension between domestic economic engagement and international economic strategy.

I'm sure a point you'll get to, there are questions about like the referencing of regions, one over the other, how to think about assistance versus investment. And the question about it is undeniable that some of the most effective countries in East Asia are not democracies. And how do you recognize then that in your strategy going forward? I think the president understands and the administration that we can be for something but still engage on other terms. And I think that's what we've sought to do. And we are seeking broad and sustained partnerships with a variety of countries in the Indo-Pacific. And I think that is both smart and sustainable.

**Walter Russell Mead:**

In economics, it seems to me we've got sort of two big sets of issues. One would be that for many in the region, at least when I talk to people, what I constantly hear is trade. And by trade, they generally mean access to the US market as an engine for development is probably important for folks watching this to understand that we're talking about many countries where there's deep poverty and a tremendous social pressure to increase living standards. Especially, now that with cell phones and the internet, people are much more aware of the gap between their living standards and other parts of the world. And this becomes a real source of worry and political instability. The US leadership on free trade is widely seen there as a great engine for growth here. It's a much more controversial topic now, both on the left and parts of the right these days. So how does the Biden administration plan to navigate this particular show?

**Kurt Campbell:**

Well look, first of all, Walter, I like the way you began this. You put this in the larger context, what some of the challenges are. Trade is contested politically inside the United States, but there are some facts that are just undeniable. First of all, the US market is one of the most open markets of any country in the world. Trade with Asia last year was at an all time high. It is also the case that American investment, we are by and large the largest investor in the Indo-Pacific in many different countries. And so we are deeply intertwined and our commercial and investment sector view the Indo-Pacific as the dominant theater for the 21st century. So that is all undeniable. I think it is the case that there is a belief that some of the previous trade negotiations tended to focus on areas that were perhaps more controversial now, corporatist interests that were perhaps not as transferable to the lives of, you talked about the lives of people outside of the United States looking in.

I think we also have to be attentive to those people who are affected by a global trade, particularly what might be described as unfair global trade. Some of the things that we've seen, particularly with respect to the practices of China. So I think it would be fair to say that there has been an effort to reconceptualize certain areas that we think are going to be central going forward, supply chains, issues associated with climate, labor, a variety of provisions, taxation that we think are crucial elements of economic engagement. And so what the Biden administration has sought to do with IPEF is to create a really new kind of venue in which many of these issues would be hammered out in ways that would level the playing field, create more predictability with respect to critical minerals and vulnerable supply chains.

And essentially feature an enhanced ability to do business not just with the dominant economies of Northeast Asia, but dynamic important economies of Southeast Asia. So for the first time, India is involved in a trade negotiation like this with the United States. So as Fiji, Pacific Island Nation, obviously there are questions about how significant this will be. I think our view is that this will and will have more to say about this when the United States hosts APEC later this year

that this will turn out to be much more consequential than some of the critics have suggested. And I would just remind folks that when we started diplomacy around TPP, which is now hailed by some, it was criticized as being lacking in ambition, not significant, not the right partners. So I do want to underscore that we understand like anyone who focuses on the Indo-Pacific, that the ticket to the big game in Asia is that you've got to engage on trade and economics and commerce.

It is not sufficient to be a security player. You've got to be a full purpose, full spectrum player in the Indo-Pacific. And that's exactly what I think this administration backed up by strong support in Congress believes what's essential.

**Walter Russell Mead:**

So would it be fair to say that IPEF is seen in some ways as a negotiating forum where we can deal with some of the questions that have made trade unpopular in the United States, whether it's labor standards, environmental, intellectual property and some of these other things with the idea that then one comes back as IPEF matures a basis for deeper trade engagement. Is that the strategy?

**Kurt Campbell:**

Look, I think that's part of what we're getting at. The honest truth though is, Walter, we're actually looking for more immediate deliverables. One of the things that was clear over the course of the last couple years during COVID and other challenges is that supply chains are yep, challenge and they need to be diversified. These countries all have said, "We want to play a larger role in your supply chains," and these mechanisms will make that more effective and more predictable. So I don't think this is ethereal or somehow theoretical, this is deeply practical. It's meant to tackle the specific issues that we're confronting today.

**Walter Russell Mead:**

And definitely as you say, supply chains where we're looking to diversify from China for some of these things, it's a potential opportunity for others to replace China in that supply chain.

**Kurt Campbell:**

Yeah.

**Walter Russell Mead:**

One question I hear not only from people in the region but from sort of young people and students and others in the US is what's the goal in Asia. We're concerned about the rise of China, the international system, what would be the point, the goal? How do we know whether we're making progress? How would you describe that?

**Kurt Campbell:**

So look, I remember talking to a guy that I was in the Navy with and we were out on patrol and he said to me, "I deploy, therefore I am." And that's not how we see strategy. And so I would say

the way to think about this, Walter, is sometimes you hear from Chinese interlocutors that the United States is set at containment or keeping China down. I would just take a very different tact. I believe that the last 40 to 50 years have been the very best years in Asia's history and we've led billions of people out of poverty, increased livelihoods.

**Walter Russell Mead:**

And including in China of course.

**Kurt Campbell:**

Fantastic innovation. And a number of countries have benefited from that, including China as Walter just said. And the reason for this is not just the hard work and ingenuity of the people involved, although that is an undeniable feature of it. It is that this happened within a larger context in which this what we might describe as an operating system, to stay with tech technology, this operating system that the United States help create and sustain with the support of others, which has many factors with it. The Ford deployment of American forces, the peaceful, the commitment to peaceful resolution of disputes, the ideas of legal abilities to solve problems, freedom of navigation. There are whole collection, Walter, of features to that system, imperfect but undeniable that woven together created the fabric for remarkable peace and prosperity. It is not a surprise that China as a rising state, like any countless times in history seeks to amend or adjust elements of this dominant existing system.

But I think the concern that we and other countries in the Indo-Pacific has is that many of these changes if implemented like economic coercion or arbitrary territorial features, you can go down the list, if implemented, would have very negative consequences for the livelihoods of countries and people in the Indo-Pacific and I would argue maybe even for China. And so I see much of what the United States is seeking to do is to preserve, sustain, and update an operating system that has worked remarkably well for us. And frankly, we've found that many other countries in the Indo-Pacific and indeed in Europe recognize the salience of that argument and want very much to be part of the effort to sustain a series of mechanisms and institutions that have been stabilizing. We all recognize that they have to evolve, they have to increasingly deal with the challenges of the global south, poor peoples, but at the same time recognizing some of the key features of the global system and how it's been very good to us.

And so I sense that I think we can do a better job, Walter, in explaining this. Sometimes what look like why are we prosecuting freedom of navigation? Why do we insist on statements and the G7 that talk about lending practices that create more poverty? Why are we focused on economic coercion? It is because if these practices become dominant, we believe that it will have a deeply antithetical set of interests or consequences for the region that we so care so very much about. That's probably an inadequate answer, but I do not believe this is about sustaining American dominance or somehow seeking to keep any country down. This is simply about a set of steps that we believe that are in the best interests of the lion's share of the countries in the Indo-Pacific in Europe.

**Walter Russell Mead:**

Let me just take the liberty of throwing out some thoughts I've had about trying to frame this problem because I do basically agree with everything you just said. But when I look at the history of Asia and of the American engagement in the Indo-Pacific, looks to me like we've had

a series of crises essentially driven by uneven development so that the British and the Europeans established colonial empires because they achieved kind of industrial development earlier than Asian societies. Then in Asia itself, Japan develops earlier than others, which creates a kind of an unhealthy sense in Japan of its regional role and led to untold tragedies. Today, something similar with China as the Indian economy was 65% of China's in 1980 and is about 17% today.

And that imbalance in a sense sort of can create unreasonable expectations in China about its role, but also creates real imbalances that an external power the US takes an interest in. And possibly if we were to think that if Asia were to all be developing, that we reached the point of full development of Asian societies, there's a kind of natural balance of power, natural order in the region that no one country even, certainly not us, but even India and China, couldn't think about a hegemony in a place that's so rich and so large. And maybe part of our role is to allow that natural development of Asia towards some kind of peaceful state. Is that a useful way to think about things?

### **Kurt Campbell:**

I'd want to think about it a little bit more, Walter. It's interesting. I would say that look, taking the longer view, like let's say the last 40 or 50 years, but I would say that we tend to get in trouble during periods in which American power is questioned. And we've seen that on a number of occasions. We saw it during the Korean War when our forces were overrun at the beginning, a lot of questions about whether the fighting spirit was lost after the victories of the Second World War. Many of our closest allies were concerned by the route in Vietnam, subsequently thinking about their own nuclear developments going their own way. It took real courage of people in the Reagan administration to reassert American power in East Asia. At the end of the Cold War there was a sense that the United States and Russia, the Soviet Union had exhausted one another and Japan had prevailed.

And then during the economic crisis in 2007, 2008, a sense that for all of our lecturing that American financial institutions had been shown to be imperfect, during much of that questions about American staying power and American commitment. And that is seated and furthered by questions about either domestic disarray or preoccupation. And so I think my biggest takeaway, Walter, during this period is that if we can send a signal of American constancy and engagement that's bipartisan, that is resourced, that is not just military, and that we are seen as a steady and a deeply engaging presence across all political players along the lines that your previous question, and frankly, most of these countries want to see a careful purposeful diplomacy between the United States and China. If we can do that, I think it is easier to sustain the kind of peace and stability that you describe.

I think what concerns me even in that framework is that it is undeniable. Beginning in the late 1990s, what we've seen is a massive military investment on the part of China. And that's not something that's noted just by the United States, but by every country in the region. And I've had many diplomatic interlocutors in Southeast Asian and elsewhere say, "Why do they need this kind of investment? Shouldn't they be investing more in the healthcare system or in retirement and the like." And so those questions remain and I think the imbalances are clear, but it's not just the imbalances, it's what you spend your public financing on.

And some of those military investments are creating anxieties and people don't always talk about it, but they are creating anxieties across the region as a whole. So my general answer to

you, Walter, is that if you ask me again what's necessary, I think institution building, true norm building in which we learned some of the lessons of the WTO and how allowing certain state activities to undermine practices, creating problems in host countries and undermining the public support for trade, that those are all things that we have to be attentive to. But at the same time, I do believe it is going to be strong, purposeful American engagement that will try out to be decisive.

**Walter Russell Mead:**

Yep. Well, thank you very much. You've been generous with your time and generous I think with the range of your answers. Thank you to the audience for coming. We won't be engaged in a Q&A today.

**Kurt Campbell:**

Thank you, Walter. It's okay about that part.

**Walter Russell Mead:**

And I know you've got some important engagements that you have to get to, so we'll try to let you get going quickly. But again, thank you all for coming and thank you very much. It's great to see you.