HOUSE OF COMMONS

Foreign Affairs Committee

Oral evidence: Implementing the Integrated Review: Tilt to the Indo-Pacific, HC 684

Tuesday 26 October 2021

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Watch the meeting

Members present: Tom Tugendhat (Chair); Alicia Kearns; Bob Seely; Royston Smith; Graham Stringer.

Questions 1 - 21

Witness

I: Professor Rory Medcalf, Head, National Security College, Crawford School of Public Policy.

Examination of witness

Witness: Professor Rory Medcalf.

Q1 **Chair:** Welcome to this morning's session of the Foreign Affairs Committee. We are very lucky to have with us, all the way from Australia—very kindly staying up late for us—Professor Rory Medcalf. Rory, would you like to introduce yourself?

Professor Medcalf: My name is Rory Medcalf. I am a professor and head of the National Security College at the Australian National University in Canberra. I have a background including service to the Australian Government in the Department of Foreign Affairs and the Office of National Assessments, which was our peak intelligence agency; it is now the Office of National Intelligence. I will leave it at that.

Q2 **Chair:** Professor Medcalf, you have spent a long time, in recent weeks and months, looking at the AUKUS deal and the various elements that it brings to Australia, the United Kingdom and the United States. Could you give us an overall assessment on the agreement, and let us know what you think are its strengths and perhaps even its weaknesses?

Professor Medcalf: Yes, absolutely. The agreement is quite momentous for Australia's strategic situation and indeed for the broader strategic environment in the Indo-Pacific region. It was a surprise to many of us. It was clearly a well-kept secret, and so it has taken some time for analysts in all three countries, and indeed internationally, to really start drawing out the full implications and the challenges that it poses, and the great opportunities it beings to the national interests of our three countries.

From a capability point of view this deal is really important for Australia, because it brings the promise—it is going to be a promise that will take a really determined effort over a long period of time to deliver—of Australia acquiring the submarine capability that it needs, given our quite extraordinary strategic circumstances. If you look at Australia's geography, and the massive distances involved for submarines to get on-station to protect Australia's maritime zones, Australia's territory, and to contribute to allies and partners across the region, it is quite clear that a nuclear vessel is really what Australia has always needed.

There is the obvious implication for the strategic balance in the Indo-Pacific region. This is about Australia acquiring its own conventional deterrent capability that can extend into our region and our sea lanes, but it is also about Australia as a contributor to a strategic balance in the region. The balance, of course, is about deterring behaviour by the People's Republic of China that would upset regional stability and regional peace, and threaten our interests and those of our allies and partners.

The submarine dimension is extremely significant, but it is important to understand that AUKUS is not purely about Australia acquiring a fleet of nuclear-powered submarines. There is a cyber and advanced technology

pooling or sharing or joint development component to the AUKUS arrangement that could well be equally significant, and in the short to medium term could actually have more impact on Australia's ability to protect its interests and to contribute to collective security in the Indo-Pacific. There is an in-principle agreement among the three powers to work together as closely as possible across the full suite of advanced and critical technologies that have, frankly, both civilian and military uses: cyber, artificial intelligence, and quantum undersea technologies, including in submarine detection, I suspect. There is going to be an enormous agenda of work there, and it could well deliver outcomes more quickly than the submarine programme.

I will leave it there at the moment for the consequences for Australia and Australia's security interests, but I would just emphasise that, as those who have encountered my writings on the Indo-Pacific would acknowledge, this is not only about Australia. Particularly having faced coercion and pressure from the People's Republic of China in recent years, Australia's challenges are not unique. Australia is not alone in the region. Over time—this is where diplomacy becomes important—the consequences of all this will be positive for the interests of others in the region, not only firm US allies but players in the middle that are also feeling pressure from Chinese coercion. That is going to be quite a diplomatic journey.

Q3 **Chair:** There are various areas to pick up on that you have opened up questions on, and one of them is the question of enduring partnership. Clearly there is a technological element. There is a second element, which is that it ties the United Kingdom and even more the United States into the Pacific. You may say that actually the United States was already tied in, but it really does tie the UK in much more closely. It does, however, cause difficulties with another European and Pacific power, which, of course, is France. How do you see the relationship with France going forward? Do you think that this is an issue that will be got through?

Professor Medcalf: To begin with—I did not go into detail on this in my initial answer, but perhaps we can come to this later on if it is helpful to the Committee—AUKUS is about more than one country. From my perspective this is really about bolstering Australia's capabilities and bolstering Australia's ability to help allies and partners, but it is indeed about the role that the United Kingdom plays in the Indo-Pacific more broadly.

It is also about the United States really demonstrating its commitment to an ally in this region, at a time when there are very obvious questions about American reliability elsewhere in the world after the really awful way in which the withdrawal from Afghanistan was conducted. That is an issue that we can maybe come to later, but your question is about France, so I will turn straight to that.

The damage to the Australia-France relationship is real. It is quite saddening and disappointing for those of us who have supported and

encouraged that relationship over a long period of time. I am one of those advocates, if you like, of the Australia-France relationship, going back 10, 12 years or more—well before the France-Australia submarine deal was underway, incidentally.

France is a significant strategic actor in the Indo-Pacific. It has territorial interests here. It has demonstrated its commitment to the region in many ways over the years. Strictly speaking, it is Australia's closest developed country neighbour, if you look at the distance between Australia and New Caledonia. Of course it is important that Australia does what it can now to preserve and repair as necessary the Australia-France relationship in the Indo-Pacific.

This is not just about Australia and France, though. It is about the French commitment to this region and the French commitment to stability, to a balance of power and to a rules-based order in the Indo-Pacific. The French Government have said that. In a strange way, the real test for France is now. France was serious about the Indo-Pacific well before the submarine contract that France secured from Australia in 2016, in a process where previously many of us had expected that Japan would be building Australia's submarines. In 2015 France was a heavily committed Indo-Pacific partner for Australia, so it should be now. In time it will be again.

In the meantime, it is important for the three AUKUS powers to work with Europe and work with France where we can, to help them to fulfil the commitments of their Indo-Pacific strategies, manage the damage and try to help France help itself, if you like. Some of the rhetoric that we have heard coming out of Paris since the AUKUS deal was announced has not necessarily helped France's case in the region long term, even if it is understandable at one level. Over time we will see France and other European powers make contributions to Indo-Pacific security, not only in the military sphere but across all of the dimensions of strategic competition and influence here: development assistance, infrastructure, education, diplomacy, supporting human rights and supporting a rules-based order.

It is a high priority, as the AUKUS deal develops and as the non-submarine elements of the AUKUS deal are evolved, given that at the moment we have only a very basic outline, at least in the public domain, that we explore ways to bring other players into aspects of that, whether they are Japan, India—Quad countries—Europe or France. Let us see.

Q4 **Chair:** I am glad to hear you effectively describing AUKUS as a framework agreement that could bring in others in different ways.

Professor Medcalf: Putting aside the submarine ambition, the short answer is yes. Indeed, there are many reports here already that New Zealand is talking about being part of cyber collaboration with AUKUS.

Q5 **Chair:** You also spoke about mid-powers—those who have not made a total commitment to the US or China. There are clearly many in the region, and some extremely large countries, that have effectively tried to tread a third way. Do you see the recent actions of the Chinese state forcing these countries into one direction or another? Do you see AUKUS as demonstrating the commitment of others to sustain their independence?

Professor Medcalf: The immediate results are mixed. It is clear, both from public statements and from the private messaging that seems to be coming through diplomacy in the so-called second track, that countries such as India and Japan are highly supportive—I would say highly supportive in Japan's case, and I would clarify that to say cautiously supportive in India's case. Singapore and the Philippines have publicly signalled support. I have the impression that a country like Vietnam is quietly comfortable with the AUKUS arrangement. The response from Taiwan has been openly very supportive.

There are other countries where the diplomatic consequences of AUKUS are in play. I would put Indonesia and Malaysia at the top of that list. It would not be surprising if China were to seek to leverage and exploit that caution, that hesitancy and, I guess, the confusion in some of those countries. If there is insufficient information for those countries to make very clear stances or decisions, we can imagine China would take advantage of that

I am confident that there is a pretty intensive diplomatic effort, certainly by Australia at the moment, and I suspect by other AUKUS members, to encourage a more fulsome awareness of what AUKUS is and how AUKUS can be supportive to regional order, and also what AUKUS is not. In other words, AUKUS is not a new military alliance and it is certainly not a trigger for a regional arms race.

Chair: Thank you. I could carry on going for a while.

Q6 **Alicia Kearns:** You mentioned there how badly the Australian relationship with the French has been affected, but the UK relationship is seemingly not. The UK ambassador was not recalled, while others were. What is your assessment for why the Australian relationship has particularly been so badly affected by this, and yet the UK has come out less scathed?

Professor Medcalf: That is a great question. Of course, the United States is in that frame as well. It is pretty clear from the visit to France by the US Secretary of State and the rapid return of the French ambassador to Washington that France is setting priorities here. It will repair the relationship with the United States reasonably quickly. There has clearly been an effort to restore or repair damaged trust between those two countries.

I cannot comment broadly on cross-channel relations, but the impression I get is that the breadth of the agenda that France has with the UK is so

extensive, so integrated and so vast that of course this issue is not going to cloud everything. There are certainly some indications in media reporting that France has almost tried to feign indifference towards the UK over this issue, almost as a greater form of passive insult, if you like, than the withdrawal of the ambassador, but I could not comment on whether that is true. That is just media commentary that I have encountered.

The damage to the Australia-France relationship is clearly the most severe of the three. The sense of extreme disappointment, if not anger, on the French side is greatest towards Australia because of course it is Australia that chose to end the submarine contract with France, which is obviously going to have big repercussions in France.

Q7 **Alicia Kearns:** Do you think France's response to Australia in any way weakens Australia's position within the Indo-Pacific in terms of China? I am thinking of those of us who are united and normally work together as western states. Do you think China will have been enjoying this? Do you think it in any way weakens Australia's security or interests in the region, or do you think this is all a bit of a diplomatic spat that has no meaningful reality in the world?

Professor Medcalf: It is not ideal and it is not helpful, and it would be disappointing if the French position over time were to encourage or incite some sort of sustained mistrust of Australia among multiple countries in the region, or indeed sustained mistrust of the United States and US-led efforts among multiple countries in the region. I would not venture to judge that that is what is happening, but I certainly hope that that is not what is going to eventuate. There were some unfortunate signs in some of the comments in the media; some of the opinion pieces in south-east Asian newspapers by French diplomats seemed to be pointing in that direction, but I would like to think that the French position will be more reasoned over time.

None of this is fundamentally damaging Australia's diplomacy in the Indo-Pacific because, again, it is important to put this in context. Australia is obviously now working with AUKUS, but more comprehensively with the Quad. At the same time as the AUKUS deal was announced, we saw the Quad process elevated for the second time to summit level, and a comprehensive agenda of public goods across the Indo-Pacific. We have seen Australia continuing to step up as a partner to its partner countries in the South Pacific, notably yesterday with the announcement that the Australian Government would work with Telstra in the purchase of Digicel in New Guinea and elsewhere in the South Pacific. In other words, Australia is supporting communications and connectivity in the region. There is no profound damage.

An important data point to put in this is the messaging coming out of Tokyo. We sometimes underestimate Japan's influence and weight in the region, but the messaging out of Japan is very much that Japan got over its disappointment in 2016 when it lost what it had hoped would be a

submarine deal—a very strategic submarine deal—with Australia to France, but Japan quickly and pragmatically pivoted to working with Australia to protect its interests in the Indo-Pacific. Japan seems to be conveying that kind of message, both publicly and privately, to our friends in Paris.

Alicia Kearns: "Be more Japan" might be the message.

Q8 **Graham Stringer:** Thank you for being here, Professor Medcalf. New Zealand is an ally of Australia, the United Kingdom and the United States, and is noticeably absent from what you are saying and from this deal. Where do you see them being in the future? Should their position change at all?

Professor Medcalf: A lot is made of the distance between Australia and New Zealand when it comes to strategic tensions in the Indo-Pacific and the relationship with China in particular, and of course also with the United States. That gap is beginning to narrow. In many ways Australia had quite an early wake-up to coercion and interference and pressure from China over the past five years. New Zealand is coming to a similar realisation a little bit more slowly, I guess understandably in some ways. There is not a fundamental difference there.

This year we have already heard speeches coming out of the New Zealand Government, notably from the Prime Minister, articulating the kind of Indo-Pacific policy that New Zealand sees for itself. It is more cautious and more softly spoken than Australia's, but it is fundamentally about the same things. It is about building coalitions to dilute, manage and, where necessary, balance Chinese power.

The responses we have heard from New Zealand on AUKUS are mixed, but we should not overplay the initial commentary that came out of the New Zealand Government about denying access to a future nuclear-powered Australian fleet to New Zealand ports, because that is simply not a new policy. It has been New Zealand policy for many years. Indeed, New Zealand policy on nuclear ship visits in the 1980s is what ruptured the New Zealand part of the ANZUS alliance. Over time we will be patient with one another. We will cope. In fact, I suspect that New Zealand will increasingly become involved in the non-submarine elements of AUKUS, as will a number of other countries.

Q9 **Graham Stringer:** We have seen the start of the rhetorical response from the Chinese. Do you expect there to be a material difference in defence policy and their attitude to Taiwan and other parts of the region?

Professor Medcalf: I would put this a little in the context of other coalitions and other arrangements in the Indo-Pacific over the last 10 years. The example I would use is the Quad. In 2007 and 2008 the Quad—Australia, US, Japan and India—had a very brief initial flurry of activity and then effectively closed down, partly because of Chinese pressure. The Chinese pressure was worded along the lines that, "If you

band together, you will provoke us into doing quite big, bad things that we do not want to do and that you do not want us to do".

Ten years later, after many of those things occurring, and after increasingly assertive behaviour by China in the South China Sea towards Japan, other countries and indeed Australia, we saw the logic of the Quad reforming in 2017. In other words, the balancing arrangement of the Quad was a response to assertive and coercive behaviour by China, not the cause of it. We will hear similar messaging now around AUKUS and we should greet that messaging with a similar grain of Indo-Pacific salt, because of China's military modernisation. Its assertive and, to some degree, aggressive wielding of that capability—it is certainly threatening the wielding of that capability against Taiwan—would occur with AUKUS or without, but over time AUKUS will be one of a number of pillars that will help to give China pause and help China to take more rational calculations about the strategic balancing that its behaviour is encouraging.

Q10 **Graham Stringer:** If I understood your previous answer, you did not see this organisation turning into a mutual aid organisation if one of the members was attacked, but it must look like that from China. Do you not see that there is almost an inevitable move in that direction, to mutual aid and support?

Professor Medcalf: It depends what you mean by mutual aid and support. If we are looking at treaty provisions such as under the NATO treaty or the ANZUS treaty to essentially unite to meet the common danger, or consult and then potentially act to meet the common danger in a military sense, then AUKUS is not that. To move in that direction would be another profound step, even more profound than what we have just seen.

At one level that is immaterial, because Australia has that relationship with the United States already, and the United States has that relationship with Japan. It has that relationship with a whole range of allies around the world. Two thirds of AUKUS in the Indo-Pacific was already an alliance, and the United States of course has its own very special relationship with Britain. Under NATO there is an alliance in the North Atlantic as well.

The only question in my mind left there is, "Does AUKUS commit Britain to be a frontline military player in the Indo-Pacific?" It does not, but at the same time AUKUS will make Australia more capable and more confident of defending itself. It will make Australia a more capable part of future regional coalitions. At the level of intelligence-sharing, before AUKUS Britain was effectively, as part of the Five Eyes, already a contributor to Australia's defence and American-led efforts in any future Indo-Pacific contingency, and that too will remain.

China may well portray this as an alliance and use it to rationalise things that it is already doing, but if China did not find this excuse it would find

another. In the last two years we have already seen levels of modernisation and assertiveness in the Chinese military that most observers did not anticipate five or 10 years ago and that have proceeded more quickly than most had anticipated. That would continue regardless of whether AUKUS occurred, but over time AUKUS will give China greater pause in dealing confrontationally with Australia, and, quietly, a number of other countries in the region—India, Japan, the Philippines and so on—that have felt the edge of China's coercion will frankly feel a little more emboldened in their own self-defence.

Q11 **Graham Stringer:** My final question is a bit technical. I am not sure if you are able to answer it. When the United Kingdom was considering renewing its Trident fleets there was a lot of talk in the press that submarines would become obsolete, because new technology and drones would make the seas transparent. Are you aware, or can you tell us, if that debate has moved on? Do you believe that submarines are the future, or are they going to become obsolete?

Professor Medcalf: I am familiar with the debate and have done some research related to that debate. In fact, some of the British researchers who contributed to those very active debates in the UK have been research collaborators of mine. It is a legitimate debate. The mainstream answer that I encounter in that debate is that the oceans will not, in any rush, become transparent. Translucent is perhaps a better way of describing the future of undersea warfare. Over time it will become easier to detect submarines, but it will remain an extremely difficult task on balance. To translate that detection into real-time targeting, and into usable, actionable real-time information, will be immensely difficult unless it is at a very short range.

From an Australian perspective, having a SSN fleet, having nuclear-powered submarines will in fact help Australia cope with the prospect of more translucent oceans, because it will allow the submarines to carry a larger load. It will allow the submarines to carry unmanned underwater vessels, more of them, more capable weapons and so forth. It will allow Australian submarines, in other words, to loiter at a greater range from potential targets and therefore be less vulnerable themselves. It is a legitimate debating point but it is not, as far as I can tell, a reason for navies in this region to abandon submarine ambitions.

The evidence of that is partly, of course, that countries as diverse as China, Japan, North Korea, South Korea, America, Russia, India, Vietnam and Indonesia are all acquiring and modernising their own submarine fleets as we speak.

Q12 **Royston Smith:** Professor Medcalf, thank you for joining us today. Do you think that the AUKUS arrangement represents a threat or a challenge to the global non-proliferation?

Professor Medcalf: I do not consider it a threat to the regime, but it is a challenge in the broader sense because it will require the regime to

adapt. It will particularly require the development of proper arrangements and protocols to deal with that loophole in the non-proliferation treaty regarding transfer of nuclear submarine technology, particularly involving HEU, highly enriched uranium. There is a large body of work ahead for the three countries, particularly for Australia in that regard, in working with the International Atomic Energy Agency to develop the arrangements we will need to provide assurance down the track.

Interestingly, one of the great Australian proponents of nuclear disarmament and non-proliferation, Gareth Evans, former Foreign Minister of Australia and former chancellor of my university, has said that this is manageable, this is not an insurmountable challenge and that, apart from anything else, the character of Australia traditionally as something of a champion of the non-proliferation regime and a champion of non-proliferation diplomacy positions us well to be the country that works on bridging that loophole with our very own example.

Q13 **Royston Smith:** Do you think that the UK has a role to play in giving other countries assurances that this will not endanger non-proliferation efforts, because of course that could be levelled at the UK as much as anyone else.

Professor Medcalf: All three AUKUS members have that responsibility of providing those assurances and of working together on the arrangements that I have spoken of.

Q14 **Royston Smith:** This might be outside your remit, so please feel free to say that it is not your thing. Beyond defence, are there any other areas of co-operation with the AUKUS countries that can come out of this agreement such as trade diplomacy or intelligence? I know that they do in many ways anyway, but could it be strengthened and expanded?

Professor Medcalf: There is a lot of potential, as I said at the very start of this conversation. The weakness in AUKUS, if there is one, is also the strength. There is a very substantial framework here, but a lot of the detail is yet to be written. The risk is that AUKUS is a grand political pronouncement of the three countries and focuses very narrowly on one thing: the nuclear submarines. If our policy establishments are serious about this, we will move quite quickly and comprehensively to start filling those other gaps in the areas that you alluded to.

For example, this could be co-operation among Government Departments or co-operation among our research sectors. This could involve universities. It certainly should involve our defence and scientific research establishments. It could be co-operation in ensuring that, for example, we maximise and improve the flow of human capital across the three AUKUS countries, and that we essentially pool talent in terms of exchanges, in terms of joint research and in terms of shared security clearances. Ideally we would look to identify a few areas of very early

priority, such as artificial intelligence, where we really maximise co-operation among our research sectors.

I am not sure if that is where you were driving, but those are the areas that I would identify as early priorities. I would also note that if they are not related directly to the nuclear submarine programme, on a case-by-case basis, we can look at bringing fourth or fifth countries into that as well.

Q15 **Royston Smith:** Finally, back to the non-proliferation, do you think that it will embolden other countries to try to expand their operations in that field?

Professor Medcalf: There will be, and there already have been, dark murmurs, particularly from China along these lines, because it suits China to share that narrative. This Committee may be aware that there was a recent ministerial joint statement by a Chinese and an Indonesian Minister, not naming AUKUS but alluding to perceived risks to the non-proliferation regime. We certainly need to try to manage that, especially in regard to Indonesia. We cannot shape Chinese thinking on this.

Will it practically have an effect? Will countries that had no intent or determination to proliferate, acquire or build nuclear weapons suddenly turn around tomorrow and say, "We were not going to do it, but now look at AUKUS. We are going to go ahead anyway"? It is fantastical to imagine those scenarios.

It is also worth noting that, although this will be different—this will be a complete technology transfer between the UK and Australia or between the US and Australia with UK co-operation; and let us see what submarine we opt for—it is not the first time that countries have co-operated on nuclear submarine programmes apart from the US-UK co-operation that began in the late 1950s. I am talking about Russia and India. I am talking about France and Brazil. They are very different models and very different circumstances, but this is not quite as revolutionary as some of the headlines have suggested.

Q16 **Chair:** Can I just follow up a little on some of the nuclear questions that you raised there? Former Prime Minister Malcolm Turnbull raised some questions about this—I am sure you have seen them—in which he talks about Australia's dependence now on foreign fuels, effectively because the Australian Commonwealth does not have the technology to produce highly enriched uranium, although of course you do mine most of the world's uranium at the moment, so it is a slight anomaly. This does effectively leave the Australian nuclear submarine programme reliant on US and UK fuels. When looking forward, how do you see that dependence as an issue of strategic vulnerability?

Professor Medcalf: This is obviously new territory. One of the concerns that has been raised about AUKUS—you have partly referred to it there,

but it is also about questions that have been raised by the opposition Labor Party and some commentators—is whether it limits our sovereignty, in a sense. Does this limit our ability to develop, maintain, deploy and use our military forces?

At one level, similar questions could be asked about other capabilities that we have long had—the development of the Joint Strike Fighter, for example—and Australia is not the only country in that situation. I suspect we will pay very close study to the UK experiences around decisions like the Falklands deployments and the Falklands operation in the 1980s, where the UK clearly deployed its military in a way consistent with independent sovereign decision making, despite the nature of its defence technology relationship with the United States. There will be a lot of study of that. It is very difficult to imagine circumstances where this is going to be a fundamental problem for Australia, or where it is going to be that different from or that unlike the current situation with other conventional capabilities that we have.

It is also important to note that this is not just about a limitation of Australia's technological capability at this stage. Australia does have a very small research reactor, but that is about it for our domestic nuclear industry. It is also about the politics. What is fascinating here and what has surprised many observers, myself included, is how quickly the mainstream of Australian political opinion, not just the centre-right but also the centre-left and even the left—if you look at polling among Greens voters in Australia, only a minority of Greens voters seem to agree with their leader that this is a really bad thing for Australia's security—now seems comfortable with AUKUS.

At the same time, political parties in Australia, particularly the Labor Party, remain pretty allergic to the idea of Australia developing a full civil nuclear industry in this country. It is not just about Australia lacking the technology; it is about Australia at this stage and for the foreseeable future lacking a political consensus to develop a nuclear—*[Inaudible]*—beyond the mining and safeguarded export that we do, and beyond now, and in times to come, the AUKUS arrangement.

Q17 **Bob Seely:** I apologise for coming in a little late; I hope I am not repeating any questions. There is obviously a lot of ambiguity around defence arrangements in the Pacific in a way that there is not with NATO. NATO has Article 5. There is no such Article 5 to link Australia, Japan, India, Malaysia and the United States. Is this ambiguity conducive to peace, or is this ambiguity going to be dangerous because somebody will push it?

Professor Medcalf: That is a good question. It is complex, and I mean that seriously. Some arrangements in the Indo-Pacific do not have much ambiguity. I would argue that the US treaty relationship with Japan, the US treaty relationship with Australia and, in fact, the US treaty relationship with the Philippines have pretty clear provisions. They are perhaps not quite as clear as NATO Article 5, but there are pretty clear

provisions about defence and deterrence. I should add the US-ROK, the US-South Korea alliance, as well in that regard. You have four bilaterals that are effectively security guarantees.

You are right that what you do not have are security guarantees among the spokes of what was traditionally the hub-and-spokes alliance system in the Indo-Pacific: Australia and Japan, Australia and India, Australia and Singapore, and those countries with one another, for example. There is a thickening web of co-operation across the spokes, some of it bilateral, a lot of it trilateral. The Australia-Japan-US relationship is the strongest trilateral. It is really the reason why we do not need a treaty alliance with Japan, because it is very difficult to imagine a circumstance in which the United States supported Japan in a conflict and Australia opted to stay out, partly because of our intimate connections through the intelligence relationship. That is not a fundamental problem. It is a mix of security guarantees and ambiguity.

There is also the question of Taiwan, where there is still some degree of ambiguity in the US position. It is going to be a pretty delicate, dynamic, evolving balance of messaging to ensure that this is sufficient to give China pause in particular.

I note again for the record that I do not think that China is necessarily intent on military aggression across the Indo-Pacific. It would prefer to dominate the region by peaceful means. It would prefer to preserve regional stability to ensure the control and authority of the Communist Party at home, but the rapid pace and scale of China's military modernisation, the way in which that has become quite intimately linked with domestic control, and the authority and the worsening authoritarianism of the Chinese leadership, create a pretty unstable situation. I would actually argue that the greater instability is the way in which the Chinese leadership connects its internal mechanisms of control with needing to create the appearance of great risk-taking abroad.

Q18 **Bob Seely:** I have a couple of things just to follow up with on that. The whole point of conventional weapons is that you do not use them but you are strong enough to get your way with just the appearance of them. You could argue that obviously China wishes to enrich itself, partly at the expense of others, so a generalised war is going to be very inconducive to that.

You are describing a situation that the Soviets had with the ideological struggle back in the Cold War, where you had an intimidating military presence linked to political and other measures. Are you effectively suggesting that we have an updated version of that ideological struggle in the Pacific, where China wishes to have an intimidating military presence that is threatening enough to others, the medium-sized players there, and off-putting to the larger players such as Japan and India, while at the same time then using other measures to assure its dominance?

Professor Medcalf: That is pretty elegant. I would update it from the Cold War template to say that there is certainly a Chinese ambition or imperative to win without fighting, to dominate the region and to essentially be hegemon of the Indo-Pacific and, I would argue, of the broader Indo-Pacific, not just narrowly east Asia. Some argue that this is really just about China seeking to dominate its eastern maritime periphery and it will leave the rest of the region alone. The game has already gone beyond that by now.

China is playing, or feels it is playing, a more sophisticated game than the Soviet Union did, because this is combined with influence through trade and investment and influence through the United Front Work Department. In other words, it is using sharp power through diaspora communities and influencing foreign Governments, as has previously been attempted in this country.

The ideal outcome from a Chinese perspective is certainly not war. It is certainly not major war. It may be a few small examples along the way, but it is really a two-track strategy where China develops a security capability that is capable of coercing small and middle powers in the region one by one, in circumstances where interests clash, whether those countries are in south-east Asia, Japan, Australia, the Indian Ocean or wherever it might be, and where the United States essentially sits back from that arrangement. The capabilities China needs for that are not necessarily the full weight of the PLA, but at the same time China is developing capabilities for much more intensive major war, most notably with its ambition to annex Taiwan. That is where the greatest risk of major conflict lies.

Yes, there is some truth in the Cold War analogy, but it needs to be radically modernised. A lot of the action, if I can call it that, will not be in the conventional military domain; it will be in seeking technological advantages, domination of the information environment, domination of cyberspace and domination by the country's critical infrastructure. That is actually why those sides of AUKUS may end up being more important, at least for the next five to 10 years, than the submarine side.

Q19 **Bob Seely:** I have one other question, if I may. It can be a brief one; it is entirely up to you, Professor. What is going to happen first: China's ability to coerce powers one by one; or an Article 5 between the spokes of the US alliance?

Professor Medcalf: The reality, I believe, is neither of those. China is having a very uneven experience of coercing individual powers one by one. It is reasonably effective at co-opting some players, particularly in south-east Asia. I would argue that Cambodia is particularly vulnerable there, but it is going to have a pretty uneven experience with others. There will be times where it can, on a case-by-case basis, coerce the likes of Vietnam, the Philippines and Indonesia. There will be times where, surprisingly, they push back. Indonesia seizes Chinese fishing vessels and burns them, even though its diplomacy can be pretty soft towards China.

In a sense the coercion is already happening, but it is not as comprehensive or as effective as China would like it to be. That is largely a consequence of pushback by individual countries. In a very loose concept, the Japanese and Indian examples are really profound at a military and security level. Look at the fact that India pushes back on its land border, or the fact that the Japanese navy, since about 2010 or 2011, has consistently deterred China in the East China Sea; that is one of the reasons why China turned the South China Sea so effectively. At a geo-economic level—in other words, using economic or trade dependency as a lever of influence—China is already trying to coerce Australia.

All of this will continue in a pretty ragged way, but over time we will begin to see small groups form among the spokes and small groups among the middle powers. It is about the extent to which we can involve Indo-Pacific players that are non-resident—powers like the United Kingdom, with global interests, with stakes in regional order, and the extent to which they can support some of these coalitions, not necessarily through military force but through other means. The more we can do that, the more effective that pushback is going to be.

The narrative I have given you there is not elegant. We are not going to suddenly have a NATO in the Indo-Pacific, nor is China going to consistently get its way, precisely because of the pushback that we are seeing. I would see AUKUS as a part of that.

Chair: Thank you very much indeed, Professor Medcalf. We are going to have to close in a moment, but I just wanted to thank you enormously for your contribution this morning and for staying up late.

I was interested in your comparison with the Falkland Islands. I was reminded of an interview given the other day by a former ambassador of ours who pointed out that Jeane Kirkpatrick, the then United States ambassador to the UN on the day that the UK sent Task Force South, went and had dinner with the Argentine envoys and the Argentine Minister of Defence, which did rather sober up many people in the UK as to the questions over some elements of the alliance, at least. I hope your Falklands comparisons are on the positive side rather than the other side.

Professor Medcalf: Yes.

Q20 **Chair:** On that note I am going to thank you enormously. Unless you have any last contributions I will close the session there. Thank you very much, Professor Medcalf.

Professor Medcalf: I would like to make one last observation, if I may. As I said, the real challenge and the hard work of AUKUS starts now. The only other message I can convey from an Australian perspective is that there will be a lot of expectation in this country now that the United Kingdom is serious about a sustained strategic tilt towards the Indo-Pacific and serious about working with us in following up the promise of AUKUS. I will end on that.

Q21 **Chair:** This cannot simply be an announcement; it has to be delivery. I

presume, then, you are also referring to the importance of the UK investing in research and development to actually play its weight in the technological developments that you have spoken about, and, indeed, in our diplomatic efforts into the South China Sea, to actually, again, play our weight into the sustaining of the order that you have spoken about.

Professor Medcalf: Yes, absolutely, and also extending the bipartisan support for AUKUS that we have in this country to bipartisan support in the United Kingdom as well.

Chair: Thank you very much. On that note, we will close.