



# Partnership of Freedom: AUKUS Viewed by Its Architects

## TRANSCRIPT

Discussion.....2

- Hon. Boris Johnson, *Former Prime Minister of the United Kingdom*
- Hon. Scott Morrison, *Former Prime Minister of Australia*
- Michael R. Pompeo, *Distinguished Fellow*
- Bryan Clark, *Senior Fellow and Director, Center for Defense Concepts and Technology*
- John Lee, *Senior Fellow*

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A video of the event is available: <https://www.hudson.org/events/partnership-freedom-aucus-viewed-its-architects>

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**Miles Yu:**

Hello and welcome to the Hudson Institute. My name is Miles Yu. I'm senior fellow and the director of the Hudson Institute's China Center here in Washington DC. AUKUS, the trilateral security pact between Australia, the United Kingdom and the United States has been much talked about ever since its official launch in September 2021, but it has traveled a long journey to that point.

Today we're extremely honored to have three key individuals in the conceptualization in negotiations and the final formation of AUKUS. They are: former Prime Minister of Australia, Mr. Scott Morrison, former British Prime Minister, Mr. Boris Johnson and our own former Secretary of State, Mr. Mike Pompeo. Joining me today, in the discussion, are Hudson Institute's two senior fellows; Mr. John Lee, who is today in Sydney, Australia, and Mr. Bryan Clark, who is today in Tokyo, Japan. So this truly is an international panel.

AUKUS is about the US and the UK assisting Australia in acquisition of nuclear-powered submarines. AUKUS has become a focus of global discourse on security in the Indo-Pacific and beyond. Many believe it will form a formidable deterrence against aggressions posed by China in the Indo-Pacific. Others have cast the wary eye on its potentials and naturally China views AUKUS with its usual vitriol dislike and a blatant threat of retaliation. There are no other people than our three distinguished guests today to provide the most authoritative answers to some questions we have. So I'll start by asking each of our distinguished guests, panelists a question, and after that John and Bryan will pose their own questions. So my first question is for Mr. Morrison; what motivated Australia to enter this deal? Why does Australia need nuclear submarines?

**Scott Morrison:**

Well, thanks Miles and to Boris and to Mike, it's great to be joining you from late night over here in Australia. I'll get right to it. At the end of the day, AUKUS was a product of the events and the scenario that we faced, at that time. Australia was looking to put itself in a position to have a 12 diesel powered conventional submarines. But what was very clear is that the rapid militarization of China meant that the usefulness of diesel powered submarines in that theater, over the next 20 to 30 years and beyond, meant they'd be largely obsolete before they even got wet. And with some delays we were experiencing with that project, we considered that we needed a plan B, but we needed a plan B that was better than plan A, and that meant we needed to do everything we can to realize the opportunity for nuclear-powered submarines. Conventionally armed, there's never been any suggestion that Australia wanted nuclear armed submarines, only ever conventionally armed.

But the nuclear-powered submarines would enable us to go further, be under for longer, to operate undetected in some of the most contested maritime domains anywhere in the world, if not the most contested. To do this, needed a partnership and the partnership required obviously the United States, as the custodians of the technology, but there is a deep and lasting relationship between Australia and the United Kingdom, and particularly between our neighbors. And with the UK being the only other country with which the United States has trusted, another nation with that technology, they were the obvious partner to work together with to ensure that together Australia, the United States and the UK could have a greater capability here in the Indo-Pacific.

This was not about displacing the capability of the United Kingdom or the United States and their nuclear power submarine capabilities. It was about adding to our collective capabilities. It brought the UK further into the Indo-Pacific, which was a stated objective of Boris and his government. And so there was a clear alignment of our objectives and of course our alliance with the United States, and the whole development of that strategic environment. We understood that together with the United States and particularly Secretary Pompeo and Secretary Esper and of course Vice President Pence and President Trump, over the course of that administration, and that was carried through under the Biden administration.

But it isn't just about nuclear-powered submarines. It's about having the most advanced defense technology of any three partners working together of anyone in the world. That is what establishes a credible deterrent and realizes Australia's defense strategy, which we outlined, which was to keep adversaries further away for longer. And there is nothing more effective than nuclear-powered submarines to enable us to do that, in partnership with our key partners being of course the United States, principally within the region, but of course the United Kingdom playing a more significant role in the region.

It enabled Australia to add value to these partnerships and relationships. So it made sense strategically. It made sense in terms of how we built up our capability. We were able to convince the US system in particular that we were able to do this and that understanding was built up significantly under the Trump administration and then realized in the affirmation that we got from the Biden administration. So this is a partnership that goes well beyond both sides of politics in all of our countries. It will span generations and that means it requires a consistent commitment from all leaders over a long period of time. But it was a great privilege to commence it, particularly with Boris, and frankly it would not have got over the line were it not for the strong commitment we had from Prime Minister Johnson at that time. We completely fused on, I think, Boris on the idea from the outset and it put us in a very strong position to take that to the United States and where it was received very, very well and the rest is history.

**Miles Yu:**

Thank you Mr. Morrison. And my next question is for Mr. Pompeo. Sir, why is this agreement important for the US global strategy in general and for a free and open Indo-Pacific in particular? What was the previous and current administration's reaction to this deal, either during this negotiation stage and in its final formation?

**Michael Pompeo:**

Well, Miles, good evening and good morning to those who are on US time. Prime Minister Johnson, Prime Minister Morris, it's great to be back with you all again. And I want to start by giving full credit to the Biden administration for bringing this to conclusion and continuing to build on it even today as we sit here. As Prime Minister Morrison said, this is not remotely partisan inside the United States. This is deeply about US national security interests. It's not about Democrats or Republicans, it's about finding the place in the world for those of us who believe in basic human dignity, property rights, all the things that each of our three countries, the United Kingdom, Australia and the United States, have stood for for decades and decades. Brilliant work by Prime Minister Morrison and his team to get to the point where they could make a transition, which was going to have some controversy inside of their country for sure, but making clear to the Australian people, communicating clearly to the Australian people, that this made sense for them.

As for the United States, to your question, Miles, we have been working to develop for the last handful of years a theory, a theory that makes clear that this is not about a particular place, but about security for the Pacific, the Indo-Pacific in particular, and the region in which Australia sits, the part of that region in which Australia sits is central to that security, central for commercial goods to flow through, military security for countries all through Southeast Asia and the Pacific Islands. And the agreement that was reached here goes far beyond a couple of submarines and a single set of technologies.

There are three important points for the United States. First, we've always known that we are going to need partners. The Trump administration came to believe that the central organizational pillars, post-World War II, were failing at that. They weren't delivering. And so what you see in AUKUS is a new organization, a new set, in this case three countries. Watch the Canadians, the Japanese saying; we want to be closer to this institution as well. But the historic institutions were failing to deliver security for the United States of America. And so creatively, and with a clever twist, we've now delivered a new organization with a mission statement that is very clear, a focus that is sufficiently broad to achieve the end objectives and with an openness saying; this is what we're trying to do with transparency. This is what we're trying to do, this is why we are trying to do it and here's how we intend to achieve it.

The submarines get all the focus, but we shouldn't forget the AI activity that's happened just in the last handful of months, where there have been a very high end set of capabilities demonstrated between these three countries, which I always try and measure how effective a test of a technology is by how the potential adversaries respond. And the Chinese responded by saying; this appears to be a waste of taxpayer dollars. And I appreciate the Chinese government worrying about the American taxpayer, very kind of them. We know this, that the relationships that will be built, as a result of Australia, the United Kingdom and the United States working together, will far exceed the simple and glorious and important benefit of adding a submarine capability to Australia.

Two other thoughts and then I'll close. One is Boris, one more example of Brexit having a good outcome. This would've been very, very difficult to do inside the constraints of the EU. And then second, the United States also faces a challenge that is highlighted by this opportunity as well. Our industrial base is simply insufficient to deliver against the demands that are being put upon us by the threat that the Chinese Communist Party poses. And so we can certainly talk about this, Prime Minister Morrison, I think hinted at it, this can't be about subbing out two submarines to Australia and too fewer or more fewer for the United States of America. We need to invest in the infrastructure here in the United States. The Australians, the British need to invest in infrastructure for their industrial bases as well, because this challenge will continue. Xi Jinping has made very clear his intentions. We need to make sure that we are prepared both from a military and intelligence standpoint, as well as from an economic and industrial base standpoint, that we're prepared to defend the things that matter to the United States.

**Miles Yu:**

Thank you, Mr. Secretary. So my next question is for Prime Minister Johnson, and the question is; why the United Kingdom? What's the stake for the UK in this deal? And there was some controversy over the previous agreement with Australia and France, what made the United Kingdom a better partner for this strategic agreement?

**Boris Johnson:**

Yeah, well, thank you very much, Miles and it's a great honor to be part of this panel today. And thanks to the Hudson Institute for what you are doing to put on this discussion. I think it's very, very important and I believe that AUKUS is a big step forward for western security cooperation and for the safety and security of the whole world for reasons I shall explain. Miles, to your point; yes, this was born in a certain amount of diplomatic pain. We have to be honest about that. I congratulate ScoMo, my friend Prime Minister Morrison, on what he did. It was very brave. He looked at a very difficult situation, and he knew that the subs deal that they had going with French just wasn't practically going to work for Australia. And that was obvious. It was obvious to everybody.

And a bit of plaster came off the ceiling in the Élysée Palace, there's no doubt about it. And there were a few difficult conversations, but I think that realistically Emmanuel could see the point and I think he could see the difficulties in the contract. I think that what Mike has said about Brexit is absolutely correct. I don't think it would've been possible for the UK foreign office to have done this or for me to have done this, for a UK prime minister to have done this in good faith, within the European foreign and security policy, as it was previously constituted, before Brexit. And it gave us an opportunity. And the key thing about AUKUS is it was driven by military, by naval necessity. It was Tony Radakin on our side and the Australian Navy who first really brought the idea, I think I'm right ScoMo, to us as politicians and said; this is what needs to happen or this is what could happen.

And then it was we, Scott Morrison and Joe Biden and me, who then met to do the deal and it was the right thing to do, overwhelmingly the right thing to do. And yes, it was unfortunate that France couldn't be involved at that stage and we had to do it in that way in Carbis Bay, in Cornwall, in a way that Emmanuel didn't know about at the time. But ultimately, France is a great Pacific player too. We're going to need French involvement and commitment in that area, as much as UK involvement and commitment, and I'm sure there will be a very big role for France to play.

But what AUKUS has done has opened up cooperation between these three great English-speaking countries, not just in nuclear submarine technology, but as Mike said and as ScoMo has said, in other fields as well. And this is not meant to be, I've said before, that this is not meant to be adversarial towards China or indeed anybody. It's meant to be promoting security and stability across the world. And with AUKUS, you have an agreement that truly spans the globe. It's quite extraordinary. And I think if we add on these other things, which we were going to do, not just the manufacturer of new submarines, but AI, quantum, cyber, all the other areas of defense cooperation, I think this has huge potential for the future and it represents the Anglosphere in action and it's a concept that has never really had much hard physical reality, the Anglosphere, until I think the AUKUS idea was born. You're now seeing something that I think you can really add to the security and stability of the whole world.

**Miles Yu:**

Thank you. Thank you very much, Prime Minister Johnson. And so now I'm going to turn to my fellow colleagues at the Hudson and, Mr. John Lee and Brian Clark, and John, do you want to go first to take the stage and ask questions?

**John Lee:**

Thank you, Miles. We know China is worried, because it's trying to discredit AUKUS in Southeast Asia and Europe by framing it as a backward looking and divisive Anglo-Saxon agreement. A question for Prime Minister Morrison and Prime Minister Johnson, how did your Southeast Asian and European colleagues react? I don't mean just the French, but your other European colleagues react. And do you think China's having any success in framing things in these negative Anglo-Saxon light?

**Scott Morrison:**

I might deal with the ASEAN, Indo-Pacific reactions first. They were positive, particularly for some. Philippines, for example, were very supportive. Singapore didn't raise any objections. There were some from Malaysia, but the objections we heard largely reflected some of the things that China was saying at the time, so that wasn't really a surprise and where some of those comments came from. Indonesia expressed some initial concern, but there were some other issues circling at that time, which I think contributed to that. But they were overcome through the strength of the relationship and just sitting down and explaining. One of the things that I think we have to appreciate about where we got to, and Boris will remember it well, the idea that you could have made a pre-announcement about this and opened the kimono on this, in advance of its announcement, and to think that it would've survived, the many interests that would've sought to basically torpedo this is. It wouldn't have happened.

I had been very clear with President Macron, with Emmanuel, when after I'd been in Carbis Bay with Boris and others, certainly President Biden, that Australia had formed a view and reached the view that conventionally powered submarines were not going to meet our strategic interests. That the strategic situation had changed so dramatically from when we went into that contract, and we still had gates to clear in that contract, that this wasn't going to serve our needs. Now, the next day the French defense establishment went into overdrive. They called everyone they possibly could that had an Australian accent and applied some pretty significant pressure. And that was before they had knowledge, full knowledge, of the fact that the contract would be canceled.

Now, at that time, the contract hadn't been canceled. AUKUS at that time had not yet fully landed. I'd say we were about 80 to 90% of the way there, but there were still issues to be addressed. President Biden still had some matters that he wanted to be comfortable with. And I think Boris, you and I didn't have any issue at all with him running those to ground. I think that only ensured that when this thing took off, that everybody was very comfortable. So we worked hard on ASEAN. Remember Australia at that time was the only country, the first country I should say, to have ended a comprehensive strategic partnership with ASEAN, that was even before China. We'd had a dialogue with ASEAN, which the UK now also have, I think it's the only country in that sphere that has such a dialogue with ASEAN.

So we'd put a lot of work in John, I think as you know, into all of those relationships. And so when things like this come along, you can sit down, you can talk about it, you can explain it, you can calm people, you can point out what is just a predictable reaction from China and how they'd seek to discredit it. But frankly, they weren't the only ones doing that at the time, post-announcement. The French were pretty busy too, but it only proved my point that had they'd been given the opportunity, I think we would've seen an armada of French diplomats descending, going across the Atlantic to see this end.

So it was the right call to make, to do it in the way we did it. Yes, it meant there'd be a little bit of paint lost on the way through, but the idea of giving that up for the sake of not having some sensibilities impacted, I think would've just been irresponsible. And so we were able to land it and then work it through with our partners, and particularly the Quad partners and Secretary Pompeo, Mike, worked closely with all the Quad countries, particularly as foreign ministers, and you were part of the first foreign ministers Quad dialogue meetings. India and Japan were very, very supportive of this. They could see what it meant in the region and all of this adds up to one thing; credible deterrent. And without a credible deterrent in the Indo-Pacific, there can be no peace and stability.

**Boris Johnson:**

I totally agree with what ScoMo, what Scott has just said, and I would just say that I think that it's certainly true, John, to your point about the effectiveness of the Chinese campaign against AUKUS, that they certainly picked up some early support. I remember actually, I think I was for some reason in a UN meeting, the day after some big AUKUS story broke. I think it was the news of the deal itself and it was a discussion of climate change actually, in the Security Council, with lots of other players there. And I was amused by how many people, in their interventions, from sub-Saharan African countries or Caribbean states or Latin American countries or anywhere where China has built up debts, basically crowbarred in to their discussion of climate change, a reference to nuclear submarines, which suddenly became popular. And they said; why are you spending money on nuclear submarines when you should be tackling climate change or giving us money to tackle climate change. Each and every one of them said this as though that they were reading a script from Beijing.

And I was very struck by that and thought that clearly a big operation was underway. But when you look at the response in the Pacific region itself, and you look at... I agree, totally on what Scott has just said about ASEAN, but I've spoken directly to the three great democracies on the Pacific Rim, as it were, apart from the... So India, Korea, Japan and there I think you've got to say that the view is very positive. And in each of those cases, what's interesting is that whether it's President Yoon of Korea or Fumio Kishida in Japan or even Narendra Modi in India, they all now want to do technology sharing deals with the UK on marine propulsion, on all sorts of things. And the only limiting factor is really our ability to share some of the technology with some of those partners, because of the other relationships that they have and which are well known. But my overall impression is that people are positive, and if anything what they're looking for, whether through the Quad or through AUKUS, is ways of participating themselves.

**Miles Yu:**

Great. Bryan, you have questions?

**Bryan Clark:**

Thank you, Miles. Yeah, so we just talked about the international resistance to AUKUS. What about some of the domestic resistance and how do we overcome that? So on the US side, we're likely to find resistance to selling submarines to Australia that would otherwise be in the US inventory. Even if we try to grow the submarine industrial base, we still won't necessarily get to the point where we can build extra submarines for Australia. And then in Australia, this is going to be a long-term effort requiring a significant investment. And also the concern about how many jobs will actually come to Australia as a result, when maybe the ships are being built in

the UK. So for Secretary Pompeo and for Prime Minister Morrison, how are we going to overcome that domestic resistance to AUKUS, so that we can make the case that these costs are worthwhile and they're necessary in order to maintain deterrence?

**Michael Pompeo:**

Scott, may I go first?

**Scott Morrison:**

Yeah, please Mike.

**Michael Pompeo:**

Thank you. Well, the three points, one of which I hit on, but I'll come back to. There's a deep challenge in the American industrial base. It's not just submarines and propulsion systems attached there too. It goes down to 155 rounds to deliver to Ukraine, so this is a scaled problem. The AUKUS arrangement simply lowers the river on another rock, that I think those of us who've been working at this for a while now have all seen that, well, it's a little bit about budgeting, it's a little bit about procurement and it's a little bit about focus, given the 20 years that we spent doing counter-terrorism work around the world. So our industrial base shifted dramatically and we didn't reinvest. And so we must do that. We shouldn't do it for the Australians, we shouldn't do it for the British, we should do it for the Americans. We shouldn't do it for the Ukrainians, we shouldn't do it for the Estonians, we should do it for America.

It will have enormous benefits to each of those countries as well, as we partner with them, in the various places that we all try to continue to work to deter those who want to reshape the world in a way that is fundamentally different than the one that has benefited the American people and I would argue much of the world for the last 70 plus years now. And so this industrial base problem, to your point, becomes a political problem. This week or next, we will see our House of Representatives and the Senate, our President sign a piece of legislation on defense spending which will be capped for the next two years. It is almost certainly going to reduce spending on an inflation adjusted basis in each of those two years. Fair enough. That means there are going to be very hard decisions to make and it is going to require the Chief Executive to articulate to the American people why it is we should prioritize their security and spend money on these things that will provide long-term security for them. It is not an easy task.

I served in Congress, much more fun to go home and cut a ribbon on a bridge than to talk to them about a aircraft carrier that will deliver in nine years. And I'll add this though, every leader, I always was reminded I'd meet with my counterparts across the world, Prime Minister Morrison or Prime Minister Johnson are the foreign secretaries in each of those nations. They're elected officials, in almost every case, unlike me who was appointed and confirmed. It means they got to go home and make the case. I pray that they will each do that. They will go make arguments in their country about why their long-term security depends on the continued commitment to improve technology and improve set of capabilities. America can not possibly achieve this on its own. It becomes a political battle inside of every country, which means that leaders have to stand up and make the case for why this matters, why this allocation of resource is the right approach.



Second thought, it's going to require leaders who make clear that what was done here is enormously good and we're spending this time appropriately talking about something that is now coming on a year and a half, approaching two years and a few months, the execution of this will matter intensely, because a poorly executed AUKUS agreement will lead to disenchantment in the political space, domestically, in each of the three countries. And so this execution of this is absolutely essential, because while this is necessary, what was done here is absolutely necessary, I can assure you that it is not sufficient. The Chinese Communist Party's intentions will not change as a result of a couple of more nuclear-powered submarines in the Pacific. It is going to take strength over time, reinvestment over time and a focus and a prioritization that AUKUS actually demonstrates a functional set of relationships to deliver increased security. But we've got to make sure that we pat ourselves on the back sufficiently, fair enough, but tomorrow's another day and the Chinese Communist Party's response to this indicates they're in this for the long haul. That will require us to do the same and political leaders inside of their own countries to make the case for why this matters.

**Boris Johnson:**

Correct.

**Miles Yu:**

Mr. Morrison?

**Scott Morrison:**

Bryan, I think all those points by Secretary Pompeo, Mike, are very well-made. From the Australian point of view, Australians get it when we did this and it was very strongly supported. We're living with the sharp end of the gray zone tactics which were being applied to us by China, the Chinese government, then and still now by the way. And that was all designed to pick one of the US' key allies in the region and seek to roll them. And it was incredibly important for us to resist that coercion. And I'll never forget, Boris, you're giving me that platform at the G7 at Carbis Bay, when I was able to raise all of these issues with the other G7 leaders and the others who came, and render over them, over the phone, but of course President Moon and others who joined us for that D-10 type event, where I could share with them just what this meant and what the Chinese government were doing, and that if Australia did not say no and stand up, and we could not have done that without the strong support of the United States and the UK, then that would've basically become the MO for the Chinese government right around the region.

So there was an enormous amount at stake and Australians understood that. And so they were prepared to support it and support it strongly. And I think that's what led, what was, the opposition then and now the government to also commit to it at the same time. And that locked in an initial bipartisanship, which I think was very important in the Australian domestic context. But Mike's right, the challenges are greater going forward as the dollars start to mount up. Now, when we took the decision, my government were under no illusions about the fact that particularly pillar two, and when you realize pillar two, which wasn't about submarines at all, this was all the other things we talked about, AI and quantum and hypersonics and so on, this would mean that our commitment, as a share of GDP, will have to rise in my view, it's still my view too, to 2.5%. Now that's significant, but that will be necessary to realize the opportunity of AUKUS, which is to ensure that we get access to, but in partnership with United States and the UK, the

most advanced defense technology of anywhere in the world. And that's what collectively we're trying to achieve.

Australia also has to be very mindful of the domestic circumstances that both the US and the UK confronted around this, where the argument was not as obvious as it was in Australia. And Boris and I had plenty of chats about that, about the impact this would have positively for the UK and I'm pleased where it has landed. It has landed post the 18th month period in the space I hoped it would. It had always been our intention that the submarine built from our perspective, and I know from Boris's, the working prototype idea was the AUKUS submarine that was an extension of the SSN and ours the UK, but the ability to bring in the Virginias, which was also under consideration and the fact that you could do both, I'm thrilled about it. But it meant being to be able to understanding of and address our attention to the domestic considerations in the UK.

In the United States, it was incredibly important also. While there was tremendous support for it, right across the aisle in the Congress and the Senate, but I made it a very early priority and Boris and I were both in the US Washington at the time. I met with anyone I could on the hill. We addressed every committee. There was a joint meeting of both the House majority and minority leadership, right down to the whips. And we talked this thing from one end to the other and we wanted to send a very strong message to the Congress. We get that this is a deal not just with the executive government, but with the congress as well, because the things to make it work required domestic support in both the UK and the US from their parliaments.

That means the reform of ITAR, it means the reform of export controls. It means how you actually create a genuine ecosystem between Australia and the United States and the United Kingdom, which means free movement of people, ideas, technology, goods, service, all of these things. That's what will realize the AUKUS opportunity. And Mike and Boris are absolutely right to know that in their own countries, that's not easy, but I think it's very achievable. And to achieve it, you've got to keep the bipartisanship. And I think we are achieving that. We've got our own AUKUS caucus. It's not a raucous AUKUS caucus, as you once used the phrase Boris. But Mike Gallagher is leading one over there in the United States. He's doing a terrific job there. And I haven't yet connected what the UK version of that is, Boris, but I certainly hope it's there, because you've got to maintain the bipartisanship within the legislatures.

**Boris Johnson:**

Yeah, no, no. There's a raucous caucus from the anti-AUKUS caucus, but that was mainly from Beijing and Paris as we discussed already. Look, can I just add, I know Bryan, just to add some thoughts on your point about procurement and the pressure on US production. Clearly one solution is to move as fast as possible, to production in Perth and indeed in Barrow-in-Furness, which is part of the original concept and something that I think is warmly welcomed in my country. And ScoMo, just on the bipartisanship, I remember going into to give a statement on AUKUS, the day we announced it, and the leader of the opposition, the Labor leader of the opposition, interrupt me to just grabbing me on the way and say; look, I got to admit, I can't find anything to object to in this at all. Which was good from them, because he's got about eight members in his shadow front bench who are actually against nuclear weapons and in a very different place. So I think that they will be... It's got big bipartisan support in the UK and provided we get on and start building it together, I think it's going to continue to carry massive public support here as well.

**Miles Yu:**

All right. So I actually have a question. So earlier, Secretary Pompeo, you mentioned about the old alliance not working sufficiently and obviously AUKUS is a new beginning. There are however several existing groupings of some sort to face the common challenge and common threat from China. So we all realize there are common threat and common threat demands common defense. You have the Quad in Asia-Pacific, you have existing bilateral defense agreements between US, Japan and between US and South Korea, and of course between US and the Philippines. How do you see the potential of AUKUS working with those groupings, such as Quad, such as those bilateral relations in Asia Pacific, to form something that's much larger than just the technical and intelligence aspect of AUKUS?

**Michael Pompeo:**

Miles, I think we're already seeing that in many regards. So each of these, if you go back to their founding ideas, their charter, the work that they do, they have different spaces in which they operate. They have a couple of pieces of real commonality. One is a security architecture and framework. The other is a set of economic relationships that lay behind that as well. I think in each of the cases you identified, these are democracies. They share an understanding of how it is you treat your fellow human beings, but we will as part of this security architecture draw on an even broader set. Think of our friends in other countries in Southeast Asia that don't operate in democracies, in the same way that we all do. We need them to be part of this as well. And I think each of these, because...

I'll start in a different place. The legacy understandings, think of the United Nations now having two Security Council members that have conducted military conflict against peaceful nations in just the last decade and are now supporting an armed conflict in Europe. These show a brokenness of the historic institutions. And so it requires a rethinking. That is; how are we going to deliver against this? It doesn't necessarily mean an abandonment, it doesn't necessarily mean walking away, but we have to just be honest, when those historic institutions aren't delivering. When the World Health Organization, during the pandemic, says China's doing a good job, that's a institutional... That's not a personal failure of any human being, that is an institutional, structural failure to recognize that the mission focus, the stated purpose of those institutions, is no longer being delivered. When the UN human Rights Organization has Iran as its leader, those are broken. And so one of the important things that we tried to do in the Quad and we now, AUKUS is doing, and you highlighted the historic agreements between the United States, Japan, Philippines, and South Korea, we need to make sure that they are consistent with the challenge that we confront today.

As a philosophical matter it's not much different, but as a practical, on the ground, in your face threat to the things that have lifted several billion people out of poverty over the last 40 years, that threat remains consistent and it is going to take new infrastructure. So I'm very hopeful that the Quad and those relationships will only deepen. The four of them account for a significant piece of global GDP. I hope AUKUS will continue to deepen and expand and others will say; I want to be part of that as well. I think it was Prime Minister Johnson who highlighted again, and we always need to come back to this, you shout nuclear and submarine in the same sentence and everybody goes to the ramparts. These are nuclear-powered, highly safe technologies and it's just about how you get around and escape detection from an adversary who wants to know where your young men and women are underwater. We have to make sure that we speak with a single, clarion voice that understands the threats that face us today, is prepared to confront

them and when we do that, I'm convinced we can deter these adversaries and each of these organizations has to be fit for purpose in modern times to actually deliver on that security imperative.

**Miles Yu:**

Thank you. Mr. Secretary. John, Bryan?

**John Lee:**

Terry's assessment, that I share actually, that Xi Jinping's preparing China for war in a matter of years and so this decade is the critical decade to deter China. Now if that's true, do we need to be putting more or disproportionately more effort and resources into the AUKUS pillar two program, which deals with developing strike and denial weapons within the next few years? Because of course the submarines for Australia don't come on board until the next 10 years or so. Do we need to focus more on the so-called pillar two element as a matter of urgency? A question really to any or all of our guests.

**Scott Morrison:**

I might kick off John. Well the short answer is yes. The pillar one, this began in early 2020 and the initiation of AUKUS, which was initially about submarines, that began when our government, I instructed our defense department, to start having quiet conversations with our partners to actually determine the feasibility of even progressing with this. And so that now has been running for several years to get to the point we're at now. So that's had a bit of a lead time. And that project has now, at San Diego, been now confirmed. The 18th month process is finished. They've set their sails and off they go.

And in each of our countries, there are significant institutions that have now been set up to go and drive that program. So get on with it is the message to all them. And I know in the States there's about a hundred people working in that Navy, now on that program. We've got Australian sailors on British and American boats. And the recruitment's already begun. So that is a program where all the prelim work, at least for the startup and launch phase of getting this project moving, has been done. But that is a long lag on it for the ultimate delivery of the capability. The decision to include the Virginias and bring them on early I think was a very positive one and support it strongly, and also was within the guidelines and the expectations of what could be achieved when we set out about this.

But pillar two brings more near term capabilities into effect. Pillar two brings in a credible deterrent more here and now. And it's also the sphere in which the technology is moving most rapidly. It's an area in which I think between the three nations, we can strike distance and hold distance by continuing the technological development. And we have the capability, and this goes to then how we work with partners. Now, personally, I think AUKUS, they've got to be very jealous of it, by it is a highest common denominator partnership. You get into this by bringing something to the table. There's no doubt countries like Japan can absolutely do that and sit completely within the like-mindedness of the partnership. But they've still got a bit of a journey to travel on. And I can foresee projects with which AUKUS will work with Japan. I would say they'd be the first cab off the rank and even potentially quite soon on a project by project basis. But then there's the broader dialogue partners AUKUS can have.

Now what Boris did in Carbis Bay I thought was brilliant, a G7 plus initiative. And I know that had been the intention of the Trump administration to do something very similar, Mike, but unfortunately the meeting couldn't go ahead because of COVID. But there was a very similar idea and we'd been invited to come to that as well as at others. So this idea of having an AUKUS plus dialogue, indeed a Quad plus dialogue, with others who have a very big focus on the Indo-Pacific or who can bring things to the table. But you can't turn AUKUS into a like-minded coffee club for mini lateral expression. It can't be that. This has to stay top shelf all the way. And if you can bring something to the table, well there's a discussion to have, but it's not; I want to be involved. Can I please?

**Boris Johnson:**

Yeah, yeah. Can I just add something, Scott? So I totally agree with that. We're at a pivotal point, now in the early first century. The war in Ukraine is one of those things that has got the whole global audience looking and wondering which side they should be on. And very clearly you've got Russia, China, I don't know, North Korea or whoever on one side. And broadly speaking, you've got Europeans, NATO, with some interesting exceptions, but Europeans, NATO, Australia and Japan, Korea, strongly backing the Ukrainians. So you've most of the D-10 lined up against Russia, China, over Ukraine. But in the middle, there is a great mass of swing voters and I mentioned them earlier, the countries in Latin America, in Africa that are going to go one way or the other.

Now that's why backing the Ukrainians is so crucial, because the one thing those countries will respond to, and the one thing that will make a difference to the way they understand what's going on, is military victory by the Ukrainians and the vindication of Western support. And that is the thing that will really persuade them and interest them. And I think AUKUS is another demonstration of Western resolve, our willingness to do difficult things, to express strength, to express our commitment to each other around the world. And that's why I think it's very, very important that we do exactly as Scott says. This should be a very ambitious, very, very practical cooperation agreement between countries that really have something to offer and wish to work together on defense and security.

Now I just want to make a point about India, because I think that this is the most fascinating of all the swing voters. India in the D-10, Narendra with us in Carbis Bay, but the fascinating thing is that India is in a different space on Ukraine. And all I would say is I think there's a job of work to be done by friends of India to say; look what's happened to Russian military equipment in Ukraine. It's been a fiasco. You couldn't have had a worse advertisement for Russian military capabilities than what's happened in Ukraine. I think that their missiles are less accurate than my first serve in tennis, which is saying something. We got to say to India, to the Indians who are so important in the Pacific; look, why do you have the incubus of your historic military relationship with Russia? What is this all about?

And I would just suggest this is an important campaign now, it's been that since the fifties, the Indian Russian thing, I think it's starting to run out of road. We need to find ways of convincing our Indian friends that they need to move across into our side of the conversation. And it's a difficult thing to do, but I think it's really, really worthwhile, because at the moment India, for defense purposes, for defense procurement is very plugged in to the wrong side.

**Miles Yu:**

Bryan, you have a question?

**Bryan Clark:**

Yes, thanks Miles. So building on that, in AUKUS pillar one, we're going to bring US and UK submarines on regular deployments to Australia. Under pillar two, should we be looking to bring high-end capabilities from the US and UK to Australia on a regular basis? B21 bombers, hypersonic, boost glide weapons, et cetera. So not just technology development, but also improving the military posture in Australia. And does that make Australia essentially a sandbox for demonstrating the allied capability against China? And that for any of our guests to answer? Thank you.

**Scott Morrison:**

Mike, did you want to go for that one first?

**Michael Pompeo:**

Sure. Look, this will prove complicated, politically difficult and it is necessary, but we shouldn't focus just on Australia. We collectively need to do this throughout the region. We should be doing it with our friends in the Philippines. We should be doing this with our friends in Japan. We should be doing this with our friends in South Korea. We should continue to do training for the people of Taiwan, who will need to defend themselves against what is inevitably Xi Jinping's intention, his stated intention and Australia is certainly amongst them. And AUKUS gives us a great platform to begin to think about how to do that properly, but joint training exercise is something we worked on with the Australians during the Trump administration. Good stuff throughout the region, not just in the local waters in Australia, but all across the region. These are things we all collectively need to do. And three great militaries, highly capable of each, not only reinforcing our capabilities jointly amongst the three of ours, but helping train the forces of the other nations in the region as well. Each of us should be looking not only to be better between and amongst ourselves, but helping the other security apparatuses throughout the region become better alongside of us as well.

**Scott Morrison:**

I would agree with all of that. I think what is done with where things are deployed and how you might do that, well it'll be sensitive in some cases, but it really has to be driven by the needs of the project. What I think is actually more important is the mobility of the people that are involved in all of this moving between the UK, the United States and Australia, ensuring that can be achieved. What effectively this has to do is, as best as you are able, integrate the industrial bases, the defense industrial bases of Australia, the United States and the UK, and to have them operating almost as seamlessly as you possibly can in one ecosystem. And so you've got the spheres of government working together and your defense forces and you've got your spheres of your industrial bases working together. And then you've got your spheres of groups, whether it's like the Hudson Institute or whoever it might be, think tanks, universities, the scientists, the technologists that are out there charting the narrative in the longer term view about what this is. And all three of them, those spheres, have to come together. And that's quite a bit to juggle, but that's what makes AUKUS work.

So I would say it's more in pillar one, about really being able to knock down the barriers which enables the free movement of people, capital ideas, technology and the integration of all of that as much as is humanly possible and technologically possible, because that's what will produce the outcome. The outcome is to have the most advanced defense technology in the world, because that is what is going to make others, who would be adversaries, sit up and take notice and think twice and redo their calculus about what their intentions might be. John's right, they are planning and preparing to be able to do something. That doesn't mean they will. I'm not one of those ones who think that is imminent. And I think one of the reasons it's not as imminent is because of the work that is being done on credible deterrent, of which AUKUS and Quad have been such an important part. And what really undermines that credible deterrent is when you get some leaders going around saying; well, we're a long way away from the Taiwan Strait, so maybe it's not in our interest. That is the sort of thing that invites a line out of Europe for the Indo-Pacific. That sort of thing is very dangerous.

**Boris Johnson:**

I agree with all that. I think that this is one of those situations where AUKUS is building on what practically happens anyway, part of people's lived experience. And if I'm a UK politician in a meeting on a defense or if I'm visiting a naval base or whatever, a military base, and I meet some people speaking with an Australian accent or I meet some people speaking with an American accent, I'm not remotely surprised. And there is already a huge amount of cooperation and exchange. And I think what AUKUS is doing is simply building on that and it needs to be taken as far as we can possibly go.

**Miles Yu:**

Well with that, I'd like to make some concluding remarks. And I remember former Prime Minister Margaret Thatcher said, in order to change the nation to the right direction, you must win the argument first and then make policy and take action. The argument was that China is a central threat. I remember when Secretary Pompeo first uttered that statement, in London as a matter of fact, that the threat posed by the Chinese Communist Party is a central threat of our time. And when he said that, there was a lot of skeptics. But now, that argument was won and we have convinced the world after all, China has convinced the world that the Chinese Communist Party is a central threat of our time. So now it comes to action and it come to policy stand, and I believe AUKUS, as we demonstrate here today, is the very important step to take a concrete, practical and a real step to face that challenge.

And when I was working at Secretary Pompeo's office, under his guidance, and I had the opportunity to meet with some of the diplomats from all across the place and many of them have sent me the message that you should not force us to take side between United States and China, as if all the world's problem is between United States and China. And then after a while I began to realize the reason they're hedging is not because really they have seen choice between China and the United States, is really believe they do not enough confidence to believe that United States is not hedging. They don't think that we are serious. They don't think United States is committed seriously to secure global peace and prosperity. And I believe AUKUS is a very important statement to assure our friends and allies that United States and its friends and allies, particularly Australia and the UK, are not hedging. We take this threat very seriously.

And for that, and I thank all the brilliant and insightful comments from the most authoritative resources on AUKUS, here today, and Secretary Pompeo and Prime Minister Scott Morrison

and Prime Minister Johnson and my fellow colleagues from Hudson Institute, John Lee and Bryan Clark, thank you very much and have a good day.