SPEECH

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General (Ret.)
David Petraeus AO

LOWY INSTITUTE
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THE 2015 LOWY LECTURE: GENERAL (RET.) DAVID PETRAEUS AO

A GRAND STRATEGY FOR 'GREATER' ASIA

Well, good evening to you all. And thank you so much for that very kind introduction, Michael. I am very grateful for your generous words and for the opportunity to be here this evening. Indeed, I am deeply honored to have been invited to deliver this year's Lowy Lecture, and, in so doing, to follow in the footsteps of such extraordinary figures as Chancellor Angela Merkel, Prime Minister John Howard, and Rupert Murdoch!

In preparing my remarks for this evening's event, I was reminded of the story of the young schoolboy whose assignment was to prepare a report on Julius Caesar. So the young boy diligently researched his subject, and after a few days of work, he proudly stood in front of the class to give his report.

"Julius Caesar was a famous general," the boy explained to his classmates... "He lived a long time ago… He won some important battles... He gave a long speech... They killed him."

Suffice it to say, I will do my best tonight to avoid Caesar's fate….

But, I *am* a retired four-star general, and this is a microphone…. so I hope you'll indulge some reflections on the alliance that our two countries have enjoyed over the years and on the challenges and, indeed, opportunities that we now face together.

But let me begin by thanking our host organization, the Lowy Institute, and by thanking Frank Lowy, the extraordinary Australian businessman, philanthropist, and patriot whose name it bears.

Frank Lowy's life story is, in fact, an illustration of what makes Australia great, and of why Americans feel such an affinity for Australia, despite the vast ocean that separates us.

Indeed, President Obama eloquently captured this sentiment during his visit here last year. As he noted, Australia and America are cut from the same cloth—inspired by the same ideals of opportunity and equality. Both our nations have been built in large part by immigrants, who—like Frank more than sixty years ago—arrived on our respective shores often

with little more than a dream of a better future and the determination to make that dream a reality.

As the son of an immigrant myself—in my case, a Dutch Merchant Marine officer who came to the United States when the Nazis overran Holland—this is an experience that I know well.

In this case, of course, one of the dreams that has been made a reality for *all* of us, thanks to Frank, is the Lowy Institute, which, since its founding a little more than a decade ago, has risen to become not only a leading center for foreign policy scholarship here in Australia, but an intellectual force on the world stage, as well.

Notably, the work of the Institute has been squarely in keeping with another long and distinguished Australian tradition—that of principled international leadership.

From the battlefields of the First and Second World Wars to the deserts of Iraq and the mountains of Afghanistan, from the islands of the South Pacific to the pirate-infested waters off the Horn of Africa, Australians have repeatedly stepped forward to shoulder *more* than their fair share of the burden in the struggle for a safer, freer, more prosperous world.

That is one of *many* reasons that Australia is such a treasured ally of the United States, and why, for so many of us, it is impossible to imagine a better friend than Australia.

That is a conviction, I should add, that you will find not just among government officials and foreign policy experts in Washington DC, but also among my tribe—the American soldiers, sailors, airmen, Marines, and coast guardsmen of the 9/11 generation—those Americans who have had the opportunity to serve alongside your forces on the battlefields of the past 14 years and who have seen for themselves close-up what Australians and our alliance are all about.

This is especially personal… *deeply* personal for me.

As the coalition commander in Iraq and later in Afghanistan, as the commander of U.S. forces in the Middle East, and as the Director of the Central Intelligence Agency, I was privileged to work in the closest possible partnership with a succession of extraordinary Australian soldiers, diplomats, and intelligence professionals for nearly eight years of the post-9/11 battles. During that time, I have stood alongside Aussie comrades at dawn on the 25th of April during ANZAC Day commemorations around the world—from Fort Leavenworth, Kansas to multiple locations in Baghdad; from MacDill Air Force Base in Florida to ISAF headquarters in Kabul. And I count the Australians with whom I have served among some of the finest and bravest people I have ever known.

In Nasariyah and Baghdad, in Uruzgan and Kabul, in the greater Middle East, and, indeed, around the world, Diggers and their diplomatic and intelligence service comrades have displayed extraordinary initiative, determination, innovativeness, and courage. And I want to take advantage of this opportunity to salute their contributions, their achievements, and, above all, their sacrifices. I treasure the experiences I had with them, as do all of those who have been similarly privileged, performing missions of consequence against resilient, often barbaric enemies, under the toughest imaginable conditions.

So if you leave tonight with nothing else, I hope that you will take with you one very simple message. It is a message of eternal gratitude to your country and those who have served it, and a solemn promise that the service and sacrifice of your men and women far from home will never be forgotten by those of us, on the other side of the Pacific, who were so honored to serve in their company.

Now the fact that the United States and Australia work so well together is a good thing, because events in the world are making our alliance even more important.

In truth, we are in the midst of a period of unprecedented upheaval around the globe. The rules-based international order that Australia and the United States have worked so hard to develop and defend over the past seven decades is under serious assault as a result of multiple challenges, in multiple places.

In the Middle East, the collapse of state authority in several countries has created a vast swath of ungoverned territory—and a violent, radicalizing struggle for power, both among rival groups within these countries, and between different countries within the region. The two biggest beneficiaries of this dynamic have been Sunni extremists like the Islamic State and al Qaeda, on the one side, and the Islamic Republic of Iran and its proxies, on the other. Both have *exploited* the chaos, and both have *exacerbated* the chaos, expanding and entrenching their respective positions across the Middle East.

The result is that we see the creation of multiple terrorist sanctuaries on a scale unparalleled since 9/11—only now, they are just a stone's throw from Europe. At the same time, we also see the specter of a kind of new Iranian empire—in which Tehran trains, funds, equips, and arms extremist proxy groups that then seek to become the dominant element in various neighboring Arab countries.

In the Asia-Pacific, the challenges are very different—but equally urgent and important. Here, too, we see unprecedented challenges to bedrock principles of the international order, such as freedom of navigation and the territorial integrity and sovereignty of independent countries. In particular, as China has become more prosperous and powerful—a process *enabled* by the existing international order—it has taken a range

of actions—in the South China Sea, in the East China Sea, on its land border with India, in cyberspace—that have *challenged* the existing order. The recent large-scale campaign of island-building in the South China Sea, and apparent militarization of those islands, is a particularly aggressive and worrisome example of this.

Indeed, it is not an overstatement to say that a leading driver of geopolitics across Asia today is uncertainty among most of China's neighbors about what kind of great power China intends to be.

In Europe, twenty five years after the collapse of the Soviet Union, we are seeing the return of history with a vengeance, as Russia under Vladimir Putin has used military force to redraw international borders, grab pieces of neighboring countries, and attempt to reassert a sphere of influence. Although Russia's aggression has been focused on its near abroad, the consequences have been global in scope. The despicable shoot-down of Malaysian Airlines Flight 17 by separatists armed and supported by Russia—and Russia's ongoing efforts to thwart an international investigation of this atrocity, in which so many innocent Australians lost their lives—is only the most graphic illustration of this.

Tonight I would like to use my remarks to focus on two of these regions—the greater Middle East and the Asia-Pacific region. In particular, I'd like to suggest that, over the past several years, we in the United States have too often fallen into the trap of treating our involvement in these parts of the world as a kind of zero sum game—encouraging the impression that, in order to be successful on one side of the Asian land mass, we must by necessity downgrade or curtail our activities in the other.

My view is that this is a mistake. The fact is that the United States has absolutely vital national interests in both these regions—the Middle East and the Asia-Pacific; and the two regions are themselves much more intertwined and interdependent than we typically acknowledge. Our security and prosperity are tied to what happens in *both.* We therefore cannot afford to disengage or withdraw from *either*.

A bit of historical context is important here.

Fifteen years ago, at the beginning of this century, many policymakers in the United States and Australia assumed that the strategic focus of both our nations would turn increasingly toward Asia over the decades ahead. More than anywhere else, it was thought, the history of the future, and the character of the 21st century, would be decided by developments and decisions here in the Asia-Pacific.

But history has a way of surprising us—and on September 11, 2001, much of what we thought we knew about the future was suddenly upended. In the wake of that terrible day, the bulk of high level attention in Washington shifted to the Middle East. Asia was still understood to be

hugely important, but it was the threats coming from the Middle East that were seen to be the most potent and urgent.

As a consequence of this, a perception began to develop over the next several years—on both sides of the Pacific—that Asia had become a second tier priority in American foreign policy, and that our efforts in the Middle East were distracting us from work that needed to be done in this part of the world.

In truth, there was much about this perception, indeed this critique, that was exaggerated or unfair. Even during the height of the wars in Iraq and Afghanistan, the United States never disengaged from the Asia-Pacific region. On the contrary, it was in the wake of 9/11 that the U.S. undertook a number of significant initiatives—diplomatic, economic, and military—that strengthened our position here.

It was in the mid-2000s, for instance, that the U.S. and India forged a historic strategic partnership, anchored in a path-breaking deal on civil nuclear cooperation. Indeed, it is difficult to imagine a more consequential development for the strategic future of Asia than the great power convergence between New Delhi and Washington that was painstakingly engineered during these years and that has since continued to deepen.

It was also in the period after 9/11 that the U.S. took steps to bolster our bedrock alliances with Japan and then South Korea, while also upgrading our strategic partnership with our old friend Singapore and starting to explore possibilities for cooperation with emerging partners like Indonesia and Vietnam. At the same time, we doubled down in our economic commitment to the region, negotiating free trade agreements with South Korea, Singapore, and of course Australia.

ut despite these and other actions, appearances sometimes matter as much as substance in the conduct of foreign policy—and there is no denying that the perception after 9/11 was that the Middle East had eclipsed the Asia-Pacific as the priority for Washington. There is also no question that, as the Bush Administration drew to a close, *demand* for U.S. leadership in Asia was starting to outstrip *supply*.

Under President Obama, therefore, the United States began taking a number of wise steps to strengthen our engagement and reaffirm our commitment across the Asia-Pacific—a policy that ultimately came to be known as the “pivot” or the “rebalance.”

In practice, this has meant further modernization of our alliances and partnerships in the region, including not just bilateral but increasingly trilateral security cooperation; modernizing, upgrading, and expanding our military force posture, including the rotational deployment of U.S. forces in Darwin and greater presence in Southeast Asia; greater cooperation with regional organizations like ASEAN; pursuit of the Trans

Pacific Partnership, the most ambitious free trade agreement in a generation; and intensified dialogue with China.

Unfortunately, around the time that the rebalance was officially declared, some took the argument for it in a different direction—suggesting that, in order to strengthen its position in Asia, the United States needed to pull back from the Middle East and reduce our commitments there.

As a result, when the White House announced the rebalance, it was portrayed and perceived in some quarters not just as a pivot *to* Asia, but as a pivot *away* from the Middle East.

This had a number of unintended consequences.

First, it unsettled many of our friends and partners in the Middle East at a moment when there were already doubts about America's intentions and wherewithal as we exited Iraq and as the Arab Spring convulsed the region.

Second, when crises in the Middle East later flared up, as they inevitably do, and these crises demanded high-level U.S. attention, this was then seen by some in Asia as evidence that the commitment to the rebalance was flagging, or that the whole policy was never meant seriously in the first place.

The result was that we arguably ended up raising, rather than resolving, questions about American commitment and credibility in *both* the Middle East and Asia.

Looking back now, there are several lessons this experience suggests, lessons that should inform policymakers going forward.

First and foremost, we need to avoid any foreign policy concept that appears to elevate the priority of either the Middle East or the Asia-Pacific, at the expense of the other. Doing so will only serve to make it harder for us to achieve our ends in both of these critical theaters.

The simple truth is, developments in the Asia-Pacific and in the Middle East are going to have a direct impact on the safety and well-being of our citizens and our allies for the foreseeable future. We therefore need to state clearly and unambiguously—to our friends, to our adversaries, and not least of all, to our own people—that the United States considers itself to be a permanent resident power in both these regions, and that we are not going anywhere.

This leads to a second point, which is that we need to recognize that the greater Middle East and the Asia-Pacific—for all the differences that distinguish them—are actually bound together in profound if not always self-evident ways.

Consider, for instance, that the economic expansion of Asia has been fueled—quite literally—by the hydrocarbons extracted in the Arabian

Gulf region that then pass safely through the Strait of Hormuz, across the Indian Ocean, through the Strait of Malacca, and into the South China Sea.

In practice, this means that the growth and prosperity of East, Southeast, and South Asia depend in no small part on the security and stability of energy exporters in Southwest Asia. It also means that the economic wellbeing of those Gulf energy exporters depends upon freedom of navigation in the waterways of the Indo-Pacific.

Any disruption to any element of this equation would pose a grave threat to the functioning of the entire global economy. That is one reason why the U.S. continues to have a vital stake, a vital national interest, in ensuring the free flow of energy resources from the Gulf, even as our own direct consumption of Middle Eastern oil and gas shrinks, thanks to the North American energy revolution. We should, in short, never forget that Mideast energy resources fuel our Asian—and our European—trading partners.

Just as the economies of Asia and the Middle East are intertwined, so too is their security. Most recently and tragically, we have seen this in the long reach of the Islamic State, which—from its safe haven in Syria and Iraq—has been able to recruit and incite followers in Southeast Asia and, tragically, right here in Australia. There are other examples of this too, including the proliferation of nuclear and ballistic missile technologies over the past twenty years. Consider the AQ Khan network, which was headquartered in South Asia, manufactured its centrifuges in Southeast Asia, and exported them to rogue regimes in Southwest Asia. Or consider the reported role of North Korea, a few years ago, in secretly building a heavy water reactor in Syria, before it was fortuitously destroyed.

Perhaps the most profound linkage between these two regions, however, is the indivisible fate of the international order itself, and the credibility of our commitment to defending it.

Rather than looking at our leadership in the Middle East and Asia-Pacific as an “either/or” proposition, therefore, we should recognize that we have a chain of interlocking interests that stretches from the Levant to the Arabian Gulf into the Indian Ocean and across to the Western Pacific. What we do at any specific point along that chain will send reverberations that are likely to be felt along its entire structure. The same is true, I would add, in Europe and Eurasia, as we face a renewed set of challenges from Russia.

This is especially the case whenever and wherever American security guarantees are called into question. Few factors matter more for the preservation of the international order than the trustworthiness of America’s promise to come to the defense of allies and partners in the face of threats to their sovereignty, independence, or territorial integrity.

Two years ago, we saw how hesitation to enforce a declared U.S. “red line” in Syria caused tremors not only in the Middle East, but also among some of our friends in the Western Pacific, who also have a strong stake in America upholding its “red lines”. And although the ultimate outcome of that episode had some positive dimensions, with the removal of a significant share of Syria’s chemical weapons stockpile, there is no clearer, more cautionary tale about the indivisible nature of American credibility in Asia and in the Middle East, no more dramatic illustration that how the way we act – or don’t act – in one theater can have an impact in the other and far beyond.

The bottom line is that, rather than thinking of the Middle East and the Asia-Pacific as two autonomous spheres that are sealed off from each other, we need to approach *all* of Asia as an increasingly integrated and interdependent strategic whole—East, West, North, South, and Central. This also means that we need to work toward a comprehensive concept—a grand strategy, if you will—that reconciles and integrates our interests across this space, which might be called “greater Asia,” from the Mediterranean to the Sea of Japan, and from Western Russia to the Southeast Asia.

This fundamental challenge is not entirely new for us.

During the late 1940s, in the early days of the Cold War, General George Marshall—one of the greatest American statesmen and strategists of all time—observed the tendency of military commanders to advocate for their particular regional area of responsibility, rather than thinking about the global big picture. General Marshall called this problem “theateritis”—and it remains a challenge today.

But diagnosing “theateritis” is a lot easier than curing it. Some might question whether our governments really have the power, resources, and skill to balance the full panoply of challenges presented by the Middle East and Asia-Pacific—or whether, by necessity, whenever we focus on any point on the map, it will in practice end up being at the expense of somewhere else.

Militarily, to be sure, the threat posed by groups like the Islamic State requires that we invest in a different mix of capabilities and platforms from those needed to deal with the growing anti-access, area denial challenge in the Western Pacific, though certainly there are assets needed in both areas.

Beyond that, the challenge is obviously much more than just military—as underscored by the recent difficulties over the Asian Infrastructure Investment Bank, and the enormous importance of completing the Trans Pacific Partnership.

There is also only so much political and diplomatic capital—and only so many waking hours—that the President and his top national security

lieutenants can devote to the different problems of the world. Despite our best efforts, none of us has yet figured how to be in two places at the same time.

So there's no question—it's going to be hard to develop and implement a grand strategy for this incredibly diverse, dynamic, and complicated space. But hard is not hopeless. And to be blunt, being a responsible global power means that you have to be able to keep many plates spinning simultaneously.

I, for one, believe that the U.S.—and its allies—are capable of rising to that challenge.

Indeed, contrary to predictions of American decline, I would posit that there is no region of the world better positioned to compete over the coming decades than the United States and, indeed, North America more broadly. Especially when coupled with our great neighbors Canada and Mexico over two decades into the North American Free Trade Agreement, the United States has extraordinary advantages—including ongoing revolutions in energy production, information technology, advanced manufacturing, and the life sciences, as well as favorable demographics, an absence of geopolitical rivalries or tensions with our neighbors, and shared values with those neighbors, including common commitments to free market capitalism and liberal democracy. Indeed, I think we will see those advantages, shared beliefs, and blessings play out impressively for the United States over many years ahead, even as others, such as China, may struggle to maintain the kind of growth they have enjoyed over the past few decades.

The United States also has the benefit of an unrivaled worldwide network of allies and partners, who have benefited enormously from the international order of the past seven decades, and who do not want to see it end up on the ash heap of history. Arguably, in fact, no nation has benefitted more from the international order than has China, and that should be a cautionary reality for it and other countries that may be tempted to challenge that order.

The biggest obstacle in the United States, frankly, is not structural or driven by resource constraints. It is simply political: can we, in the United States, summon the leadership necessary to take the legislative actions and make the policy reforms required to unleash our full potential, addressing such polarizing domestic issues as immigration, the federal budget, education, and infrastructure investment, among others. The sad reality is that we continue to be paralyzed by partisan infighting in Washington, though the past legislative season has seen some significant achievements, including the provision of Trade Promotion Authority to the President that hopefully will enable final agreement on the Trans Pacific Partnership.

Regardless, the record of recent years in the U.S. has left much to be desired. To take one example, the United States needs to follow Australia's example and increase our defense spending, which has been strangled over the past several years due to the failure of our political parties to reach a common sense compromise on the broader budget. Now, given the deterioration of global security over the past year, what began as an inadvisable and risky approach has now become truly indefensible.

Winston Churchill, who understood America as well as, if not better than, anyone in the past hundred years, famously observed that you could always count on Americans to do the right thing… *after* they tried everything else.

That cautionary note notwithstanding, I remain hopeful that—on all of the challenges we have discussed—the United States *will* do the right things in the end.

And, importantly, we will continue to be grateful for the partnership, wise counsel, and steadfast friendship of extraordinary allies, trading partners, and fellow democracies like Australia.

Well, as I close this evening, please allow an old soldier a final moment of reflection.

Addressing you this evening has been a distinct honor for me. But, any honor that I have received in recent decades has been one that I have accepted only inasmuch as I could do so on behalf of those in the military and the CIA with whom I was privileged to serve in the wars and missions of the post-9/11 period. It is they who were outside the wire on a daily basis, under body armor, rucksack, and Kevlar helmet, never knowing if they would be greeted by a handshake or a hand grenade, but prepared to respond appropriately to either. Thus, any accomplishments which brought recognition to me were their doing and a result of their sacrifice and service on long, tough tours in typically inhospitable places.

I therefore accept the honor of addressing you this evening on their behalf—on behalf of the Americans, the Aussies, and all the coalition and host nation troopers, spies, and diplomats with whom I was privileged to soldier in the wars of this young century.

Shortly after I resigned from the CIA nearly three years ago, I got an email from one of my great British deputies during the Surge in Iraq. It contained some very kind words, and it quoted an SAS colonel from the WWII era: "True riches cannot be bought," the colonel had observed. "One cannot buy the experience of brave deeds or the friendship of companions to whom one is bound forever by ordeals suffered in common; such [true] friendship is an emerald simply beyond price."

I have been fortunate over the years to accumulate a number of these priceless emeralds, the true friendships of which the SAS colonel spoke. Forged under pressure in the most challenging of times, they have since withstood the test of time.

Many of those friendships have been with your countrymen—with leaders like Angus Houston and Nick Warner and Mick Crane, with special operators like Jeff Sengelman and others who will remain nameless, with long-time, dedicated government servants like Dennis Richardson, Kim Beazley, and Duncan Lewis, and with leaders across the political spectrum.

It is, in fact, they and those they led in your defense and intelligence and diplomatic services that I think of when I place the Order of Australia here on my lapel. For the shared experiences I have had with the men and women who have worn your country's flag on their shoulders and defended it with their lives, will forever be close to my heart.

For that, I am now, and will always remain, grateful beyond words—as I am, as well, for the honor of speaking to you this evening.

Thank you very much.

ABOUT THE SPEAKER

General David Petraeus is one of the most outstanding US generals of recent times. He commanded coalition forces in both Afghanistan and Iraq with great success. He also served as the Director of the Central Intelligence Agency until 2012. He holds a PhD in international relations from the Woodrow Wilson School at Princeton University. General Petraeus remains an influential adviser to US policymakers and, as Chairman of the KKR Global Institute, he is a leading thinker about geopolitical developments and America's role in the world.

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