

Full Transcript of Remarks by Dr. James Curran: “Australia, Canada, and the Indo-Pacific,” April 15, 2026, an APF Canada Expert Roundtable in Vancouver, Canada

Let me begin with a broader point about how we go about making sense of this moment in world politics. Now, as we know, all human decisions are made on the basis of a view of the future, whether it's individuals betting on racehorses or football games or governments making defence and foreign policy. And these views of the future, which determine decisions, are based on views of the past. They're based on assessments of past experience, either direct or learned. As rational people, as rational beings, we need to feel that we are at one with the universe. We have to try to believe that it all makes sense. As we encounter new events and problems which don't altogether fit our existing expectations, we have to adjust our large view accordingly.

Now, most of these adjustments, however, are patchwork jobs. They don't require people to rethink their fundamental picture of the world.

Most people's expectations, such as trains running, or even running more or less on time, are based on long experience, and making decisions is taken for granted. It's only when the whole electricity grid collapses that people have to give thought to those more deeply based assumptions about the transport system, which they regularly act upon. The same is true for nations in responding to new events and problems and in making decisions about how to deal with them. That is in making decisions about defence and foreign policy.

Normally, governments try to fit new events within their received general assumptions about the international system. There are, however, certain events which so disturb the existing system that nations are compelled to go back to the drawing board to make sense of the future.

Over the last century and a quarter, if you like, World War I, the Bolshevik Revolution, the rise of fascism, the post-World War II Soviet–American confrontation, the Asian and African rebellion against Western imperialism, the implosion of Soviet communism, and, of course, 9/11, were just such world-shaking events. When faced by these paradigm-breaking historical circumstances, nations are compelled to rethink the whole picture of international relations. And of course, as we know, international relations scholars and meta-historians feel moved to revisit the past in the broadest possible way to provide new patterns of understanding for the future and thereby to help governments make sense of

the new order of things. The Trump phenomenon is arguably presenting itself as another such moment.

We do not yet have an idea of what any kind of new order might look like after Trump, beyond the certainty that the U.S.-China bipolar dynamic will remain the core of any new multipolar system that's coming into being. Hence, I think the persistent and understandable incoherence in how governments are meeting these changed circumstances. The gritting and gnashing of teeth, the grasping for new formulas, the hope that Trump's successor might not be, can't possibly be, as bad.

Now, Australia is no different.

The point is that events are now turning against Australian-establishment perceptions of the world. But Canberra is keeping its head down, sometimes veering from one side to the other and hoping that nobody will notice.

The United States alliance, which has become a way of international life for much of Australia's national security community, is paradoxically characterized by the deepest military integration in its 74-year history yet beset by more doubt than at any point in the past.

Australia's instinct seems to be to grit its teeth and hope for American renewal in 2030. Now, of course, I think most of us would agree that Trump represents deep structural change in the United States. But Australia finds itself as a piggy-in-the-middle of U.S.-China strategic and economic competition. We're in the middle because we have interests on both sides, and the heightened U.S.-China tensions not only serve none of our interests, it imperils them, threatening the real prospect of war.

The situation requires harder thinking about how we compensate for U.S. policy shifts in an atmosphere of rising Chinese confidence.

So how did we get here? Let me deal with the United States first.

For Australia, the United States has, since the early postwar years, been at the core of our defence planning. We believed we had a cultural affinity with America, too. Though that always masked the very real differences in social and political ideals, and experiences of nationalism, differences that are coming into sharper relief now.

These were comforting thoughts, but they now meet the blunt reality of a rapidly changing world. Whether America is still the one for Australia is a question that probably lies beyond

the Trump administration, but his worldview is surely the spur to think anew. Joe Biden continued much of the thrust of the first Trump administration's policies, and although vestiges of past U.S. policies peeped through, the return of Trump has crystallized the change.

Now those key changes, I think, as we know, in addition to the tariff war that's been unleashed on China, his actions in Venezuela, the strikes on Iran, the threats to Greenland, Canada, Mexico, and Panama. The tariff war, in particular, has shown just how access to the huge American market feeds Trump's belief that he has the opportunity to exercise presidential power, a power that he can wield unreservedly across the world and in a manner unprecedented for American allies.

The focal point of the trade war has been China, yet so far, it's suffered the least. Rarely in peacetime has such aggressive action been taken against a trading partner.

The result of the ensuing volatility and confusion in Washington is that America's allies in the Pacific have eroding trust in the United States. In practical ways, across the trade, security, and investment domains, the U.S.-led postwar world has gone. Trump's Washington is so totally self-interested and has downgraded partners and allied interests in a way not seen in the United States since before World War II. Yet large sections of Australia's political class, along with its think-tanks, still refuse to basically acknowledge it.

Now these chill winds blow into Australia from the United States at the same time as China's rise continues to unsettle. Xi Jinping has changed the nature of the Communist Party's administration of the state. Though the party's control obviously predates Xi and will post-date him, whoever takes over. The party and Xi have a worldview matching its domestic policy framework. That is, people should do what they are told and accede to Chinese interests.

While the Chinese party is embedded in an authoritarian state, we still have to deal with the reality of China and fashion our own path towards economic and military security in that relationship. The level of China's military buildup invites the obvious conclusion that must have been drawn in Beijing, namely that it was a challenge that would confront and might check the U.S. and its allies in policy and military terms.

China now has the capacity to resist intimidation by the United States.

Then, of course, there is China's trade coercion of Australia from 2020, clearly weaponizing trade for political purposes. That reality should not be forgotten or relinquished.

But there's another side to that reality. That is, Australia's critical iron ore trade was not attacked then. And that part of the relationship didn't change. And Beijing settled the dispute within the framework of international trade law and the regime that also insulated Australia from serious damage from China's trade embargoes. Australia successfully diversified.

Finding an equivalent source of iron ore might not be a reasonable prospect for China for another two decades or so, but the point is that both countries are caught in a deep embrace of economic complementarity and the trade regime that fostered it and from which neither can escape for the time being.

Now the argument can be put that Australia might have lacked, from time to time, some guile, diplomatic guile, in its megaphone diplomacy with China. But the Chinese response was unreasonable and a warning for the future.

The problem at times with the debate in Australia over China is that it so often allows unanchored fear to unbalance informed calculation. The aim must be to achieve a favourable defence posture without intensifying the very threat which it is hoped will be averted.

Now that may be difficult, but it's not impossible.

At the moment, since 2022, in the election of the Labor government of Anthony Albanese, the government has adopted a policy of stabilization with China, and the 2022 election enabled an off-ramp for both sides.

Now the policy of stabilization has been attacked in some quarters as an appeasement. Others have said that it acts as a kind of straitjacket on the relationship, preventing it from developing further. Certainly, there's great impatience on the Chinese side to move beyond stabilization to improvement and then the further development of the relationship. Others still have argued that this is simply now a normal bilateral relationship again, with all its attendant ups and downs.

So, there's still a vibrant debate over stabilization, and I want to point out some of the problems with it — that is, with the term “stabilization.”

When the Prime Minister went to Beijing last year for a six-day visit, he, in his rhetoric, looked to go beyond stabilization to talking about warm and constructive engagement. Other times, he talks about “selective engagement.”

There is no question that the government will not budge on foreign investment and the strict foreign investment rules. That is an area which is just a no-go zone for the Australian government, given the experience that it had from 2016, 2017, through to 2022.

But there are all sorts of pressures on stabilization.

Now we've got Washington calling for higher defence spending, and in Singapore last year, the [U.S.] Secretary of War, Pete Hegseth, as many of you would know, also appeared to imply that Asian allies' outward trade should be limited with China.

Now that is as much a red line for Australia as it is for other key U.S. allies and partners. So far, the Australians are not budging.

[Australian] Trade Minister Don Farrell has stressed, he said, “Chinese trade is almost 10 times more valuable to Australia than Canberra's trade with the United States,” which in 2023, 2024 sat at \$37 billion. And he added, he said, “Canberra doesn't want to do less business with China, we want to do more business with China.”

And just in case his American interlocutors had not heard the message, he then declared, publicly, “We'll make decisions,” he said, “about how we continue to engage with China based on our national interest and not what the Americans may or may not want.”

Now that's strong language from an ally that still expects the United States to be its great protector. But anyway, it is what it is. But no wonder Pete Hegseth is out to pull down the allied hedge.

Even the appearance of a Chinese research vessel, and later a group of Chinese naval vessels off the Australian coastline last year, showed that the government was sticking to stabilization. Speaking about the presence of the research vessel, Prime Minister Albanese told reporters: “Well, I'd prefer it wasn't there.” But he added, “We live in circumstances where, just as Australia has vessels in the South China Sea and vessels in the Taiwan Strait and a range of areas, this vessel is there.”

Now, God only knows what the Americans thought about that. But put it this way, if a Japanese prime minister made a similar comment, it would likely provide grounds for their resignation.

Now, stabilization with China was never intended as a synonym for détente. Perhaps, its greater paradox, in addition to the ones I'm talking about, it gets rocked from side to side by provocative actions from the Chinese side — it'll be rocked again when the Australian government, as it's intending to do, ensures that the ownership of Darwin port, which abuts the U.S. marine rotation, is taken from Chinese hands and given to Australian owners. That is another problem to come.

Now, it was never intended as a synonym for detente. Perhaps its greater paradox, though, is between what it seeks to achieve at the level of bilateral relations and what is occurring in the wider world.

Simultaneous calls by Canberra for China to pursue a stable order in the region and the world are sometimes rendered less effective since Australia assumes that it can set the point of where that stability lies. And that is, of course, with the preservation of U.S. primacy in Asia. The [Australian] foreign minister uses the phrase 'regional strategic equilibrium.' That's the sort of ambition of Australian foreign policy, but it's predicated on the maintenance of U.S. primacy.

Now, obviously, that's unacceptable to China. We know that.

I think the broader point about stabilization is that, only with the perspective of time, will it be clear whether it was part of a system of off-ramps to avoid military conflict, or simply a temporary hiatus in a climate of ongoing strategic febrility and contest.

I'll leave it there. Thank you.

These remarks have been lightly edited.