

SECTION 1.

**HOW DOES THE US DOMESTIC
POLITICAL LANDSCAPE ENABLE
OR CONSTRAIN INCREASED US
PRESENCE AND ATTENTIVENESS
TO THE INDO-PACIFIC?**

US DOMESTIC POLITICS AND POLICY

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For Australian national interests, one issue dominates assessments about US domestic politics. What is the appetite of the United States for a return to global leadership? A range of subsidiary questions follow:

- › How quickly, and to what extent, will the Biden administration operationalise the strategic aspirations laid out over the 2020 campaign, for a return to multilateralism, for assembling and leading a coalition of allies and partners in countering China's assertiveness, for increased presence and power in the Indo-Pacific and for the dollars and focus that this will entail?
- › What other policy priorities are competing with these issues and how much salience do they enjoy?
- › How robust is the bipartisan consensus around the scale and urgency of the China challenge? Will deep partisan acrimony in the United States impede the Biden administration's ambitious plans for wide-sweeping competition with China?

To rigorously address these questions the United States Studies Centre (USSC) commissioned surveys of the adult, citizen population of the United States, fielded in October 2020 before the November elections and reinterviewing 1,186 respondents in late January 2021, after Biden's inauguration. These surveys build on USSC

surveys in 2019 and earlier years, utilising much of the same question wording so as to permit valid inferences about trends and change in American public opinion on issues of relevance to Australian national interests.

Trump and the pandemic have hardened American views on China

In Figure 1 we summarise responses on five propositions about China and its relationship with the United States, comparing results from USSC surveys administered in July 2019, October 2020 and January 2021. American opinions on China were not especially favourable in 2019 and have generally become more negative since. Trump voters, in particular, have moved even more decisively towards negative views of China after the November 2020 election, no doubt driven by Trump's insistence about the Chinese origins of COVID-19 and its contribution to Trump losing the election.

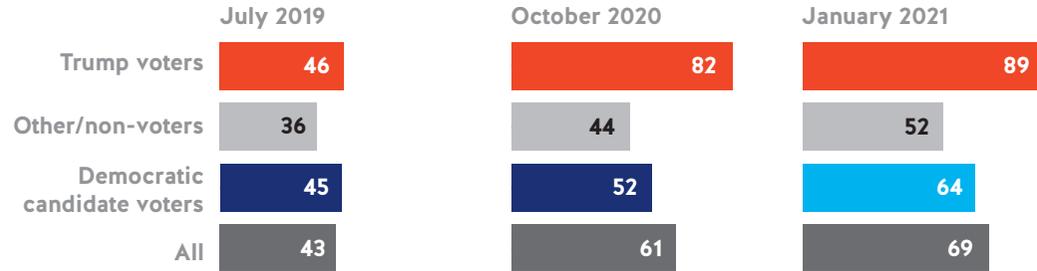
- › As recently as July 2019, less than a majority of Americans held negative views about China's relationship with the United States, with little partisan variation. By October 2020 and especially by January 2021, 69 per cent of Americans described China's influence on America as negative, a view shared by 64 per cent of Biden voters in January and by nine out of 10 Trump voters.

- › Seventy-two per cent of Americans describe China as unfriendly towards the United States or an enemy of the United States, up from 56 per cent in 2019 (this item was not asked in October 2020). Trump voters moved 22 points on this measure, from 70 per cent to 92 per cent, and Clinton/Biden voters moved 18 points, from a bare majority (53 per cent) in 2019 to 71 per cent in 2021.
- › Forty-three per cent of Americans believe the United States is in a Cold War with China, up from 28 per cent from mid-2019, driven not by change among supporters of Democratic candidates, but largely by a doubling of the rate at which Trump voters report this belief (from one-third in 2019 to two-thirds in 2021).
- › In 2019 a slim majority (51 per cent) thought the United States was too economically dependent on China, rising to 65 per cent in our January 2021 survey. The change is almost exclusively driven by a hardening of opinion among Trump voters (54 per cent to 84 per cent), with little movement among Clinton/Biden voters.
- › A similar story holds for the proposition "China has overtaken the United States as the world's technological leader." There is little movement on this item aside from Trump voters, moving from 28 per cent agreement in 2019 to 42 per cent in January 2021.

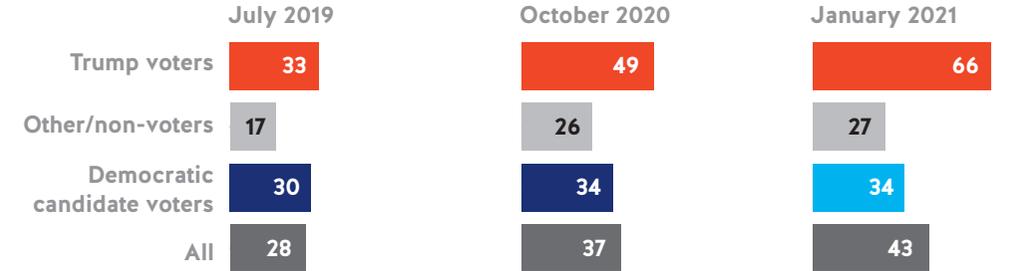
Figure 1. American opinions about China have hardened, especially among Trump voters

Percentage of respondents agreeing, by president vote. 2019, 2020 and 2021 surveys.

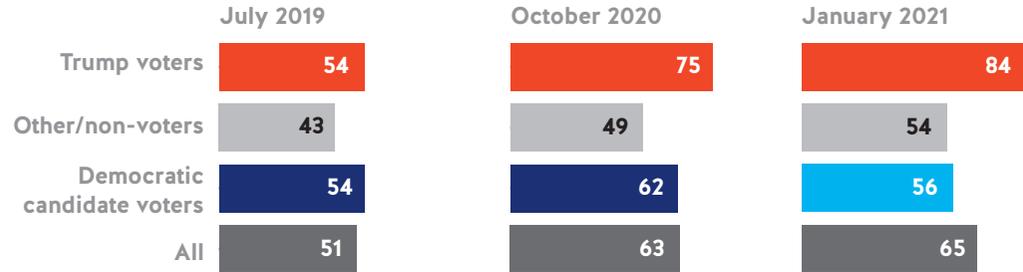
Overall, China's influence on America is negative



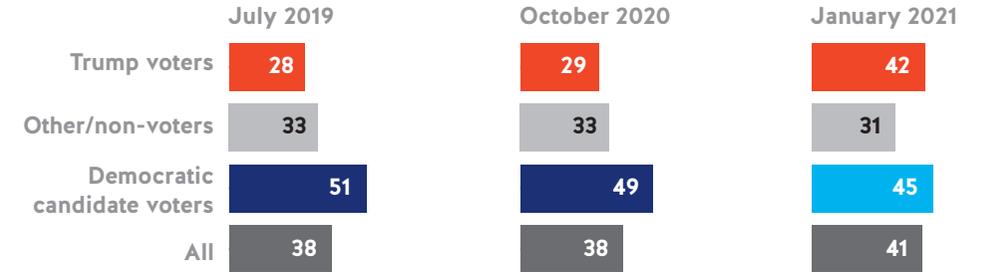
The United States and China are in a Cold War



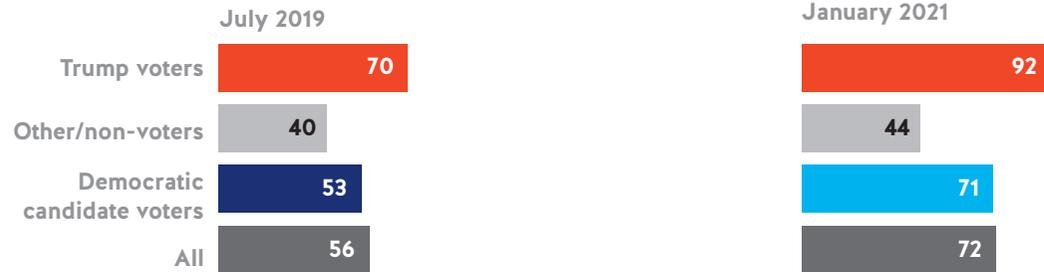
America is too economically dependent on China



China has overtaken the United States as the world's technological leader



China is unfriendly or an enemy of the United States



■ Clinton voters
■ Biden voters

The elite, Washington consensus on China is largely mirrored in mass opinion, save for the recent and pronounced hardening of views among Trump supporters. Only slim or near-majorities of Biden voters agree that “America is too economically dependent on China” or that “China has overtaken the United States as the world’s technological leader.” But these proportions are sufficiently large – and the issues sufficiently serious – to serve as a reservoir of political capital for the Biden administration’s policy of competition with China.

The risks of isolationism

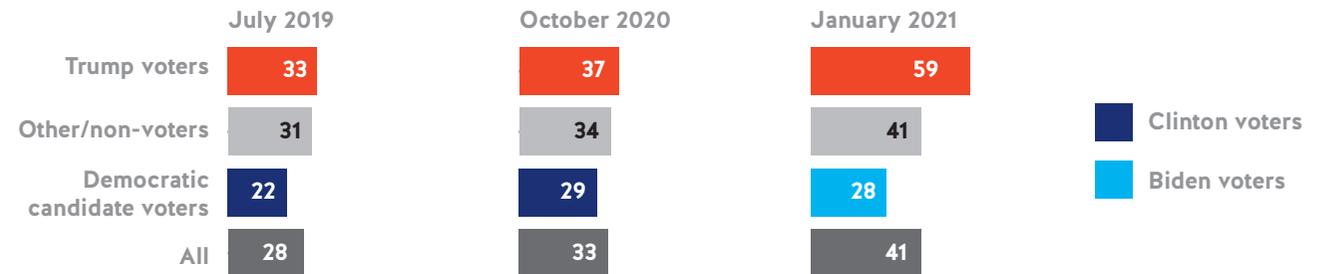
For decades researchers have measured isolationism in US public opinion with the proposition “America would be better off if we just stayed home and did not concern ourselves with problems in other parts of the world.” Across our three surveys we see an increase in isolationist views in US public opinion, but again with a distinctly partisan character.

In mid-2019 we observed that one-third of Trump voters expressed isolationist views, comfortably ahead of the 22 per cent rate among Clinton voters. By October 2020, all groups reported an increase in isolationism: 29 per cent among Biden voters and 37 per cent among Trump voters.

Figure 2. Isolationism has increased dramatically among Trump voters

Percentage of respondents agreeing, by president vote. 2019, 2020 and 2021 surveys.

America would be better off if we just stayed home and did not concern ourselves with problems in other parts of the world



The outcome of the November 2020 election appears to have prompted a massive uptick in isolationism among Trump voters to 59 per cent, no doubt a reaction to Biden’s early actions in reversing some key Trump policies, rejoining the Paris Climate Accord (Paris Agreement) and the World Health Organization (WHO), and promising to restore more conventional relations with American allies and partners. Non-voters and supporters of minor parties and independents also moved towards isolationism between October 2020 and January 2021. Biden voters’ levels of isolationism are unmoved through the election period, further suggestive of the political character of the reaction among Trump voters and non-voters.

One of the defining characteristics of “Make American Great Again,” “America First” and, more broadly, “Trumpism,” is hostility to American engagement in multilateralism, catalysing a resentment to globalisation and internationalism evident since the 1990s, ending the elite-led, bipartisan consensus around the virtues of US global leadership. This hostility clearly endures among Trump voters, and indeed, at levels seldom seen in decades of measuring isolationism. This will be a fault line both between the Biden administration and its Republican opponents, but also, critically, within the Republican Party.

It is widely accepted that Trump-led hostility towards multilateralism, and other isolationist elements of the Trumpian worldview, impeded the effectiveness of the Trump administration's China policy. Accordingly, a key issue for Australia is whether deeper US engagement and presence in the Indo-Pacific can steer clear of opposition founded in isolationism and instead, more helpfully, be motivated by widely-shared, negative assessments of China's ambitions and assertiveness.

Competing American foreign policy priorities

Survey respondents were asked to rate the importance of three foreign policy priorities, "working with allies to stand up to China," "dealing with global climate change" and "promoting democracy in other nations."

There is little partisan disagreement about the importance of "working with allies to stand up to China." Overall, 85 per cent of respondents saw this as a "very" or "fairly" important priority, with 93 per cent of Trump voters and 88 per cent of Biden voters making this assessment.

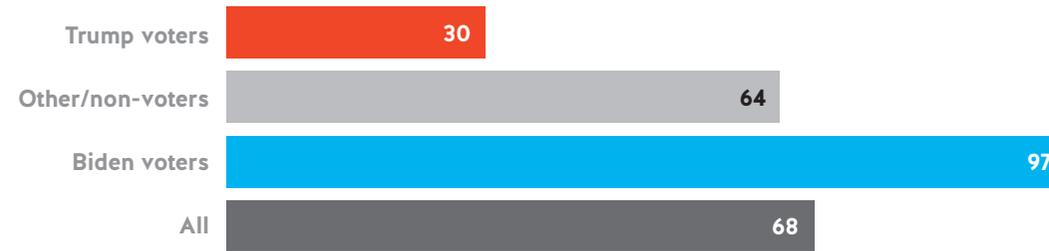
Figure 3. China is rated as important by majorities of Democrats and Republicans, but climate change is even more important for Democrats

Percentage of respondents rating foreign policy priority as "very" or "fairly" important, by 2020 presidential vote. January 2021 survey.

Working with allies to stand up to China is very or fairly important



Dealing with global climate change is very or fairly important



Promoting democracy in other nations is very or fairly important



But a stark partisan difference emerges on climate change. Almost all (97 per cent) of Biden voters rating this as very or fairly important, compared with just 30 per cent of Trump voters. Biden voters are also more likely than Trump voters to endorse democracy promotion as a very or fairly important foreign policy goal, 78 per cent to 61 per cent.

A closer analysis finds that while many Biden voters rate “working with allies to stand up to China” as important, it is almost always subordinate or equal to climate change as a priority. Ninety-three per cent of Biden voters have climate change as their top or equal top foreign policy priority, one-third rate climate change as their single, top foreign policy priority and 28 per cent rate all three priorities as equally important. Only three per cent of Biden voters state that “working with allies to stand up to China” is unambiguously their top foreign policy priority and 13 per cent rank this priority last, behind climate change and democracy promotion.

For Trump voters, the situation is starkly different, with 57 per cent stating that “working with allies to stand up to China” is unambiguously their top foreign policy priority and just two per cent identifying climate change as their single most important foreign policy priority. Fifty-one per cent of Trump voters rank climate change unambiguously as their least important priority out of the three.

Table 1. Rank orderings of foreign policy priorities, by 2020 presidential vote

The rank in importance of working with allies to stand up to China, dealing with global climate change and promoting democracy in other nations

Importance ranking	All	Biden voters	Trump voters	Other/ non-voters
All equally important issues	22.8	27.7	11.2	29.5
Climate most or equal most important issue	40.9	65.0	8.0	39.6
China most or equal most important issue	46.9	26.2	82.6	37.6
Democracy most or equal most important issue	18.2	13.3	23.7	19.6
Climate change least important issue	20.2	2.3	50.5	12.7
China least important issue	8.8	12.9	0.5	12.1
Democracy least important issue	20.9	29.6	11.2	17.1

Survey respondents were also asked if the United States ought to “reward countries who do more to stop climate change with more favourable trade deals and impose costs on those that do not” (see Figure 8 on page 54). Seventy-two per cent of Biden voters agree with this proposition (32 per cent expressing strong agreement) and another 24 per cent are indifferent. Further analysis of the implications of this particular finding appears on pages 52-55.

The message for Australian policymakers from this data is clear. The Biden administration’s supporters want the campaign promise of a centrality of climate change considerations to be realised, for climate change considerations to not just be central, but arguably the single most important driver of US foreign policy, and preferably, linked to decisions about trade deals. For Biden’s supporters, “working with allies to stand up to China” is, at most, part of an ensemble of foreign policy challenges.

The Biden administration and Congressional Democrats will find it difficult to ignore this level of political demand from their supporters for climate change to infuse US foreign policy.

Bearing the costs of decoupling from China?

A majority of Americans report that the United States is too economically dependent on China. But are Americans willing to bear the costs that might accompany economic and technological decoupling from China?

We asked respondents if they would prefer to purchase a cell (mobile) phone made in China or a cell (mobile) phone not made in China, while randomly varying the (hypothetical) extra cost of the phone not made in China “in order to reduce our reliance on Chinese made products” (each respondent was randomly assigned to one of the five price points shown in Figure 4.

THE BIDEN ADMINISTRATION AND CONGRESSIONAL DEMOCRATS WILL FIND IT DIFFICULT TO IGNORE THIS LEVEL OF POLITICAL DEMAND FROM THEIR SUPPORTERS FOR CLIMATE CHANGE TO INFUSE US FOREIGN POLICY.

In the baseline condition of no price premium for buying “not made in China,” overwhelming majorities report a preference for buying not made in China: 88 per cent overall, every Trump voter and 84 per cent of Biden voters. Unsurprisingly, increasing costs diminishes preference for the not made in China phone, but even with a premium of \$250 or more, at least two-thirds of Americans report a preference for the phone not made in China. Trump voters remain most adamant about preferring the phone not made in China across rising cost differences, with around 90 per cent preferring the phone not made in China despite a \$250 or even \$500 price premium. Biden voters are the most responsive to the increasing price premiums, but even at the \$250 and \$500 levels, a majority of Biden voters continue to prefer the phone not made in China.

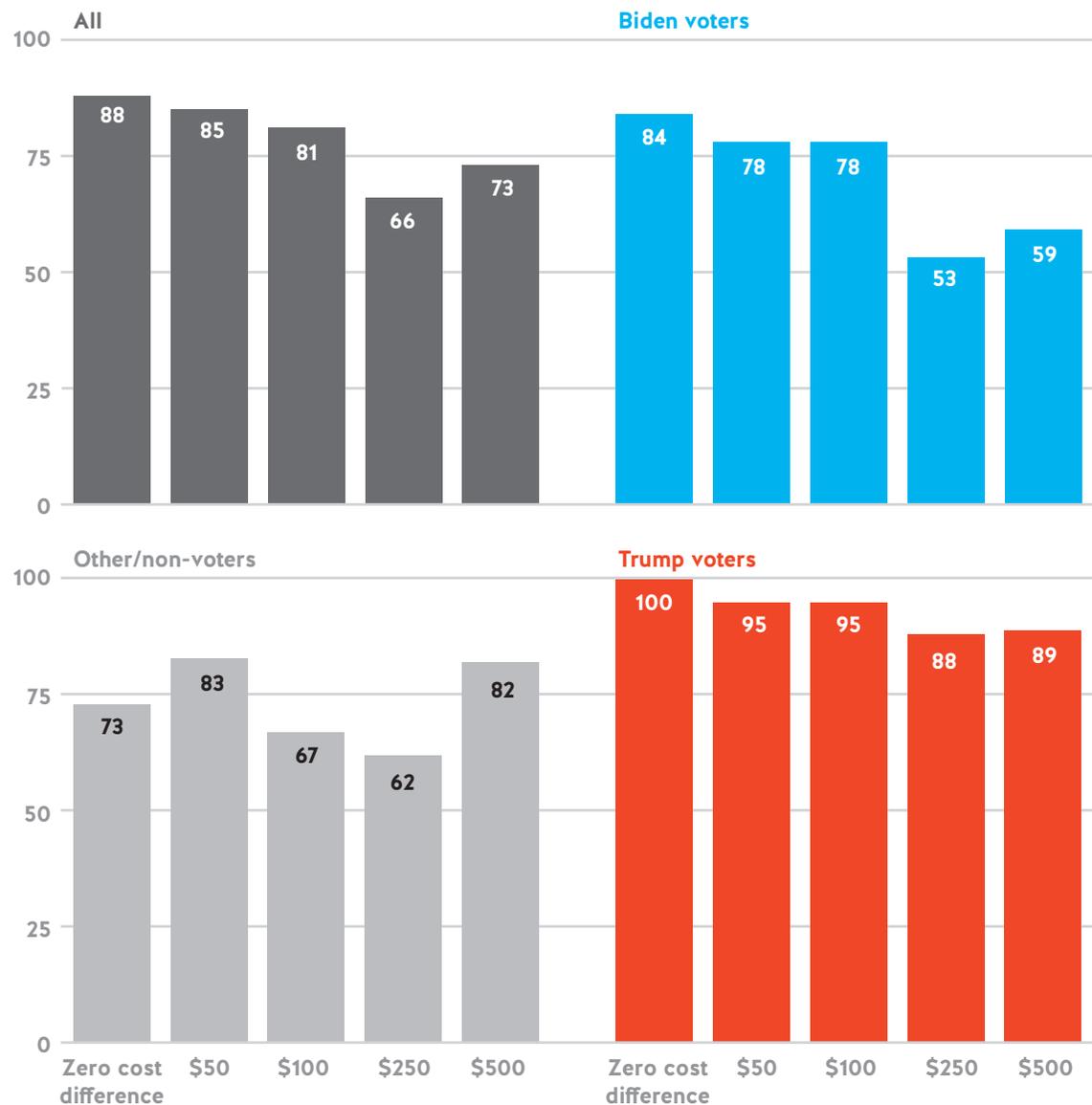
We concede the “cheap talk” nature of assessing willingness-to-pay in surveys. Even so, we note: (1) preferences for the phone not made in China are high, under any circumstances; (2) a partisan gap is nonetheless apparent but grows larger as the price premium of the phone not made in China increases, suggesting that Biden supporters are most exposed to the costs of technological and economic decoupling from China.

Figure 4. Americans say they are willing to accept the higher costs of buying “not made in China”

Bars indicate percentage saying they would prefer to purchase a cell (mobile) phone not made in China (versus a phone made in China), given different levels of increased cost. January 2021 survey.

These results do suggest partisan fault lines and limits to US domestic political support for decoupling. This said, while it is a Democratic administration pursuing decoupling, rank and file Democrats are likely to follow the cues of their party’s leaders, tolerating any economic burdens stemming from decoupling, especially if these are offset by other elements of the Biden administration’s “build back better” program. Moreover, Republicans are unlikely to use the economic costs of decoupling from China as a credible line of political attack against Democrats, with Republican members of Congress among the most insistent advocates of decoupling.

Accordingly, we assess high levels of economic and political tolerance for decoupling from China in American public opinion and see little incentive for political leaders in either party to mount opposing arguments.



Experimental variable: higher cost of phone not made in China

Disunity and American democracy

We conclude this introductory survey of the state of US public opinion and politics, and its implications for the alliance agenda, with an assessment of the depth of partisan animus in the United States. Being positively disposed to one’s fellow partisans is to be expected, almost a defining characteristic of identifying as a Democrat or a Republican. But a relatively novel devel-

opment in American public opinion is “negative partisanship,” reporting negative evaluations of supporters of the party one does not identify with.

We assess two measures of negative partisanship in the United States, using comparable Australian data to put the results in some perspective for an Australian audience.

First, we ask respondents if they would be “happy, unhappy, or if it wouldn’t matter” if an immediate family member said they intended to marry someone who is: (a) a Democrat; (b) a Republican; (c) transgendered; (d) a “born again” Christian.

Forty-four per cent of Trump voters would be unhappy if a family member married a Democrat. In contrast, 52 per cent of Biden voters would be unhappy if their family

Table 2. Negative partisanship in the United States is far more pronounced than in Australia

Median thermometer ratings of parties, by vote. January 2021 surveys.

US data				Australian data			
2020 vote	Median rating of Republican Party	Median rating of Democratic Party	Party difference	2019 Vote	Median rating of Coalition parties	Median rating of Labor party	Party difference
Biden	13	80	57	Labor	38	76	38
Trump	63	5	58	Coalition	80	46	34
Other/ non-voter	44	49	5	Greens	22	66	44
				Other/ non-voter	60	56	4

member married a Republican. For Biden voters, this rate of unhappiness at the prospect of a family member marrying a Republican (52 per cent) exceeds the unhappiness rate reported if family members were to marry a transgendered person (19 per cent) or a “born again” Christian (39 per cent).

Corresponding Australian data help put these results in context. Just 17 per cent of Coalition voters say they would be unhappy if an immediate family member intended to marry a Labor supporter; conversely, 28 per cent of Labor supporters and 32 per cent of Greens supporters say they would be unhappy if an immediate family member intended to marry a Coalition supporter. These Australian rates of unhappiness at the prospect of partisan inter-marriage are at most half of the corresponding rates we observe in the US data.

Second, survey respondents are asked to provide “thermometer ratings” of partisan groups, on a zero-to-100-point scale.^{0.1} Median ratings of major parties are reported in Table 2, broken down by who the respondent voted for in the most recent national election.

In-party ratings are essentially the same in both countries, around the 80 mark on the zero to 100 cold-to-hot thermometer scale. An exception is the 63 median rating given by Trump voters to the Republican Party, a reaction no doubt to criticism of Trump from Republican leaders after the Capitol Hill insurrection on 6 January 2021, Trump’s subsequent impeachment and Trump’s hostility towards Republican election officials in Georgia inter alia during the post-election period.

The key difference between the United States and Australia are the ratings of out-parties. The median rating of the Democratic Party from Trump voters is just five; the Republican Party gets a median rating of 13 from Biden voters. In Australia, the median out-party ratings are markedly higher: Labor voters give a median rating of 38 to the Coalition parties, while Coalition voters give a median rating of 46 to the Labor Party (barely below the neutral rating of 50). This constitutes more compelling evidence of the depth of partisan animus in the United States and the contribution of negative partisanship to political polarisation in the United States.

The United States transitions from the Trump to Biden presidencies with partisan polarisation at extraordinarily high levels; Australian audiences can only marvel at this critical feature. Through this chapter, and throughout this volume, we identify instances where this partisanship constrains or impedes policymaking – and equally, note those rare instances of bipartisanship – and their implications for Australian national interests.

**THROUGH THIS CHAPTER, AND
THROUGHOUT THIS VOLUME, WE IDENTIFY
INSTANCES WHERE THIS PARTISANSHIP
CONSTRAINS OR IMPEDES POLICYMAKING
– AND EQUALLY, NOTE THOSE RARE
INSTANCES OF BIPARTISANSHIP – AND
THEIR IMPLICATIONS FOR AUSTRALIAN
NATIONAL INTERESTS.**

THE BIDEN AGENDA, CONGRESS AND AUSTRALIAN INTERESTS

BRUCE WOLPE



Joe Biden proposed an expansive legislative agenda throughout the 2020 presidential campaign, spanning racial justice and voting rights, green energy jobs programs, buttressing Obamacare and infrastructure. But sitting above all these issues is control of the pandemic and rebuilding the US economy.

President Biden simply must get his US\$1.9 trillion COVID recovery package through Congress (and may well have by the time this volume is published). There is a deep understanding – which Republicans recognise as much as Democrats – that if Biden fails on this first hurdle, his presidency will be permanently damaged. In fact, failure to win congressional approval on the American Recovery Plan will mean that Biden will be unable to win congressional approval of virtually all the other priority measures listed above that he took to the election.

The key to understanding what Biden can accomplish in Congress requires an appreciation of the political dynamics that affected and ultimately overcame, Obama's presidency. Indeed, the lessons from the 111th Congress – the first two years of President Obama's first term – are the guideposts for Biden's strategy and approach in this 117th Congress.¹¹

Like Presidents Bill Clinton and Barack Obama, Biden comes to office as a Democratic president with his party in the majority in both houses of Congress. Biden also

has an agenda with marked similarities to Obama's: rebuilding an economy struck down by crisis, addressing an urgent health care reform agenda, securing progress in the epic battle to combat global warming and a host of other compelling social priorities.

But unlike Clinton and Obama, Democratic control of Congress is tenuous – just six seats in the House of Representatives and Vice President Harris the tiebreaking vote in the Senate – and at great risk in the 2022 midterms (see Figure 5). Midterm elections typically see the party of the president lose seats. As shown in Figure 6, the midterms of 1994 and 2010 resulted in huge gains for Republicans in House elections, ending unified Democrat control of the federal government and stalling the agendas of both Clinton and Obama. With dogged opposition to the last two Democratic presidents successful in those midterm elections, Congressional Republicans have little incentive to support Biden's policy proposals. The Capitol Hill insurrection on 6 January 2021 further dampened the already remote prospects of bipartisanship.

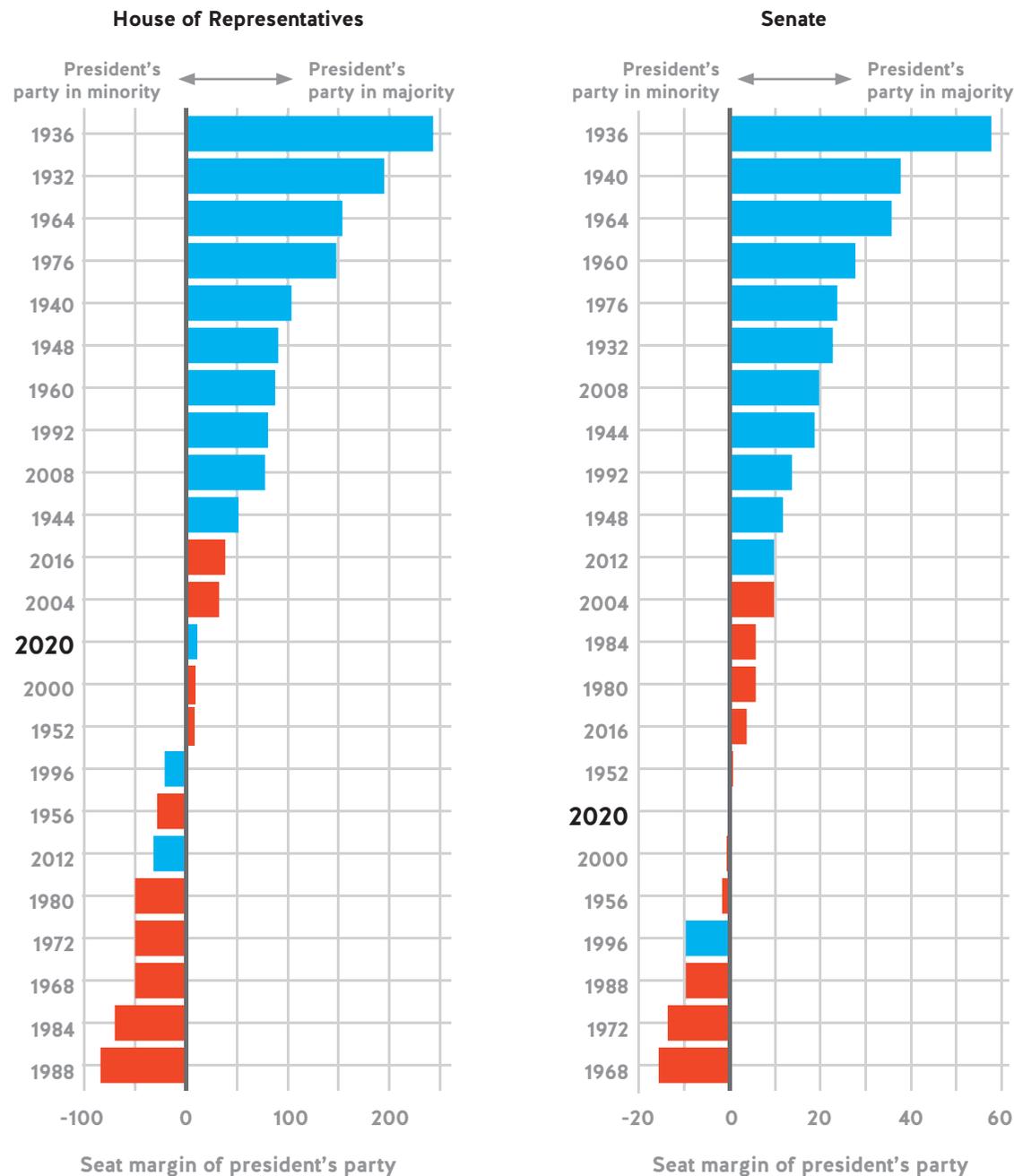
Biden's calculus is that if he fails to secure passage of the American Recovery Plan or meet his ambitious vaccination targets (100 million shots in the first 100 days) his presidency is lost too, along with any chance of legislative success on racial justice, climate change and immigration.

As Vice-President, Biden was central to the Obama administration's protracted and ultimately self-defeating negotiations with Congressional Republicans in 2009 and 2010. Democrats were unsatisfied with the policy compromises that resulted (on recession recovery, on health care, on climate) and lost the House of Representatives: policy pain and no political gain. Biden has no intention of being guilty of repeating that mistake.

This is why Biden is determined to go big and go early, to get the vaccine and economic stimulus in place as soon as possible, and without Republican votes, if needs be.

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Figure 5. Democrats control Congress, but with razor-thin margins



The House of Representatives

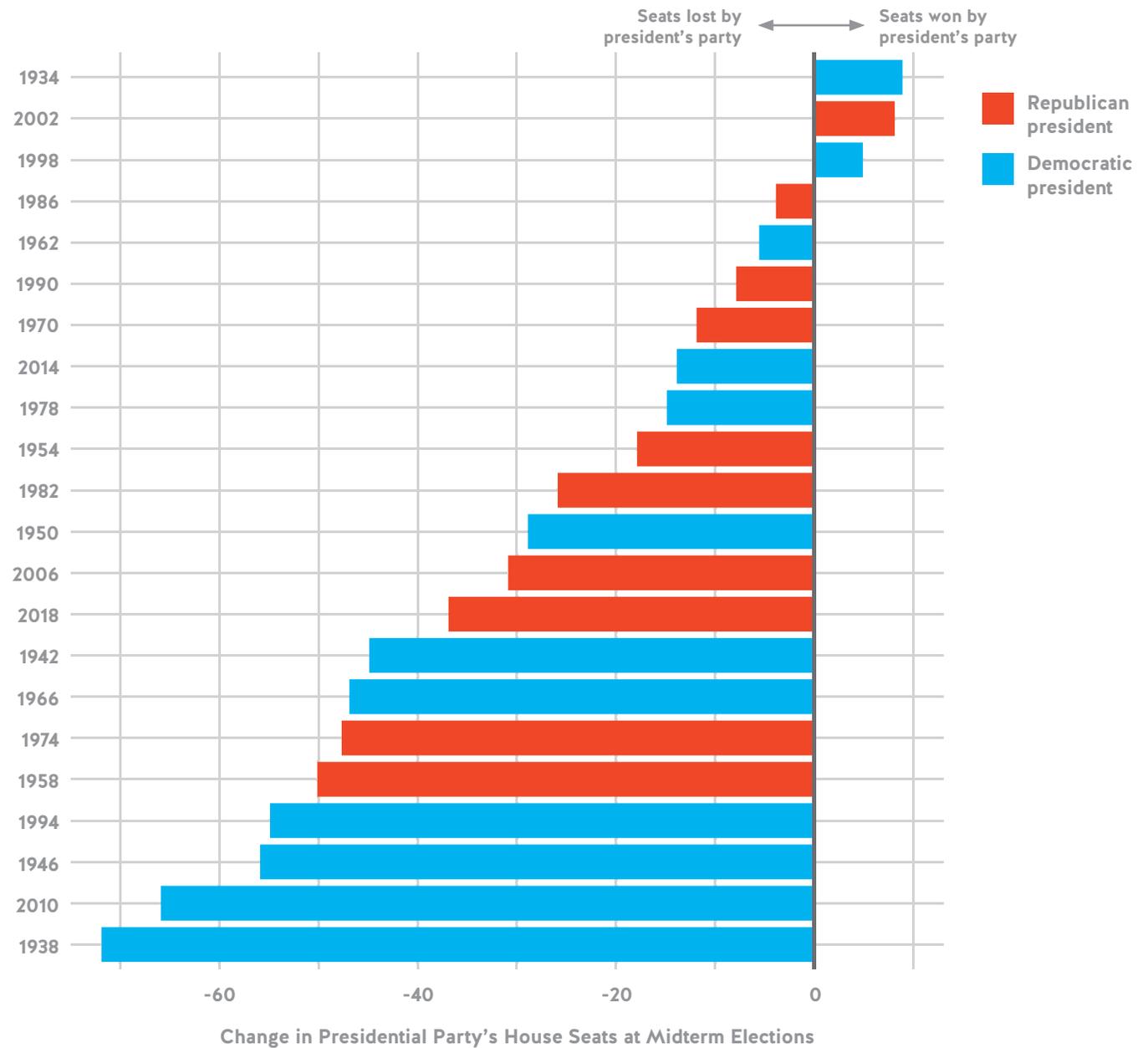
In the 117th Congress that convened in January 2021, the House is comprised of 221 Democrats and 211 Republicans. While margins are immensely tighter than Obama and Speaker Nancy Pelosi faced in 2009, the political dynamics are the same: to be successful, Democrats will have to find the balance on complex legislation within the caucus to ensure that defections do not kill President Biden's agenda – severely undercutting his presidency. Speaker Pelosi and her leadership team have nearly no cushion for error as the threshold between winning or losing comes down to just a couple of Democrats.

This is all the more important given that the House will be the driver of the Biden legislative program. The key lessons of successful legislative management by the Democrats in the 111th Congress are no less applicable to President Biden and Speaker Pelosi today. In particular, look for:

- **Clear and consistent leadership from the President on his agenda and legislation.** President Biden's voice must be forceful, consistent and steady in laying out and explaining what he wants Congress to do, giving assurance to members in swing districts.

- > **Intensely effective working partnerships between the president, the speaker and her committee chairs.** Key to Speaker Pelosi's success throughout her tenure is her exceptional ability to read the moods and dispositions of the members of the Democratic Caucus and to have those assessments guide chairs of the committees in crafting legislation.
- > **A vigorous schedule of hearings to underscore the urgency of the legislative agenda.** In both Obamacare and the energy and climate legislation in 2009, carefully constructed hearings showed the high degree of consensus of key interests and constituencies behind these major legislative reforms. The health insurance and pharmaceutical industries strongly supported the Affordable Care Act. Energy, chemical and manufacturing companies supported the cap-and-trade bill. These very visible shows of consensus paved the way to advance these landmark proposals.

Figure 6. Midterm elections typically see the party of the president lose House seats





The Senate

The 50-50 tie in the Senate plus the tie-breaking vote of Kamala Harris gives the Democrats control of the Senate's agenda, its calendar, committees and critically, which bills come up for votes on the Senate floor.

The biggest initial dividend of control of the Senate for President Biden is that the Democratic majority will generally approve his Cabinet nominees. The withdrawal of Nerra Tanden's nomination as director of the Office of Management and Budget is the first real hiccup, highlighting the immense power of "red state" Democratic Senators looking to distinguish themselves from their Democratic colleagues (e.g., Manchin from West Virginia).

EVEN IF THE HOUSE LEADERSHIP CAN FIND AGREEMENT AMONG ALL HOUSE DEMOCRATS ON THESE CONTENTIOUS ISSUES AMONG ALL THE FACTIONS IN THE PARTY, THE LION'S SHARE OF THE BIDEN LEGISLATIVE AGENDA IS DEAD ON ARRIVAL IN THE SENATE.

Key elements of Biden's agenda will be subject to the Senate's supermajority requirement: 60 Senators are necessary to call debate to a close (to end a "filibuster") and move legislation to a majority vote on final passage. Budget legislation is exempted from the filibuster's supermajority requirement. Both political parties have at times relied on packaging major policy programs into the reconciliation process like the 2001 Bush Tax Cuts, Obama's 2010 Affordable Care Act and, most recently, the 2017 Tax Cuts and Jobs Act. Biden's COVID recovery legislation will be considered this way, circumventing compromises with any Republican senators, but underscoring the importance of holding Democratic senators together. This will test Majority Leader Schumer's political and parliamentary skill, in particular, (a) dealing with the extraordinary negotiating power of "red state" Democratic Senators (who can credibly threaten to vote against the legislation and hence can extract concessions and amendments) and (b) using parliamentary procedures that keep the comprehensive COVID recovery package more or less intact, bringing an up-or-down vote that is much more costly for rebel Democrats to vote against.

Any realistic assessment of the current configuration of Congress must recognise: (a) that there are not 10 Republican votes in the Senate willing to support virtually any element of the Biden agenda; (b) there are limits to what can be legislated via the budget reconciliation process that circumvents the filibuster; (c) there is dwindling appetite for attacking the filibuster itself by enacting changes to Senate rules or for overruling the Senate parliamentarian's determinations about what can be legislated via reconciliation; and (d) even for majority votes on the Senate floor, all 50 Democrats must vote together, or have defections offset by Republicans crossing the aisle.

Accordingly, even if the House leadership can find agreement among all House Democrats on these contentious issues among all the factions in the party – from the progressives on the left led by Representative Alexandria Ocasio-Cortez to the moderates who won Trump districts in the suburbs in 2018 and held them in 2020 – the lion's share of the Biden legislative agenda is dead on arrival in the Senate.

Exceptions that prove the rule

There will, however, be several key exceptions of great relevance for Australia:

Defence spending. In early January 2021, in the closing days of the 116th Congress, both the House and Senate overrode President Trump's veto of the National Defense Authorization Act, which sets military spending levels and locks in US strategic priorities for the country's defence posture.^{1,2} This was the first time Congress had overridden a Trump veto. This spirit of bipartisan cooperation on defence will carry through the Biden presidency, with most Democrats joining most Republicans to ensure steady commitment to overall US defence policy, spending levels and weapons programs. Defence spending will be a major ongoing target of Democrats on the left in both the House and Senate, but on these issues, the centre will prevail.

Foreign Policy. President Biden has entered office without the United States engaged in major wars overseas. Biden's much firmer stance on Russia and President Putin, the aim of restoring effective working relationships with America's allies in Europe and Asia, and Biden's tougher position on human rights, from Saudi Arabia to Burma to China, will be strongly welcomed. The House and Senate foreign relations committees will be active on legislation that will provide incentives and punishment on human rights issues.

Appropriations and government funding. An enduring trend, even under the Trump presidency, was the ability of the House and Senate to work through the government spending (supply) bills for all the government agencies and their operations. The Appropriations Committees have been able in recent years to reach agreements to keep the government operating. The longest government shutdown in American history, however, occurred under President Trump, who insisted, as a condition of signing legislation to maintain orderly funding of the government, that Congress approve funding for the border wall with Mexico.^{1.3} Trump ultimately backed down on his demand and normal operations resumed. This was such a searing political experience that, with a president such as Biden – a creature of Congress – a repeat of that confrontation is highly unlikely.

Congress and Australian interests

There are several major issues directly affecting Australian interests:

China. Leaders in Congress on China policy are highly aware of Australia's frontline status with respect to China and Australia's alliance credentials. As in the Trump administration, this bipartisan coalition will serve a valuable role in helping ensure executive branch policy and actions are mindful of Australia's interests.

Trade. Leaders in Congress on trade will be sympathetic to Australia's long-standing fidelity to free trade norms and policies and will pay special attention to China's economic coercion of Australia. There is little evidence of Congressional support of the United States joining the CP-TPP, at least not until the US economy has meaningfully recovered from COVID.

Military posture. As discussed above on the defence spending issues, Congress will welcome continued further deepening and coordination on the military alliance and overall posture in the Asia Pacific, especially with respect to China and its projection of sovereignty and force.

Big Tech. Australia's strong stance against the market abuses of big tech companies, especially Facebook and Google, has captured the attention of both members of Congress who follow these issues closely and the administration officials and agencies who oversee anti-trust and consumer protection issues.^{1.4} Conversely, there is little love for Big Tech in Congress nor any chance of Congress being sympathetic to any claims that social media giants have been treated unfairly by Australia.

Climate change – a special case. Climate change and global warming have already proven to be an issue that is directly affecting Australian politics. Biden's commitment to move aggressively on climate is a pillar of his overall agenda. His stance on climate was crucial to winning the support of Senators Bernie Sanders and Elizabeth Warren for the Democratic nomination. In office, Biden has affirmed reaching stringent carbon-reducing targets by 2050, and has moved aggressively^{1.5} through executive orders to reverse Trump policies that rolled back environmental regulations, ended carbon-intensive projects such as the Keystone XL pipeline and permit approvals that would have opened public lands and off-shore tracts to oil and gas drilling.

These measures, especially the support for firm 2050 targets, have provoked political debate here on Australia's climate policy. Carbon pricing – a critical lever in realising emissions targets – is an obvious threshold issue. It is unclear whether the Biden administration would welcome or propose legislation on carbon-pricing, but a sustained debate in the US Congress on carbon-pricing, even if the legislative passage were to fail, would spill over into Australian domestic politics.

In the interim, there is nothing the Australian Government can say or do that will slow down, delay or stop any action Biden and his climate advisors – led by former Secretary of State John Kerry, who is fully seized of the climate issue – take to address climate change.

On pages 52-55 we revisit this issue, assessing that while any material divergence in climate policy between the two countries will be an irritant, such differences will not in any way threaten the deep fundamental relationship between the two countries.

We further assess that if Biden were to propose carbon-pricing legislation, Congressional enactment is unlikely. In 2009, the Waxman-Markey “cap-and-trade” program passed the House despite the defection of dozens of Democrats from energy-producing states because of the support of a crucial handful of Republicans. The Waxman-Markey Bill was never brought to a vote in the Senate and died. We doubt that in the current Congress carbon-pricing would even make it out of the House of Representatives, let alone make it to the Senate floor.

This suggests that political spillovers into Australia on climate and emissions will intensify only in so far as a Democratic-controlled Congress actively engages on the issue. US policy proposals will also powerfully shape the terms of debate here on what Australian policy should be.¹⁶ Conversely, should Biden climate and emissions policy hit a political wall in Washington – with Congress the key actor – the intensity of Australian debate may not necessarily diminish, but the scope of climate policy options will likely be limited along similar lines.

AN ENGAGED AMERICA – LED BY A PRESIDENT NOT ONLY SUPPORTIVE OF THE RULES-BASED, INTERNATIONAL ORDER BUT WITH THE POLITICAL CAPITAL TO DRIVE THE SUPPORTING POLICY AND ACTION FROM CONGRESS – IS A STRONGER AND MORE EFFECTIVE ALLIANCE PARTNER OF AUSTRALIA.

Australian national interests dovetail with Biden being successful in overseeing America’s recovery from the COVID-19 pandemic. A prosperous, capable and self-confident United States is more likely to take on the burdens of global leadership and projecting power and presence into the Indo-Pacific, of bearing the costs of competition with China.

But there are second-order effects at work too, tying Australian national interests to Biden’s domestic political fortunes. American power and prestige abroad are in no small measure functions of the domestic standing of the incumbent president. Early successes for Biden will earn him political capital for pushing back against the voices of protectionism, isolationism and unilateralism in the Congress. An engaged America – led by a President not only supportive of the rules-based, international order but with the political capital to drive the supporting policy and action from Congress – is a stronger and more effective alliance partner of Australia.