2012 Annual Hawke Lecture

Advance Australia Where?

Forging our future in the Asian region

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This is a watershed period for Australia as we await the outcomes of two major world events and reflect on two recent important developments for our country.

I’m not talking about tomorrow’s Melbourne Cup, important as that is to many Australians. I am referring to the United States’ Presidential election tomorrow, and to the process which starts next Thursday, on 8 November, at which it is expected that Xi Jinping will be elected by the Chinese People’s Congress as General Secretary of the Chinese Communist Party and will formally succeed President Hu Jintao as President of China.

The two important and related events for Australia were our election to the UN Security Council on 18 October and the publication ten days later, on 28 October, of the aspirational White Paper on Australia in the Asian Century, setting out 25 objectives for our future engagement in Asia, in both of which – the Security Council and the White Paper – I had a modest involvement.

In the next decade, China is expected to replace the United States as the world’s largest economy. What happens in the United States-Chinese relationship will be largely determined in the next few years by the re-elected or newly elected President of the United States and the new leadership of China.

So, this Hawke lecture is taking place at the same time as historic political developments unfold in the United States and China, which will be very important to Australia, the Asia Pacific region, of which we are a part, and indeed for the whole world.

Before continuing, I want to thank the Hawke Centre, especially Director Elizabeth Ho, for its generous hospitality and for arranging this lecture. I also want to note the historic role that former Prime Minister Bob Hawke has played, and is still playing, in Australia’s involvement with Asia. I had the good fortune to be Secretary of the Department of Foreign Affairs and Trade while Bob Hawke was Prime Minister, except for my last four months. I accompanied him on many of his overseas visits, including Japan, the United States, Europe and to the Pacific Forum.

I also worked together with Bob on a number of issues such as Antarctica, the United Nations - when we were last on the UN Security Council, the Middle East, the US Alliance and operation “Desert Storm”. There is no doubt of his dedication to strengthening Australia’s relations with the major Asian countries, as well as with the United States, United Kingdom and Europe. Earlier this year he was awarded The Grand Cordon of the Order of the Rising Sun by the Government of Japan, a special honour for his contribution to relations with that country.
Perhaps his most significant contribution in Asia was his initiative in advancing the Asia Pacific Economic cooperation forum (APEC), which he launched in Seoul in January 1989. Twenty three years on, it is now a successful and very important body, which meets at Head of Government and Ministerial levels. APEC has made a great contribution to trade facilitation in the Asia Pacific region. Personally I was indeed fortunate to be involved in the development and evolution of APEC, especially throughout 1989, as Prime Minister Hawke’s Special Envoy.

Returning to my theme tonight, I was in New York on the 18th October when Australia was, for the first time in a quarter of a century, elected to the UN Security Council, the principal organ of the United Nations. Bob was the prime minister when we were last elected in 1984.

This election to the Security Council is one of a coalescence of four important events to which I have referred and which elevate both the challenges and opportunities Australia will face in the years ahead in framing updated foreign and strategic policies, more appropriate to the greatly changed world we face, now and will face in 2013 and beyond. A second part of this coalescence of important events was the release of the White Paper which aims to provide a timely blue print of how Australia should strengthen its integration with Asia.

The Security Council’s decisions do matter to Australia. They directly affect our military, police and civilian personnel deployed under UNSC mandates, including in Afghanistan and Timor-Leste. Australia is also obligated to follow the Council’s resolutions and implement its sanctions regimes. Australia’s successful campaign for election to the Council drew heavily on our credentials as a country with practical experience in peace-keeping and peace-building, which links security with development. Our membership of the Council and also of the important G20 strengthen further Australia’s global position.

I will attempt this evening to focus on how Australia should respond to these developments. Hence the title of my address: Advance Australia Where? That is, in what directions should we be heading as the next few decades of the Asian Century unfold? What do we need to do to strengthen our country domestically and internationally?

I think this subject compliments the remarks of the former Governor of South Australia Sir Eric Neal in launching the exhibition Advancing Australia Fair at the Hawke Centre last May. Also the recently released South Australia-India Engagement Strategy outlines how South Australia will work to strengthen ties with India and build a long term partnership intended to span investment, trade and business activities as well as education, sport, culture, the arts and sciences.

Why does the Asian Century matter deeply to Australia?

We need to accept the reality that Australia is permanently situated in the South East Asian and South West Pacific region. I have argued this since I joined the then Department of External Affairs in 1950. This has always been a geographic reality but some Australians have yet to come to grips with the implications of this fact. Our adjustment to this reality will largely determine the success or possible failure of our diplomatic, strategic and commercial future.
In our approach to the Asian Century we need to acknowledge that Asia is a western geographical description of a huge region of great political, religious and social diversity. It includes three monarchies, two of the world’s largest three democracies, four countries still administered by Communist Party governments and the extensive practice of four of the world’s main religions, as well as several philosophies (eg Confucianism) which differ from our own western orientated approach.

The idea that Australians do not have to choose between our history and our geography, is simplistic and has been a politically expedient cliché to avoid considering in depth our relationships with the United States and China. Our history is our past; some of it noble and some of it shameful. The reality is that our future lies in our geography. The steadily increasing importance of Asia and the need for Australia to adjust to its geographical environment is of course not new. Successive governments have advocated this but their responses, so far, have yet to reach stated outcomes or government rhetoric and have been far from adequate.

What is new is the urgency for Australia created by the unprecedented transfer of wealth from the West to the East, from the Atlantic to the Pacific, which will continue into the foreseeable future. This seismic shift, driven by the spectacular rise of China in particular but also by the rise of India, the continuing economic strengths of Japan and South Korea in addition to the growing potential of Indonesia and Vietnam constitute an historic global turning point to which Australia must respond, if we are not to find ourselves left behind.

We now live in a much more interconnected and technologically advanced world. The Asia Pacific is the region where the world’s major power relationships most closely intersect. It is where the template for the United States-China relationship will largely be shaped. It is also the crucible in which the interrelationships on Asian and major global issues involving United States, China, Japan, Russia, India, Indonesia, South Korea and the main ASEAN countries will be forged.

What should we do to strengthen our place in the world, especially in Asia?

Firstly, I think Australians need a fundamental change to our national psyche, which will be focussed more on Asia, than on our well established links with the United States, the United Kingdom and Europe. We also need a continuous and sustained, rather than a spasmodic, approach to the countries of Asia. Both the White Paper and our membership of the Security Council are relevant to defining more clearly our national identity and place in a changing world.

The most important foreign and strategic policy issue Australia faces today, is the urgent need, to determine a more appropriate, and updated balance in our relations with the United States and China, the emerging superpower. On this fundamental question our government will need to assess frankly the extent to which the United States, although it will continue to be militarily, if not economically, the strongest power in the world for the foreseeable future, and China are likely to evolve over the next decade.

We should not be afraid of forward looking change. For example, the ANZUS treaty, now sixty years on, is somewhat out of date and should not be regarded as an absolute guarantee of
American military support, which it is not, or as a political sacred cow. The only occasion on which Australia sought American support under ANZUS during Indonesia’s “confrontation” of Malaysia in 1964 in which our forces were involved in conflict with Indonesian forces in Kalimantan, the United States declined. Moreover, I find an increasing number of Australians consider that ANZUS, or our broader military alliance with the United States, has now involved us in three unsuccessful wars - Vietnam, Iraq and Afghanistan, in support of policy decisions taken essentially in Washington.

I have mentioned Afghanistan because I find it deeply troubling, as do many of my colleagues. Although there was a justification after 11 September 2001 for the invasion, eleven years on with over 2,000 Americans and 39 Australians killed, over $400 billion spent and more than 12,500 Afghan civilians dead since 2007, the war has reached a stage at which the United States itself is withdrawing its combat forces with its original mission not accomplished. Objectives, once deemed to be indispensable, such as nation building and counter-insurgency, have been down graded or abandoned, either because they have not worked or there is no longer adequate time, or resources to achieve them.

In my view we should have withdrawn in 2010 when, as the new Prime Minister, Julia Gillard could have reviewed our policy. By the end of 2014, when the last Americans are due to cease fighting, the Taliban will not have been defeated, and a truly democratic government will not be in place. Because support for the war in Australia is bipartisan (despite majority popular opposition according to our polls), it does not mean it is either right or in our national interest.

The government and the opposition are submerging the real situation in “spin” and bland talk of “staying the course” in order to justify their original support for the war. Sadly, we are now in fact involved in civil war in support of a corrupt and unstable government. Too many Australian lives have already been lost and there is no justification for any further Australian losses. Afghanistan, like the second invasion of Iraq, has become a costly detour from our area of primary interest. As the New York Times has editorialised, staying a course can be “noble when the course is right”, but when the objectives are not going to be achieved, “perseverance for the sake of perseverance is foolish”.

The White Paper is a timely and valuable document – I hope the government will make it clear it intends to maintain an unambiguous signal to the Australian public, to China, and to the United States, as well as other countries in the Asia Pacific region that, while we have some different attitudes from China and are in an alliance with the United States, Australia welcomes the rise of China, opposes policies directed at the “containment” of China and sees no intrinsic reason why China, under its system of authoritarian capitalism, cannot continue to rise peacefully, although it faces major social and economic problems which it will need to address. The rise of China, if mismanaged, could lead to instability and frustrate progress towards the shared and necessary goal of Asia Pacific regional cooperation, which is the corner stone for future peace, stability and continuing development in the Asian region.

Following the American Presidential election, and when either an updated Democratic administration or a new Republican administration has settled into office it will be important for
Australia, as an ally, to ascertain the precise nature of the United States “pivot to Asia”. Australia’s interest will be to avoid this developing in the context of a “containment” policy, an approach which Secretary of State Clinton has stated will not be the case. But this will need to be judged by actions rather than words.

We do not consult and talk with China at the Head of Government and Ministerial levels in the regular manner we should in the Asian Century. Although it will be more difficult because of cultural and political differences, political, and business and academic leaders should communicate regularly with their counterparts. This will not be easy but it is important. As a foundation member of the Australian-American Leadership Dialogue, I am conscious of the extent to which that dialogue has deepened the political engagement with the United States of Australian politicians on both sides of politics. We still lack a sufficiently deep engagement with China beyond trade and to understand more fully Chinese views. Just as alliance should not equate to compliance in the case of the United States, understanding need not equate to agreement in the case of China.

The recent and present debate about China mainly assumes that Australia has no choice but to support American primacy in Asia against the threat of a perceived rising Chinese hegemony. Former prime ministers Paul Keating and Malcolm Fraser have argued that this is a simplistic notion which should be challenged. Similar concerns have been raised by a number of Australian business leaders, academics and commentators. No global regional problem can now be resolved without China’s involvement.

As well as rebalancing our relationships with China and the United States we need to deepen and strengthen substantially our engagement, as the White Paper has indicated, with Japan, India, South Korea, Indonesia and the other ASEAN countries. To this list I would add Russia. Twenty years after the collapse of the Soviet Union it is clear that Russia is determined to restore its international influence and is also seeking to play an active role in the Pacific. It is a nuclear super power, with a major naval presence in the Pacific, and it is an important supplier of energy. It successfully hosted the recent APEC meeting in Vladivostok.

The White Paper sensibly argues the importance of strengthening Australia’s diplomatic network in Asia. It is also a question of diplomatic style. As I have already noted, we need to strengthen regular improved consultation, as a habit, with the main Asian countries on a wide range of issues in advance of major policy decisions, especially those which affect them. A recent example of a failure to do so with negative consequences was the decision to ban live cattle exports to Indonesia.

In the handling of the so-called boat people and asylum seekers, both the government and the opposition, seem to be engaged in a race to the bottom, motivated by domestic politics, in sharp contrast to the handling of the Vietnamese refugees and boat people of the late 1970s and, indeed to the sentiment expressed in the second verse of our National Anthem.

We also need to avoid the perception in Asian countries that racism and religious intolerance remain present in our political and public attitudes. Because of our history, including the White
Australia policy, and statements by some politicians we are on a “good behaviour bond” in the eyes of many thinking Asians who remain uncertain about the depth and sincerity of our commitment to our Asian and South West Pacific neighbourhood.

In the context of our identity as a nation, issues like moving out of the United Nations’ Western European and Others Group (called WEOG) and moving into the Asian group and also the establishment of an Australian Republic are important. They are not merely symbolic. They are significant indicators of the international image Australia should project and how we see ourselves and our place in the world. Occasional references to Australia as being part of the “Anglosphere” are outdated, except in an historical context, and are very unhelpful now to our increasing involvement in Asia.

Also, if one is talking about the future there are some other issues which I believe we need to consider. Australia is a wonderful country, with great potential, which I have represented mostly with pride overseas for many years. The Asian Century now offers us major new opportunities as the White Paper points out. To take full advantage of them however, Australia must maintain its strong economy and continue the process of economic reform originally launched in the early 80’s by Bob Hawke and Paul Keating. Australia must be competitive if it is to take advantage of the opportunities created by a resurgent Asia.

Despite advancing years I still have causes which I hope to live to see achieved. One was that I did not want to go to my grave as our last representative on the Security Council. This has now been achieved and Australia will be a member of the Council from the 1st of January. Another is the Australian Republic, which I have already mentioned.

The Republic was not mentioned in the White Paper but I believe that it should not have been overlooked. Australia is still a work in progress. The next constitutional step in the unfolding story of Australia should be the establishment of the Republic which will be, like Federation itself, a defining moment in our history. Our anachronistic links with the English Monarchy and the fact that our Head of State is still the Queen of England limits the understanding overseas of Australia’s place in the world. The Queen of England is of decreasing relevance to an increasing number of migrants from many countries, including Asia, which have no links with the United Kingdom. We are now a multi-ethnic, multi-cultural society and the severance of this link with the British crown could be a rallying point for all Australians regardless of their origins.

Prediction is always a hostage to fortune and that the prospects for more effective management of common problems at the international level remain uncertain. Complex issues such as potential competition for scarce resources, climate change, continuing poverty, food insecurity, nuclear proliferation and unresolved territorial disputes in the Asia Pacific region all need to be addressed, and this puts a strong focus on how best to achieve more meaningful and co-ordinated action at a regional level to reduce tensions.

There is, for example, a danger that adversarial attitudes towards China could become a self-fulfilling prophecy. While China can be expected to resist American “hegemony” over the Asian region, it welcomes a continuing constructive United States involvement in Asia. China is not a
natural enemy of the United States. It is essential that both countries and the other major countries in the region develop the habit of discussing frankly difficulties as they arise within existing co-operative frameworks, such as the G20 and the East Asian Summit which is a *de facto* emerging Asia Pacific community.

To conclude, Australia faces great opportunities and challenges in the Asian century. My comments about where Australia should be heading this evening are based on sixty years’ experience working inside and outside of Australia and inside the public service and in the private sector, I have put them forward tonight. But it is for a new generation of forward looking men and women to carry the torch to ensure Australia is in the future a less complacent and a more economically competitive and compassionate country, integrated more fully with its Asia and South West Pacific neighbourhood. We need to think big and not small. We need to be less inward looking and more outward looking, especially towards a resurgent Asia Pacific region.

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**Vote of Thanks – The Hon Bob Hawke AC**

*(Transcribed from audio recording)*

Your Excellency and Mrs Scarce, Chancellor Ian Gould, Sir Eric and Lady Neal, and you heard that great long list of distinguished guests, well to each one of you a special welcome, but I’m not going to name each one of you, ladies and gentlemen.

As I’ve always said in proposing a toast to the speakers, the first thing I want to convey is the enormous sense of pride that I have in being back here in my roots in South Australia. It was a great honour which the University of South Australia did to me in coming to me in the nineties and asking if the Centre could be established here, and I have never regretted the agreement I immediately extended then, because the commitment, Ian, of your University, the administration, the staff, has been absolute. Of course I cannot on that particular issue avoid mentioning the magnificent Elizabeth Ho, the Director of the Centre, they’ve done a marvellous job. One of the continuing features of the Hawke Centre has been the Annual Hawke Lecture and you, Dick, tonight have added further lustre to that long list of distinguished speakers who have honoured us with their orations.

Before I go to just make some comments on what Dick had to say, on a lighter note there was reference to the fact that Dick, as well as his deeply academic and thoughtful treatises that he’s produced, has produced this little booklet of quaint diplomatic stories called *Undiplomatic Activities*. I launched that book and at the time I gave an experience which is very relevant to this suggestion that’s made in the White Paper and that Dick has referred to, that we need to be very careful the way we communicate with our friends in Asia.

I made a bit of a boo-boo in that regard when I was on a visit to Japan as Prime Minister. The practice generally of the Japanese government when they have a head of state is that they have
the meetings and then you have a breakfast, at which all the member of the Diet, leading businessman and academics attend. So I was addressing the breakfast and after the address came the time for questions. After a while this leading Japanese businessman got up and said, and thanked me for the address, he said, “we have a problem, Prime Minister”, he said, “we would love to come and invest in Australia but your industrial relations there, the unions, all these strikes”. I said, “you’re talking history”. I said, “it used to be like that but I fixed all that”. I said, “we now have a lower rate of industrial disputation in Australia than the average of the OECD”. I said, “to be specific, however, if you want to come down to Australia and make the investment you come and see me, I’ll have the relevant union leaders there and we can enter into a site agreement. They still stick to the agreement, they won’t play funny buggers and everything will be alright”. So the breakfast finished and the ambassador came up to me and congratulated me effusively on my address and my answers to questions but he said, “Prime Minister, you did create somewhat of a problem for the interpreter with your idiomatic use of the language”. He said, “when it came to translating that bit about there won’t be any funny buggers it came out, they will sign the agreement and there won’t be any humorous homosexuals”. So you do have to be careful with your language.

Now I’m not going to talk for a long time but I want to say how indebted Australia should feel to our speaker. He has been a man who has made really an unparalleled contribution in the diplomatic field and I, as Prime Minister, was indebted to him generally but most specifically for the work he did in regard to APEC. If I am, as I think I am, the father of APEC, there’s the bloody midwife.

We announced the concept at the end of January in 1989 in Seoul after I’d secured the agreement of the President of South Korea and in what was pretty conventional gestation period the baby was delivered in November of that year in Canberra. But in that period from January until the meeting where we officially launched APEC Dick Woolcott was a ceaseless activities, going around the region explaining, cajoling and so on. It’s one of the achievements of which of course I’m very proud and I am genuinely indebted to you, Dick, for all the work you did there.

Let me just comment upon some of the things that Dick spoke about. He spoke about some fundamentally important things and none more important than the question of China and the United States and Australia in terms of that relationship. Now there is so much bloody nonsense talked about China and so good to hear a man of this experience and erudition, clearing away that fog of nonsense. There is an attempt in some parts in the United States and elsewhere to almost equate China with the Soviet Union as the enemy we must have. You know, they suffer from the EDS, the enemy deficiency syndrome. Got to have an enemy. Now it is absolutely absurd to attempt in any way to equate China with the Soviet Union. The Soviet Union by definition was a hegemonistic organisation committed to expansion and the conversion around the globe.

China has not got a hegemonistic history. Remember about 600 years ago now, Admiral Ho made those seven voyages with the biggest fleet ever heard of, the largest troops, going from China all the way through the south-east Asia, Asia, right down the east coast of Africa with no attempt to colonise. Essentially doing what they’re doing today, opening up trading opportunities and trying to go guarantee the safety of trading routes. The contrast with the situation of the United States
and the Soviet Union during the Cold War and comparing with China and the United States now, there simply is no comparison. The basic point being of course that in the period of the Cold War there was no economic relationship at all between the Soviet Union and the United States. They didn’t trade with one another, didn’t invest. Whereas in the present situation China and the United States fundamentally depend each upon the other and intelligent self-interest will demand that they work out a *modus vivendi*. I must say that essentially I am optimistic. It’s not good just being optimist, it’s going to work out, we have to work on it but the essentials are there for the emergence of, as I say, a modus vendee because it’s in the intelligent self-interest of both the United States and China that that should happen.

The situation is one where Australia should, as Dick as said, recognise that we should have no part of any concept of containment. I know from my personal experience that the Chinese leadership understand when you tell them that we have an historic relationship with United States, we’ll continue that, but it is not either/or. You can continue that relationship but get a burgeoning, developing, growing and deepening relationship with China. There’s no doubt that the critical issue for the future peace of the region of the world is going to be the quality of the relationship between the United States and China and Dick, in this outstanding oration tonight, has spelt that out and I agree with every word he has said about that.

Just a couple of other comments. Dick, you rightly referred to the question of the republic. Our friends in Asia don’t understand it. My view, which I have put to the Prime Minister, is this; that there should be a referendum put to the Australian people in two parts. One, are you in favour of Australia becoming a republic? The republic to come into effect at the end of the reign of the present monarch. And I believe that you’d get a 95 percent vote if you did that.

I’m not concerned about the Queen as the Queen of England but as head of the Commonwealth she has done an effective job. She hasn’t just been a figurehead, she’s been actively involved and people recognise that. So we can wait. Let’s make the decision and let it come into effect at that time. I think that makes sense as far as Australia is concerned and it would clear the air as far as our friends in Asia are concerned.

Now I just want to briefly refer to the state of South Australia and say to the representative of the South Australian government here, my congratulations to the initiative that the government of South Australia has taken in regard to the region. The government put out the South Australia/China partnership, a shared further directions paper in April of this year and without going into it in any great detail I make the point that at the last census there was over 8,000 Chinese born in South Australia, that it’s the third largest source of migrants and they had just under 1,300 settler arrivals from China in 2010, and that China accounts for almost a fifth of South Australia’s exports, and there were 19,000 tourists here and very importantly in this university context, there were some 13,000 students from China in South Australian universities, schools and vocational colleges. So congratulations to the government for recognising the importance of that relationship, as they have also with India with an engagement strategy in October of this year.

Let me conclude by saying that historically the phrase about Australia and our position in the world was that we suffered from the tyranny of distance. That was coined, the term, in the period
when the centre of economic gravity was in mid-Atlantic in Europe, England. Of course it had a certain element of truth. But now we do not suffer from the tyranny of distance. We have the benefit of proximity. The benefit of proximity to the fastest growing region in the world and we all have the responsibility, this University, the state government, the federal government and all of us as business people and as citizens, if we want to get the best of our future for our children and grandchildren that is going to be done by forging the most effective, cordial, congenial, productive bonds with the people of Asia in general and I would suggest of China in particular.

Thank you again, Dick. Would you join me ladies and gentlemen in thanking Dick Woolcott.