(19)

# PRIME MINISTER

CHECK AGAINST DELIVERY EMBARGOED UNTIL DELIVERY

**"AUSTRALIA'S SECURITY IN ASIA"**
**THE ASIA LECTURE**
**THE ASIA-AUSTRALIA INSTITUTE**
**UNIVERSITY OF NEW SOUTH WALES**
**SYDNEY, 24 MAY 1991**

Mr Justice Samuels, (Chancellor)
Professor Burt, (Vice-Chancellor)
Professor Fitzgerald, (Director, Asia-Australian Institute)
Distinguished guests,
Ladies and Gentlemen,

We are meeting tonight on the shores of Sydney Cove. This is not where I expected to give this, the first Asia lecture for the Asia-Australia Institute. But it is appropriate to the occasion, and to what I will have to say.

The Asia lectures, and the Asia-Australia Institute itself, have been established to address one of the truly foundational issues of Australia's national life: our relationship with Asia.

That issue has been with us, dogging our thoughts and actions, literally since our foundation - since the First Fleet put ashore the first European settlers at this place in 1788. Since that time, while we have built the city and the nation which surrounds us, we have been struggling to reconcile the facts of our geography with the preoccupations of race, of history, and of sentiment.

Much of our history as a nation is the history of this great intellectual struggle. At one level, that struggle is itself an essential and enduring element of our national identity; our evolution as a nation will always reflect the interaction of the European heritage of many of our population with the Asian and Pacific environment in which we live.

But at another level - a very important level - the issues are ones to be addressed, resolved, and put behind us. We have already, or almost, done this in some vital areas: we are drawing closer and closer to Asia.

We were tragically reminded of that this week, with the intense personal and national shock we felt at the assassination of Rajiv Gandhi.

A most important step in drawing closer to Asia is that we have accepted, and welcomed, the fact that people from Asia form part, and most likely an increasing part, of our population, and that Asian culture will, likewise, form an increasing part of our national heritage.

The transformation of our national attitudes towards the people of Asia over the past thirty years is one of the most important developments in the two centuries of European settlement on this continent.

No less important has been the transformation of our economic relationship with Asia. Indeed, this more than anything else provides the enduring fibre - the substance - for the change in attitude. We live on the edge of the most vibrant economic region in the world. No element of our international policy over the coming years will be more important than maintaining the momentum of Australia's economic enmeshment in the Asia-Pacific region. This audience will be well aware of the steps we have taken to get Australia and our neighbours working more closely together in the economic area, and you will understand that we will continue to make this a major priority.

But there are other aspects of our relationship with Asia which need more work and fresh thinking if we are to adapt our attitudes, expectations and policies to the reality of our geographical relationship with Asia, and to the reality of Asia itself at the end of the twentieth century.

Tonight I am going to talk about one of these aspects; our strategic relationship with Asia. In doing so, I am building on my Government's established strategic and foreign policies, and particularly on the work of our Foreign Minister, Senator Evans, which he set out in his statement on regional security in December 1989. I regard that statement as a major step in the development of an intellectual framework for the formulation and implementation of policies which will enhance Australia's security in its region.

In particular, while I will be speaking this evening mainly about the strategic and military aspects of security, my comments should be seen in the context of Senator Evans' discussion in his 1989 statement of the multi-dimensional nature of security policy. He demonstrated in detail how maintaining Australia's security requires active policy beyond the military and strategic areas. These include diplomacy, economic co-operation, development and disaster assistance, and exchanges of people and ideas.

Tonight, I will focus on the strategic dimension of our regional security policy because in that area we have in recent years, and even in recent months, seen changes in global and regional affairs which require us to reassess our strategic relationship with Asia.

The last five years have seen the most profound changes in global strategic circumstances in nearly half a century: the end of the Cold War, and - particularly over the past year - the invigoration of the United Nations to the point where we can hope it will become the instrument of global order envisaged by its founders.

The Soviet Union has abandoned its attempt to compete with the United States for global influence. Its energies are now, and are likely to remain, absorbed instead in an attempt to contain and repair the damage inflicted on its own political and economic structures by the strain of that unequal competition, and by the system of government which drove it. There is room for doubt that they will succeed.

Whether they do or not, we can be confident that the days are now passing in which the strategic affairs of our region were so fundamentally influenced by the global competition between the Soviet Union and the United States.

The rise of the UN is an important consequence of this historic change in world power. It was not an inevitable consequence. The success of the UN process in confronting the invasion and occupation of Kuwait last year has far-reaching consequences for the development of the new international system.

And Asia itself has emerged as the most economically dynamic region in the world.

My question tonight, then, is simply this - what do these changes mean for our strategic relations with Asia, and for our strategic role in Asia? My answer is that they mean, at the very least, profound changes in our attitudes and expectations.

Australians have traditionally feared Asia. The security they have sought has been security from Asia. But the time for that way of thinking has passed. Instead of seeking security from Asia, we should seek security in and with Asia. We should seek enhanced security through enmeshment in an Asian security system, as we have sought enhanced prosperity through enmeshment in Asia's economic system. We must think of ourselves as part of an Asian security system which is beginning, very slowly, to evolve to meet Asia's new strategic circumstances.

I should explain that when I use the term "Asian security system" I do not mean an organisation, or even an ordered group of organising principles. I mean rather a set of arrangements and relationships which together maintain regional security. Some of these arrangements will be formal, others informal. Some will be bilateral, others trilateral or multilateral. Some of the relationships will have no explicit manifestation; they might be tacit in nature but nonetheless effective. Some of these arrangements and understandings will overlap, providing

separate layers of security. Collectively, in their workings and effect they justify the term "system".

I want now to look at the shape of the emerging Asian security system, looking first at the problem the system must address, then at the elements of the system, and thirdly at the role Australia can play in it.

The geographical limits to the problem can be easily defined; Australia's area of primary strategic interest covers Indo-China, South East Asia and the South West Pacific. Our direct strategic interests can be strongly affected by developments within that area; clearly our broader security policy - which goes beyond defence policy as such - must encompass the regions and nations which stand on the periphery of this area of primary strategic interest; China, India, the Korean Peninsula, Japan, the US and the Soviet Union.

The key issue in the security of the Asian region over the coming years will be the emergence of a number of increasingly powerful regional states.

Many of those states are, in their present form, quite recent. In 1945, as Malcolm Fraser once pointed out, there were only four sovereign states within five thousand miles of Australia - including New Zealand. By 1969 there were seven times that number.

In the first 25 years after the Pacific war, the colonial structure of Asia disintegrated, creating a complex region of independent sovereign states. In the last 25 years, these nations have developed politically, economically and technically - many of them at an astonishing rate. Whereas 25 years ago Australia looked out on a region of politically unstable, economically under-developed, and technically unsophisticated nations, we now see a region characterised by increasingly stable, prosperous and technologically advanced neighbours.

It is essential to understand that this progress in our region has overwhelmingly been to Australia's benefit, not only economically but strategically as well.

Let me take a specific example close to home. In the early 1960s, a politically turbulent and economically stagnant Indonesia posed a serious threat to the stability of our region, and to our own security. Australia felt it needed to respond to that threat by substantially increasing its defence capabilities. Since the establishment of the New Order in Indonesia under President Suharto, we have seen and greatly welcomed the passing of the threat posed by the Indonesia of the early 1960s, and the development of a stable, unified and rapidly developing neighbour able indeed to make a major contribution to the security of our region.

The territorial integrity, political stability and economic prosperity of Indonesia is a very important contribution to Australia's, and the region's, security.

I might add that I was interested - and pleased - to see these thoughts being reflected from the other side of the Timor Sea, in an interview given recently by Indonesia's newly designated Ambassador to Australia, Mr Sabam Siagian.

What is true of Indonesia is, on the whole, true also of the region. Australia's security has been strengthened as many of our neighbours have grown more stable and more prosperous.

Notwithstanding this fact, there is no doubt that the strategic potential of the nations in our region has grown, and will continue to grow, as a result of the developments I have been describing.

- As they become richer, they can devote more resources to defence capabilities.

- As they have become more stable, they are able to reduce the resources they have devoted to domestic order and security.

- As they have become more advanced technologically, they are increasingly able to develop and operate sophisticated weapons.

These developments are now well established in Asia.

The role of a regional security system for Asia is to make sure that the growing strategic potential of the nations of the region does not disturb the peace between them. Such a system would have three main elements: the nations of the region themselves, the United States, and the United Nations. You will notice that each of those elements reflects one of the three fundamental changes which I described earlier.

Let me take the United Nations first. It has been much in our thoughts in recent months. The end of the Cold War has borne double fruit. Not only has the threat of global nuclear war been lifted, but the ideal of international co-operation to keep the peace, which has lain dormant through the long decades of the Cold War, has now, unexpectedly, sprung to productive life.

From the day Kuwait was invaded on the second of August last year, Australia viewed the Gulf crisis as a vital test of the way in which the international community would work together in the post-Cold War era. It challenged us to determine whether the international community had the capacity and the will collectively to resist aggression; and whether the United Nations' potential as the vehicle for such cooperative effort could be realised.

In the event, thanks to Saddam Hussein, the test proved to be a harsh one, both for the UN and for its members. The United Nations was required to sanction the use of armed force against a member state for the first time in its history. Member states, including Australia, had to take the terrible decision to commit their forces and their people to military operations in which many on both sides might be killed.

But the test was passed, the price - mercifully smaller than we feared - was paid, and as a result the international community has sent a clear message to would-be aggressors everywhere that the principles of the UN will be respected, or they will be enforced. That has made the world a safer place for everyone.

We in Australia always understood that the issues being fought out in Kuwait were just as important for our region as they were for the people of the Middle East. On the 21st of August I said:

> 'Iraq's invasion of Kuwait is a tragically clear proof of the new dangers which exist, just as those of the Cold War thankfully fade into history. And those dangers are not unique to the Middle East. Wherever we find big armies, national rivalries and reckless leaders, we will find a risk of major war. It is not inconceivable that those conditions could emerge in Asia in the coming years.'

Of course we cannot simply assume that the UN will manage any future crisis as well as it handled Iraq's invasion of Kuwait. In every case the UN's effectiveness will depend on the support it is given. Nevertheless, the evolution of the UN as an effective instrument to counter aggression will make a major contribution to the security of the Asian region, and an essential backdrop to - and in the extreme an element of - any regional security system or framework.

At the more immediate level, the UN already has a major role in addressing regional problems such as Cambodia. As the Cambodian example shows, effective engagement of the UN in regional issues may need to be fostered by innovative activity by regional countries themselves. The initiative of Gareth Evans in developing and articulating the UN's role in a Cambodian settlement has been critical in bringing the Cambodian problem to the point where, with a little commitment by all parties, the UN can broker an historic breakthrough.

We will look to the UN to do more in the region in the future. For example, we believe that consideration should be given to seeking UN support for efforts to contain nuclear proliferation in the region.

The second major element in the regional security system is the United States.

Australia's view, and a view that I believe is widely shared within the region, is that a key to maintaining a stable security system in Asia, and providing the foundation of security as the region evolves, is the continued strategic engagement of the United States in the Western Pacific.

US engagement in the region is, and will remain, important to Australia's strategic and security interests, and important to the security interests of the region as a whole. To understand that, consider for a moment its opposite - the United States walking away, or even worse being forced away - from a profound involvement in the region. We would feel, and we would be, much less secure, as I will explain. A corner-stone of Australian strategic policy will therefore be to maintain and assist the US strategic presence in our region.

The US has been strategically engaged in the Western Pacific for nearly a century now, and for nearly as long Australia has sought to maintain and expand that commitment.

But over the past century, the nature and rationale of the US role in our region has changed often. Clearly the end of the Cold War is prompting another re-examination of that role, both in Washington and in the region. It is appropriate, and indeed important, that this should be so. Australia's interest in the continued strategic engagement of the US in our region is best served by a durable arrangement. That requires a clear understanding, in Washington and in the region, of what that engagement means, and of why it is maintained in contemporary strategic circumstances.

I believe that on both sides of the Pacific there is a clear understanding of the importance of the US role, and a clear commitment to maintaining it. But the issue is too important to be taken for granted.

In the US, the challenge is to explain why they should continue to spend large sums supporting its role in the Western Pacific now that the Cold War is over. There is no doubt that for the past 45 years the US has seen its commitment to the security of our region primarily as a contribution to its global containment of communism and of Soviet military power. Although the Soviets remain a significant Pacific military power, the likelihood that that power will be used aggressively is no greater in Asia than it is in Europe. That may seem to provide an argument for the US to pull out, and we should expect that some US voters and their representatives in the Congress will put that argument pretty vigorously. We must accept that for most Americans, Asia will probably loom less large than Europe and the Middle East. The American administration knows better; American business knows better; but not all Americans know better. The Pacific is a much wider stretch of water than the Atlantic.

And we must recognise that the Pacific seems all the wider to Americans who feel that their nation's prosperity is being undermined by the relentless and, to some eyes, unfair competition of Japan and other Asian economies.

Against those arguments, others can be advanced to support the maintenance of the US effort in the Western Pacific. Chief among these is that the US cannot afford to risk the possibility that the fastest growing and soon probably the most productive region of the world - in which the US has huge economic interests - might slide into armed chaos the way Europe did twice this century. There are no signs yet of an emerging expansionist power in our region, but should one emerge, the US military presence would be a powerful countervailing force well disposed towards the interests of the peaceful nations of the region. Even without elaborating such dramatic scenarios, the reassurance currently provided by the United States encourages regional powers to refrain from acquiring military force capabilities of a size that would prove destabilising and set off a regional arms race.

Those who hope to see the US presence sustained can also place some faith in the persistence in America of the internationalist spirit which has simply accepted, for 50 years, the responsibilities which great power brings to great nations. The US achievement in assembling a mighty coalition during the Gulf War should give us all renewed confidence in its capacity to take a leading role in resisting aggression.

Lastly, I know America understands that we do not ask them to undertake our defence for us. As far as Australia is concerned, our policy of self-reliance explicitly commits us to take responsibility for the defence of our own territory. And I believe that many other nations in the region would take a similar view. I am struck, for example, by the parallels between Australia's self-reliant defence posture and Indonesia's doctrine of national resilience.

We are confident, therefore, that it accords both with the interests and with the disposition of the United States to continue to play a major strategic role in this region - a role it has played in various forms for a century.

Certainly the administration of President Bush - himself a man with long-standing interests in our region - has made it clear that it intends the US to stay in the Western Pacific for a long time to come. The administration has been careful to plan necessary reductions in US military deployments so that they have the minimum effect on America's ability to play a broader role. They have been vigorous in arguing, both in the region and in Washington, that such a role should be maintained. And they have begun the important and complex task of defining just what the US role should be in the years and decades ahead, and how it should be achieved.

The most vivid expression of US thinking about the nature of its future role has come from the Secretary of Defense, Dick Cheney. He has spoken of the US acting as a 'balancing wheel' in the region. I think that is entirely apt. In a region of rapidly growing nations, the surest guarantee that power will not be misused is the confidence that a larger power is interested in the peace of the region.

Of course this is not an entirely new role in the region for the United States. Even during the Cold War, our neighbours recognised and welcomed the constraints that the US presence provided on the ambitions of regional powers. Certainly Australia has always seen this role as fundamental to our interest in maintaining that presence. The difference is that what was once a secondary purpose for the US, though a primary purpose for Australia and others, has now moved to become the primary purpose for the US as well.

As for the way in which its role could be fulfilled, the US is inclined to continue to work through the network of its existing defence links in the region. Again, that seems entirely sensible. Those links, including the long-standing alliance between the US and Australia, already provide the US with the political and strategic infrastructure required to support its security commitment to our region.

But it is clear that for the US the task of defining and implementing its new role in the region is not yet complete. We will continue to watch that process with great interest, and to help where we can.

One area in which planning is necessarily incomplete is in the support the US can expect from nations in the region. In the Philippines, to take the most extreme example, US access to bases remains uncertain. We strongly believe that it is in interests both of the Philippines and of the region for the US to retain such access, and we hope that will be recognised by the Philippines leadership when making their decisions about this important issue.

Elsewhere US allies and others recognise the important role that the US must play in the security of our region, and enthusiasm for the US presence is growing. Singapore for instance has offered support to US ships and aircraft.

But it remains the case that the US will not be able finally to determine the role they will play in the region until the region itself has worked out its own ideas. Clearly the evolution of the US role in the region will need to reflect the development of the region's own ideas about regional security.

This needs to be a process of interaction, with the US and others in the region working out their ideas in close consultation, and in full knowledge of one another's thinking. This should not be too difficult, because the region and the US already have deeply interlinked histories and interests. But clearly this process requires the region

itself to develop its own ideas. This is something it is only just beginning to do.

Our region does not have well-developed habits of joint action or even of dialogue on security issues. Nonetheless there is a growing recognition that the great changes of recent years require the nations of the region to develop the habit of consultation and dialogue. This is beginning to happen, and we welcome it. The principle medium for such discussion will of course be the network of consultations on strategic issues between individual nations in the region. But there is also scope to develop multilateral security dialogue. This can best be done by building on existing multilateral regional forums. ASEAN meetings, including the post-ministerial conferences, have recently begun to provide excellent opportunities for such discussions.

We do not think it is appropriate or necessary at this stage to propose the establishment of new regional forums or institutions for discussing security issues. It is not yet possible to say whether such forums or institutions would have a useful role. In particular we must recognise that we cannot translate the emerging European security architecture into our own region. The mosaic of cultures, cleavages and conflicts in Asia is much too complex for that.

Rather there is reason to hope that a regional consensus about the shape of a regional security system will gradually emerge through an increasing pattern of bilateral and multilateral informal discussions.

We would see this gradual, informal approach as more promising than more formal proposals such as the one made recently for a meeting of the region's five 'great powers'.

This informal approach is already yielding results. For example, I believe that a regional consensus is already beginning to emerge about one of the key issues in the development of a regional security order - the role of Japan.

Both inside Japan and within the region as a whole, it has become clear that the changed strategic circumstances require a re-examination of the role Japan might take in regional affairs, including regional security affairs. The Gulf War in particular highlighted the anachronism of Japan, 50 years after the Pacific War began, being so tightly constrained in the role it plays in international security affairs. Australia has said that it would be in the region's interest for Japan to be encouraged to play a larger role, though we have also stressed that the form of the contribution is for Japan itself to decide. The Government, and Australians generally, would be comfortable with a Japanese choice to become involved in United Nations peace-keeping operations around the globe. I believe we could also view with equanimity the prospect that in due course Japan might make an appropriate contribution to other collective security arrangements.

I believe that this positive view of Japan's potential to contribute to regional and indeed global security is becoming more widely shared in the region, partly thanks to the careful and effective consultation undertaken by Japan's Prime Minister, Mr Kaifu, during his recent visit to South East Asia.

One issue which has not yet been resolved is the role which the Soviet Union will play in our region in the coming years. Australia recognises that the Soviet Union is a Pacific power, and we have welcomed the prospect of constructive Soviet participation in the economic affairs of the region. We do not rule out that the time will come when the Soviets might be able to play a constructive role in the development of an overall security system for Asia of the sort I have described, in the way they are now doing in the Middle East and Europe.

They are already playing a constructive role in relation to specific issues like North Korea and Cambodia, and that is welcome, as is some participation in the increasing pattern of bilateral and informal multilateral dialogue in the region to which I have referred.

But, in a number of areas, there remain unresolved problems, such as Japan's northern territories, and continued Soviet attempts to question the legitimacy of the US strategic posture in our region. It will be difficult for the Soviet Union's role in regional security to develop while these issues remain unresolved, and while the future of the Soviet Union itself remains so unpredictable.

In another area, Australia has been very interested in Indonesia's efforts to initiate a process which, in Foreign Minister Alatas's words, could turn the Spratly Islands in the South China Sea from an area of confrontation into an area of co-operation. Without such action, the Spratlys issue has the potential to become a major regional dispute. Indonesia has initiated a series of workshops and seminars in which officials and academics from regional claimant and non-claimant states have been able to discuss practical co-operation in resource and environmental matters and in search-and-rescue operations. Multilateral arrangements in these areas may follow.

Another concrete step that could emerge from enhanced regional dialogue could be confidence-building measures such as procedures agreed among regional states for handling naval incidents at sea. Increased co-operation in such areas as maritime surveillance, air-space surveillance and intelligence exchanges could also grow out of regional dialogue on mutual security needs. But Australia would not support proposals for naval arms-control or other measures which might inhibit the freedom of naval operations in international waters.

In general, we believe that the process of developing regional security arrangements should not occur in ways which might undermine our existing security arrangements. Those arrangements have served the region well, and will continue to be important in the post-Cold War era.

This brings us, finally, to Australia's role in the development of an Asian security system in the post-Cold War era.

Our security links with our Asian neighbours have a long history, and are reflected in a network of strong bilateral relations and in some important formal arrangements. But our most important alliance is with the United States. Traditionally Australians have seen our alliance with the US as a shield against an Asian threat - what we might call the 'Coral Sea' concept of the alliance. Obviously the experience of the Pacific War will remain an important part of the historical legacy of the two nations, and a bond between us. And I say bluntly that in the crunch we would want the world's most powerful democracy as an ally.

But we in Australia must now think of our alliance with the US in the context of our contribution to broader regional security, rather than in relation to Australia's security alone. We no longer seek, through our alliances, to build up walls of defence against the region, but to build bridges of co-operation with the region. Our neighbours have long recognised that our alliance with the US contributes to regional security, and it is clear that the US is increasingly viewing our alliance, and others it has with regional nations, in the same way. We hope to reinforce that perception, not just in the region but among Australians as well.

Australia has important defence associations with Malaysia and Singapore through the Five Power Defence Arrangements. We see this as an increasingly important security arrangement, and we are pleased that our regional partners in FPDA, as well as the UK and New Zealand, share our belief that the arrangements provide a valuable basis to maintain and develop our contribution to regional security.

Australia's substantial contribution to FPDA reflects the obligations which Australia must accept in the light of our relative economic status in the region. Few Australians recognise that, notwithstanding the phenomenal growth in ASEAN's economies in recent years, Australia's economy is larger than the whole of ASEAN's put together, and is indeed the third-largest in the Asian region, behind only Japan and China.

The size of our economy, and our technical expertise, means that Australia will continue to maintain significant military capabilities, especially maritime capabilities, which will allow us to make a valuable contribution to the military dimension of regional security.

Apart from our participation in the FPDA, that contribution will be reflected in the many bilateral defence relationships we have developed with nations in our region, including PNG, New Zealand, Indonesia, Thailand and Brunei. An important element of those relationships is the encouragement and assistance we give to our regional neighbours to develop their own defence capabilities, including their maritime capabilities, in ways which will help to enhance regional security.

We are also prepared to contribute significant forces to help implement a UN-sponsored settlement of the Cambodian problem.

Next week the Defence Minister, Senator Ray, will announce the most important reforms of the defence forces for at least 20 years. This series of reforms has one goal - to make our defence force as efficient and cost-effective as possible, so that it can develop more and better capabilities with the money available.

The result will be a defence force which is better managed, better structured, and better equipped to defend Australia, and to play a part in the security of our region.

But as the example of Cambodia shows, our contribution to regional security must be much wider than purely military matters. The vigorous diplomatic role we have played, in close co-operation with our friends in ASEAN, and particularly Indonesia, in the search for a settlement reflects not only our concern for the vital humanitarian issues at stake in Cambodia, but also our recognition that the resolution of the Cambodian problem is important to the strategic stability and security of the region as a whole.

Australia will also make a major contribution to disarmament and arms-control measures to enhance regional security. The most disruptive possible development for regional security would be the acquisition by a regional state of non-conventional weapons capability - chemical, biological or nuclear weaponry. The Gulf War highlighted the threat posed by Iraq's possession of chemical and biological weapons - even if Iraq was ultimately dissuaded from using them.

Australia will continue to work with its regional partners to outlaw these weapons from the region and from the world as a whole. My chemical-weapons regional initiative has been a step in this direction.

The Soviet Union and China, which have their status as Nuclear Weapon States acknowledged under the Nuclear Non-Proliferation Treaty, must remain the only such states in the region. Like other nations, we are seriously concerned by reports that North Korea may be moving to acquire a nuclear-weapons capability.

Ladies and gentlemen

The development of a regional security system will be slow and complex. But I think the outlines of Australia's approach are already clear. We can lay four corner stones:

- support for the United Nations as the supreme international guarantor of peace and security
- support for the continued engagement of the United States in the security affairs of the Western Pacific
- support for the development of regional co-operation and dialogue on security issues
- and last, continuing to develop Australia's defence force as our final guarantor of Australia's security, and as a contribution to the security of the region as a whole.

Building on these foundations, we can come to find our security in and with Asia, not against Asia. When we have done that we will have taken another further vital step towards resolving that great challenge of our national life with which I started - our relationship with Asia.

* * * * * * * * * * *