

**OPENING ADDRESS TO IISS/SDSC CONFERENCE
"THE NEW SECURITY AGENDA IN THE ASIA-PACIFIC REGION"
PARLIAMENT HOUSE, 1 MAY 1996**

CHAIRMAN, PROFESSOR BOB O'NEILL, PROFESSOR PAUL
DIBB

CONGRATULATE THE ANU'S STRATEGIC AND DEFENCE
STUDIES CENTRE ON ITS 30TH ANNIVERSARY

THE CENTRE HAS PLAYED A SIGNIFICANT ROLE IN
PROMOTING DEBATE ON A BROAD RANGE OF SECURITY
ISSUES THROUGH CONFERENCES SUCH AS THIS

AND THROUGH THE LINKS IT HAS ESTABLISHED WITH LIKE-
MINDED ORGANISATIONS IN REGIONAL AND OTHER
NATIONS

DELIGHTED THAT THE INTERNATIONAL INSTITUTE FOR
STRATEGIC STUDIES IS CO-HOSTING THIS CONFERENCE

FIRST TIME THAT IT HAS DONE SO IN AUSTRALIA

DEMONSTRATES THE CLOSE TIES WITH OUR FRIENDS IN THE
UNITED KINGDOM

WELCOME SPEAKERS AT THIS CONFERENCE FROM AUSTRALIA

ALSO WARMLY WELCOME OUR VISITING GUEST SPEAKERS FROM
OVERSEAS

GLOBAL IMPORTANCE OF THE ASIA-PACIFIC REGION

ISS INVOLVEMENT IN THIS CONFERENCE REFLECTS THE
IMPORTANCE OF THE ASIA-PACIFIC REGION TO WORLD AFFAIRS

ECONOMICALLY: THE ASIA-PACIFIC REGION AS DEFINED BY APEC
CONSTITUTES ABOUT 60 PER CENT OF THE WORLD'S GDP

APEC'S SHARE OF WORLD TRADE INCREASED FROM 34 PER CENT
IN 1970 TO NEARLY 50 PER CENT IN 1994 - MOST OF THE INCREASE
DUE TO THE EXPORT PERFORMANCE OF EAST ASIAN ECONOMIES

IT'S NO ACCIDENT THAT THE DIRECTOR-GENERAL OF THE WORLD
TRADE ORGANISATION- THE WTO - WILL HAVE VISITED THIS
REGION AT LEAST THREE TIMES BY THE END OF THIS YEAR AND
THAT THE WTO MINISTERIAL MEETING IS TO BE HELD IN
SINGAPORE AT THE END OF THE YEAR

IF GROWTH CAN BE SUSTAINED, BY 2020 APEC WILL CONTAIN
SEVEN OF THE WORLD'S TOP TEN ECONOMIES BASED ON
PURCHASING POWER PARITY

AND APEC WILL ACCOUNT FOR NEARLY 75 PER CENT OF THE
WORLD'S PRODUCTION AND TRADE

THE REGION WILL BE A PRINCIPAL SOURCE OF GROWTH IN WORLD
DEMAND, THE MAIN DESTINATION FOR GLOBAL INVESTMENT

IF ONLY FOR THESE REASONS, EUROPEANS AND OTHERS
HAVE AN IMPORTANT INTEREST IN THE STABILITY OF THE
ASIA-PACIFIC REGION

BUT WE ALSO KNOW FROM OUR OWN EXPERIENCE THIS
CENTURY THAT SECURITY IS INDIVISIBLE

DESPITE THE END OF THE COLD WAR THIS REMAINS NO LESS
TRUE

WAR IN EUROPE OR THE MIDDLE EAST CAN HAVE GLOBAL
RAMIFICATIONS

SO WOULD CONFLICT IN ASIA

STRATEGIC DEVELOPMENTS IN THIS REGION THEREFORE
MERIT EUROPE'S CLOSE ATTENTION

CHANGE IN THE REGION - BENEFITS OF ECONOMIC GROWTH

THE SCALE OF CHANGE IN THE REGION IS HUGE: WE ARE
WITNESSING TECTONIC SHIFTS IN ECONOMIC AND
STRATEGIC RELATIONSHIPS

ECONOMIC GROWTH HAS BEEN THE PRINCIPAL ENGINE OF
CHANGE: IN CHINA GROWTH HAS AVERAGED 10 PER CENT
PER ANNUM FOR MORE THAN A DECADE, KOREA'S ABOUT 8.5
PER CENT FOR A DECADE, IN TAIWAN, HONG KONG AND
SOUTH EAST ASIA THE STORY HAS BEEN SIMILAR

THE END OF THE COLD WAR HAS QUICKENED THE PACE OF CHANGE

SUCH GROWTH INEVITABLY PRODUCES ENORMOUS STRATEGIC CHANGE AND PRESSURES

BUT IT IS UNEQUIVOCALLY A GOOD THING

20 YEARS OR SO AGO, CHINA HAD JUST BEGUN TO EMERGE FROM ECONOMIC DEVASTATION

THAILAND'S STABILITY WAS THREATENED BY COMMUNIST INSURGENCY, AS WAS EVEN MORE RECENTLY THE PHILIPPINES

SOVIET COMPETITION WITH THE UNITED STATES WAS A SOURCE OF TENSION, DELAYING ECONOMIC DEVELOPMENT AND POLITICAL OPENING UP

US CONFIDENCE WAS SHAKEN BY THE VIETNAM WAR, AND ITS WILL TO ENGAGE WAS DOUBTED IN THE REGION

INDIA'S POTENTIAL WAS STYMIED BY COLD WAR CONFRONTATION

THE CHANGES THAT HAVE HAPPENED HAVE OVERWHELMINGLY BEEN BENEFICIAL FOR THE LIVES OF THE PEOPLE IN THE REGION, FOR POLITICAL STABILITY AND FOR THE WORLD AS A WHOLE

ONE OF THE IMPORTANT FEATURES OF GROWTH IN THE REGION HAS BEEN THE DEGREE OF REGIONAL INTEGRATION IT HAS FOSTERED

THIS IS AN INFLUENTIAL FACTOR FOR STABILITY

INTRA-REGIONAL TRADE HAS GROWN FROM 55 PER CENT IN 1980 TO OVER 70 PER CENT IN 1994 - HIGHER THAN IN EUROPE

ECONOMIC CHALLENGES

IT IS IN THE INTEREST OF THE REGION AND THE REST OF THE WORLD THAT GROWTH CONTINUES: THE REGION REMAINS AN IMPORTANT IF NOT THE MOST IMPORTANT SOURCE OF GROWTH IN WORLD DEMAND

BUT GROWTH AT THE SAME RATE WILL NOT BE EASY

MARKETS WILL HAVE TO BE KEPT OPEN; HUGE AMOUNTS OF CAPITAL WILL BE NECESSARY TO MEET INFRASTRUCTURE CHALLENGES IN ENERGY AND TRANSPORT

FUELLING GROWTH WILL PRESENT ISSUES OF SECURITY OF SUPPLY AND THE ENVIRONMENT

DEMAND FOR SKILLED LABOUR, POPULATION MOVEMENTS AND URBANISATION PRESENT NEW PROBLEMS

IN HELPING MEET THESE CHALLENGES APEC HAS AN
IMPORTANT ROLE AND MY GOVERNMENT WILL DO WHAT IT
CAN TO STRENGTHEN IT

WHILE APEC IS AN ECONOMIC BODY, ITS ROLE IN
SUSTAINING GROWTH AND SUPPORTING ECONOMIC
INTEGRATION CAN MAKE AN INVALUABLE STRATEGIC
CONTRIBUTION

STRATEGIC CHALLENGES

WE CANNOT SIMPLY ASSUME THAT RATIONAL ECONOMIC
DECISION-MAKING WILL PREVAIL

EVEN IF WE COULD THAT DOES NOT NECESSARILY IMPLY
STABILITY

NEW PROBLEMS EMERGE EVEN AS INTERDEPENDENCE
GROWS, FOR EXAMPLE OVER TRADE ACCESS, INTELLECTUAL
PROPERTY AND HUMAN RIGHTS

POLITICAL CHANGE AND GREATER PROSPERITY MEAN NEW
EXTERNAL-ORIENTED RATHER THAN INTERNAL ROLES FOR
DEFENCE FORCES, MODERNISATION AND MORE
SOPHISTICATED WEAPONRY

NATIONALISM, ETHNIC TENSIONS, TERRITORIAL DISPUTES
DID NOT DISAPPEAR WITH THE END OF THE COLD WAR

CIRCUMSTANCES CAN CHANGE VERY QUICKLY: THE
UNPREDICTABLE DOES HAPPEN

KOREA AND TAIWAN REMAIN SOURCES OF TENSION AND
POSSIBLY MAJOR CONFRONTATION

IN SUCH AN ENVIRONMENT, IT IS NOT SURPRISING AND
SENSIBLE THAT THE FOCUS OF STRATEGISTS SUCH AS
YOURSELVES HAS BEEN ON THE NEW STRATEGIC PRESSURES
AND UNCERTAINTIES THAT ECONOMIC GROWTH CREATES
THROUGH CHANGING THE RELATIVITIES OF POWER AMONG
THE UNITED STATES, JAPAN, CHINA AND KOREA

THESE PARTICULAR RELATIONSHIPS WILL LARGELY
DETERMINE THE FUTURE STRATEGIC SHAPE AND STABILITY
OF THE REGION

ATTENTION OFTEN FOCUSES ON CHINA BECAUSE OF ITS SIZE
AND THE TERRITORIAL ISSUES THAT REMAIN TO BE
RESOLVED

MY VIEW IS THAT IT IS AN UNDENIABLY GOOD THING FOR
CHINA AND FOR THE REST OF US THAT CHINA'S ECONOMY
HAS OPENED UP AND GROWN AT THE RATE IT HAS

IT IS IN OUR INTEREST THAT CHINA SHOULD PARTICIPATE IN
THE WORLD ECONOMY AND HAVE A STAKE IN THE
STABILITY OF THE REGION

IT IS IMPORTANT THEREFORE THAT WE BUILD
CONSTRUCTIVE RELATIONSHIPS WITH CHINA

IT IS EQUALLY IMPORTANT THAT CHINA SUES ITS OWN
INTERESTS LYING IN REMOVING UNCERTAINTIES, BUILDING
STABILITY AND STRENGTHENING REGIONAL AND GLOBAL
INSTITUTIONS

WE CANNOT FOR EXAMPLE AFFORD TO HAVE A MAJOR
ECONOMY LIKE CHINA'S OUTSIDE THE WTO

EQUALLY CHINA NEEDS TO UNDERSTAND THAT IT TOO WILL
BENEFIT FROM MEMBERSHIP AND SO NEEDS TO REACH AN
UNDERSTANDING ON TERMS OF ENTRY THAT IS
ACCEPTABLE TO THE WIDER WORLD COMMUNITY

ROLE OF THE UNITED STATES

MUCH IS SAID ABOUT THE NATURE OF US ENGAGEMENT IN
THE REGION

MY VIEW IS THAT IT IS CENTRAL TO THE STABILITY OF THE
REGION

I AM CONFIDENT ABOUT IT, BUT WE SHOULD NOT TAKE IT
FOR GRANTED

ECONOMIC GROWTH IN THE REGION INVITES US
ENGAGEMENT

AND THE UNITED STATES UNDERSTANDS THE IMPORTANCE OF SECURITY IF THAT GROWTH IS TO CONTINUE

THE UNITED STATES REITERATED ITS COMMITMENT TO MAINTAINING A FORWARD PRESENCE IN THE REGION IN ITS EAST ASIA STRATEGY LAST YEAR

THE US RESPONSE TO THE CHALLENGES POSED BY THE NORTH KOREAN NUCLEAR PROGRAM, THE REAFFIRMATION OF STRATEGIC INTEREST IN FREEDOM OF NAVIGATION IN THE SOUTH CHINA SEA, AND THE RESPONSE TO TENSIONS OVER TAIWAN ARE IMPORTANT SIGNALS OF THE UNITED STATES' APPRECIATION OF THE STAKE IT HAS IN THE REGION

MOST RECENTLY, THE JOINT DECLARATION ON SECURITY BY PRESIDENT CLINTON AND THE PRIME MINISTER OF JAPAN, MR HASHIMOTO, PROVIDED A WELCOME REAFFIRMATION OF THE JAPANESE ALLIANCE

IT IS IN THE REGION'S INTERESTS TO SUPPORT THE UNITED STATES' PRESENCE IN THE REGION

THE JAPANESE-US DECLARATION UNDERLINED THE VERY SUBSTANTIAL CONTRIBUTION THAT JAPAN MAKES TO THE SECURITY OF THE REGION

MY GOVERNMENT IS COMMITTED TO REINVIGORATING AUSTRALIA'S ALLIANCE WITH THE UNITED STATES AND SUPPORTING US REGIONAL ENGAGEMENT

AUSTRALIA'S ROLE

WANT TO CONCLUDE WITH SOME COMMENTS ON THE ROLE OF AUSTRALIA AND THE APPROACH OF MY GOVERNMENT

WILL BE BRIEF AS MY COLLEAGUES, THE DEFENCE MINISTER AND THE FOREIGN MINISTER, WILL ADDRESS YOU LATER

I DO NOT WANT TO EXAGGERATE THE ROLE THAT AUSTRALIA CAN PLAY

NEITHER SHOULD IT BE UNDERESTIMATED

AUSTRALIA'S SIZE AND LOCATION, ITS ADVANCED AND DIVERSE ECONOMY, THE STEADINESS OF ITS PURPOSE AND POLICY DIRECTIONS, AND ITS OWN DEFENCE CAPACITIES ARE IMPORTANT TO THE PROSPERITY AND STABILITY OF THE REGION

THE ANZUS ALLIANCE AND AUSTRALIA'S WEB OF UNDERSTANDINGS WITH REGIONAL PARTNERS - THE SECURITY AGREEMENT WITH INDONESIA, THE FIVE POWER DEFENCE ARRANGEMENTS WITH MALAYSIA AND SINGAPORE, THE JOINT DECLARATION OF PRINCIPLES WITH PAPUA NEW GUINEA AND CLOSER DEFENCE RELATIONS WITH NEW ZEALAND - ARE IMPORTANT ELEMENTS IN THE REGION'S SECURITY STRUCTURE

BY AND LARGE AUSTRALIAN GOVERNMENTS OF BOTH
POLITICAL PERSUASIONS HAVE SHARED APPROACHES ON
FOREIGN POLICY AND SECURITY ISSUES

THERE WILL BE STRONG ELEMENTS OF CONTINUITY,
ESPECIALLY IN THE PRIORITY THAT AUSTRALIA HAS
TRADITIONALLY GIVEN TO THE ASIA-PACIFIC REGION

BUT SOME DIFFERENCES OF EMPHASIS WILL BE VISIBLE

THE FIRST REQUIREMENT IF AUSTRALIA IS TO CONTINUE TO
BENEFIT FROM GROWTH IN THE REGION AND CONTRIBUTE
TO REGIONAL STABILITY IS ITS OWN ECONOMIC HEALTH

STRUCTURAL REFORM, ESPECIALLY OF AREAS AFFECTING
OUR INTERNATIONAL COMPETITIVENESS, IS MY TOP
PRIORITY

THE GOVERNMENT IS COMMITTED TO STRENGTHENING ITS
DEFENCE RELATIONSHIPS AND DIALOGUE WITH COUNTRIES
IN SOUTH EAST ASIA AND NORTH ASIA

THE GOVERNMENT IS ALSO COMMITTED TO PARTICIPATING
IN AND STRENGTHENING MULTILATERAL APPROACHES TO
SECURITY, ESPECIALLY THE ASEAN REGIONAL FORUM
WHICH IS DEVELOPING INTO AN IMPORTANT FORUM FOR
DIALOGUE AND CONFIDENCE BUILDING

AN EFFECTIVE DEFENCE FORCE IS VITAL FOR AUSTRALIA'S OWN DEFENCE AND AN IMPORTANT CONTRIBUTION TO REGIONAL STABILITY

MY GOVERNMENT HAS COMMITTED ITSELF TO IMPROVE THE OPERATIONAL CAPABILITY OF THE DEFENCE FORCE

FINALLY, IN A WORLD WHERE DOMESTIC AND EXTERNAL ISSUES IMPACT SO READILY ON EACH OTHER THE NEED HAS NEVER BEEN MORE APPARENT FOR COORDINATION OF OUR DEFENCE, TRADE AND FOREIGN POLICIES ALONG WITH OUR DOMESTIC POLICIES

TO HELP ACHIEVE THIS MY GOVERNMENT HAS ESTABLISHED A NATIONAL SECURITY COMMITTEE OF CABINET WHICH WILL ENGAGE THE RESPONSIBLE MINISTERS

CONCLUSION

THANK YOU FOR THE INVITATION TO OPEN YOUR CONFERENCE

I WISH YOU FRUITFUL AND ENJOYABLE DISCUSSIONS