# Australia and Asia: Knowing Who We Are
# Speech by the Prime Minister, the Honourable P J Keating
# 7 April 1992

In 1935 the magazine, *Australian Quarterly*, carried a long article entitled "Australia's Place in the Empire". It was the text of an address delivered in London by Robert Gordon Menzies.

An address delivered in the circumstances he loved, to the audience he loved.

Menzies did love the English. Five years later in a speech to the British and Foreign Bible Society he said that he believed the English had "never.. wilfully broken [their] word". Never.

The virtues of the English race and Australia's filial loyalty were themes of his 1935 address. "The thing that sticks firmly in the mind of the average Australian is that he is British.." he said.

He told them that they should recognise our relationship was a "blood relationship" before it was a mercantile one.

And he asked them a question which he said would determine our relationship with Britain not merely for the next five years, but for the next five hundred.

"Does Great Britain feel that its sons and brothers.. are its own flesh and blood, or does it regard them as remittance men?"

Now, in my view, Winston Churchill gave Menzies the answer a few years later. "Australians", he told Lord Moran, "come of bad stock".

It is also my view that Churchill answered in more concrete ways: in the abject disaster of Singapore and Malaya and in the attempt to prevent the return of Australian troops from the Middle East to defend this country - the country which lost 60,000 under the Union Jack in World War I.

But what I say is not what some people have called Pom-bashing. Nor is it Paul Keating's idiosyncratic view of history. It is a view corroborated by any number of respectable Australian and British historians - whose references I am happy to provide.

It is a view corroborated by fact.

Nothing I say tonight, and nothing I have said in recent weeks, can reasonably be interpreted as criticism of the British people, and least of all those British men and women who fought and suffered and died in the war against Japan and Germany.

My criticism is directed at those Australians - or, more accurately, that Australian attitude

- which still cannot separate our interests, our history, or our future, from the interests of Britain.

It seems to me an attitude which still exercises at least a subliminal influence on our thinking – persuading us that someone or something will do it for us.

Just as we went on believing that Britain would, long after it should have been obvious that Britain would not.

I say that this attitude has long been, and remains, debilitating to our national culture, our economic future, and our destiny as a nation in Asia and the Pacific.

I spent the last decade attempting to make the necessary changes to the Australian economy – facing it toward the world and opening it up, to make us more competitive and give us a chance.

I know just how entrenched conservative Australian thinking can be – on both sides of politics.

We're talking about cultural changes, new ways of thinking and new ways of doing things.

I know how hard it is to change Menzean attitudes. And don't forget their economic manifestation: Menzies believed in what he called a “balanced economy”.

In Britain the balance was between manufacturing and protected agriculture. In Australia the balance had to be the reverse.

It was all terribly simple and cosily interdependent: and the cost to us was in the sort of inefficient manufacturing which threatened until very recently to place us among the world's economic museums.

We've altered a lot of the practices and habits of mind which emanated from that way of thinking – at least as far as the economy goes.

We've also gone a very long way towards getting rid of the industrial culture of hostility.

But altering our political perspective, which includes regenerating our spirit, pulling us together as a nation, focussing our sense of ourselves – all these things, I believe, remain tasks for the nineties.

These things, I assure you, are not meant as a distraction as some people have suggested. They are central.

They are central to our developing relationship with Asia and the Pacific.

I am pleased, though not surprised, by the positive reaction in South-East Asia to the recent surge of independent and republican thinking in Australia.

Let me go back to Winston Churchill for a moment and ask a simple question of the people who say my talk of nationhood is a distraction: Why should we have expected Winston Churchill to have acted in our interests? Why, despite his foresight and courage, should we have expected him to perceive the world through our eyes?

Because of blood?

Now the truth is, Churchill has been, if not a hero, a favourite historical figure of mine since boyhood. Menzies preferred Chamberlain. I admired the Churchill who stood up every week in the House of Commons and told those myopic equivocating cowards in his own party that Hitler was a criminal.

That Churchill, and the Churchill who inspired his people in World War II, was a hero.

But that does not mean, and should never have been expected to mean that he would automatically act in Australia's interest.

John Curtin acted in Australia's interest when he insisted against the wishes of Churchill and another man I've always admired, Franklin Delano Roosevelt, that Australian troops be brought home – not left in the Middle East, nor diverted to Rangoon where they would have been killed or captured.

Curtin insisted and won. He turned to America.

Robert Gordon Menzies called this – "a great blunder".

All this, of course, might be called ancient history. It might be called irrelevant. It might be said that Menzies was a man of his time and should not be judged with hindsight.

But Menzies is a man of our time too.

His unnaturally long political era – made possible by the split in the Labor Party – his endless, and almost endlessly regressive era sunk a generation of Australians in Anglophilia and torpor.

The Menzies attitudes are still with us, as we saw when a few weeks ago I delivered a speech in the presence of Her Majesty the Queen of Australia.

The sentiments I expressed then were nothing more than thoughts on behalf of Australians who valued their independence, appreciated the fact of our separate destiny and our need to grasp it, and who esteemed the Queen.

The response from some prominent Australians indicated how far we still have to go before we can say that we do have the necessary independence of mind, the necessary appreciation that we have to make our own future, or, for that matter, the necessary mature esteem for our Head of State.

These things we need in the next decade if we are to take our place in the region and in the world.

My point is that we can no longer be Australian in the way Bob Menzies was Australian. And in making that change, like John Curtin, we can say that it is without prejudice to Britain.

It is equally without prejudice to those generations older than my own, which I know, regret the passing of the old Australia.

I know there is apprehension among them about the change – some of it takes the form of very vocal opposition to all suggestions of reform or new directions.

I think their position should be respected – but conservatism has had its day, and, in truth, it was too long a day for the country's good.

My responsibility is to this generation and succeeding ones, and these echoes of Menzies cannot be allowed to get in the way.

We cannot pretend to ourselves that we are insulated from change in the world.

In any event, the old traditions of Australia will remain with us.

We are not about disloyalty but its opposite. We are about nationhood, and the democracy which is at the centre of it.

That is something I think Australians must realise: that we don't go to Asia cap in hand, any more than we go, like Menzies went to London, pleading family ties.

We go as we are. Not with the ghost of empire about us. Not as a vicar of Europe, or as a US deputy.

But unambivalently. Sure of who we are and what we stand for.

If we are to be taken seriously, believed, trusted, that is the only way to go.

Sometimes, perhaps it's necessary to state the obvious: facing Asia we do nothing more or less than face reality – and that is what Asia does in facing us.

We might learn something from the geophysics of the situation. Geophysically speaking this continent is old Asia – there's none older than this. It's certainly not going to move, and after two hundred years it should be pretty plain that we're not going to either.

In 1992, we shouldn't think that we're anything less than a rightful presence in the region.

It is sometimes argued that Australia's democratic institutions and traditions of tolerance and open debate somehow disqualify us from forming successful relationships in Asia.

My starting point is that Australia's democratic institutions and traditions are non-negotiable.

Many things have changed and will change in Australia – our ethnic composition and, with it, our culture; our economic and industrial practices; our world view – a great deal will change.

But traditions of democracy, fairness and personal liberty which we have fought wars to defend, will remain this country's guiding principles.

Sacrifice and achievements of Australians will not be forgotten in the new Australia – indeed in a less ambivalent Australia their memory will grow.

We recognise that it is thanks largely to our British heritage that we are a stable and mature liberal democracy of long standing.

I cannot accept that this deeply rooted democracy is a disadvantage in dealing with Asia. It is a region, after all, which contains stable democracies like Japan and India, and a number of societies whose economic advance has opened the way to political liberalisation. South Korea and Taiwan to name just two.

Given these developments in Asia, along with the democratic revolutions of Eastern Europe and the former Soviet Union, I find it hard to accept that our going into the world will mean compromising our democracy.

I incline very strongly to the view that, on the contrary, Australia's democracy is an advantage.

In other words, in the growing political liberalisation of Asia we're not an aberration, but a natural fit.

We don't need to be intrusive, but we have nothing to shrink from and plenty to give.

What is true politically is also true economically.

It is important for Australians to realise that this country's economic weight is considerable.

Our GNP is third in the West Pacific and equal to the combined GNP of all the ASEAN countries.

We have much of what the countries in the region need – resources, space, a skilled work force, education services.

We have the English language, and a rapidly increasing number of young Australians who are competent in Asian languages. In 1990, 53,000 Australian students were studying Japanese in high school: this year the figure is 95,000.

The success of multiculturalism in Australia, and increasing immigration from Asia, have stimulated our awareness of Asian societies and improved our standing in the region.

Recent changes in Asia are perhaps not so dramatic as they have been in Europe, but they

are greater than is commonly understood.

During the 1980s, North-East and South-East Asia constituted the fastest growing region in the world, expanding at approximately twice the world average growth rate. Together these countries account for about 1.7 billion people.

That is change on a grand scale.

We do not yet know what the shape of Asia – geopolitically, or economically – will be. But we do know that the key question for Australia is how to position ourselves to take maximum advantage of the changes.

The Cold War strategic structure of Asia is fading.

The Cambodia peace settlement is a striking example of the benefits that derive from more relaxed relations between the great powers in Asia.

We also welcome the two Koreas joining the United Nations, and new openings in South Korea's relations with Russia and China.

Set against these positive developments, of course, there is continuing concern about the possibility of North Korea developing nuclear weapons.

Although Russia retains formidable nuclear and conventional military capabilities, its projection of power in the Western Pacific is constrained by economic pressures and greater priorities nearer home.

Considered overall, the risk of military confrontation between the great powers in Asia is now significantly reduced.

The economic dynamism of Asian countries also contributes to regional stability. So too do the related processes of economic interdependence.

As we seek the strategy most likely to succeed in this generally favourable environment, three key questions confront us.

First, what level of strategic and economic engagement with the Western Pacific will the United States sustain over the medium to long term?

Second, what quality of international leadership will Japan achieve in the period ahead?

Third, depending on the outcome of the Uruguay Round of multilateral trade negotiations, what type of trade alignments are likely to evolve in the Asia-Pacific region over the next decade?

The questions are obviously inter-related. The issues have been much discussed and I don't wish now to add to the available body of analysis and speculation.

Let me offer, instead, some comments on Australia's preferences in each case.

1. The Bush Administration has announced a series of phased reductions to its military presence in East Asia. It is also currently withdrawing from the Subic Bay naval base in the Philippines.

At the same time, the United States has emphasised its determination to remain a strategic power in the Western Pacific over the long term.

Even in a post-Cold War environment, Australia considers that US strategic engagement in the Western Pacific, and the maintenance of existing US bilateral alliances, make a vital contribution to regional stability and confidence.

Maintenance of a close security relationship between the United States and Japan is especially important. It provides not only assurance for Japan itself, but sets out a framework which helps legitimise Japan's defence posture in the eyes of other Asian countries.

Despite increasing Japanese influence in the region, the United States remains a key economic partner for most Asian countries. The United States is still Asia's single most important export market, though it has been overtaken by Japan as the main source of aid and investment.

In recognition of the United States' continuing importance as an economic partner of the Western Pacific region, Australia welcomes its active involvement in the Asia Pacific Economic Cooperation or APEC process.

2. Japan's impressive economic achievements are widely recognised, but their translation into international influence has been uneven.

Given the perception that overall US influence in East Asia may decline over time, there is lively interest in whether Japan will fill the gap by assuming more international leadership.

Our firm preference is for a more active Japanese role internationally. We are pleased to be working closely with Japan in the implementation of the Cambodia peace settlement.

We would support Japan's participation in United Nations peacekeeping. I am not talking here about a wider regional Japanese military role, which in any case is not sought by Japan.

3. Against a background of frustratingly slow progress in the Uruguay Round, concern is often expressed that the international trading system will gradually degenerate into three trading blocs – one in Europe, one in the Americas, and the other in East Asia.

As is widely recognised, Australia has a considerable stake in a successful conclusion of the Uruguay Round.

An unsatisfactory outcome to the Round would undoubtedly increase pressure on the multilateral trading system. The GATT framework would remain in force, but there

would be increasing resort to bilateral and regional approaches to trade problems.

In the modern globalised trading environment, it is not inevitable that the Americas and East Asia would separate into rival trading blocs if the Round failed.

Even if they did, Australia would still have viable trade policy options – though undoubtedly inferior ones to those a multilateral system offers.

Looking at our relations with Asia more generally, we are in fact more successfully engaged with the region than we commonly appreciate.

Vindicating the efforts of Australian business to expand our commercial relations in the region, more than 60 per cent of Australia's merchandise exports now go to Asia.

Those Australians who continue to doubt that this is where our national interests truly lie should take note.

Those who know this but are still inclined to recoil from Asia should, I think, take heart.

Every year our interdependence with Asia increases in proportion to the rest of the world.

In 1991, the ASEAN countries became our second largest export market, taking 12 per cent of our exports, and moving ahead of both the United States and the European Community.

With levels of growth in most Asian economies well above the world average, this upward trend in our exports to the region should also hold good.

The opportunities for Australia cannot be overstated.

Asia remains a major market for our traditional commodity exports, and these remain vitally important to our economy.

But the Asian market has broadened. Over the period 1983-91, Australia's manufactured exports to Asia grew twice as fast as the traditional areas of our trade.

Exports of services grew even more rapidly. There was also expansion, albeit less dramatic, in Australian investment in Asia.

It is all reason to believe that we can live and prosper in the Asia-Pacific.

Most pleasing of all has been the emergence of new business links between Australia and the countries of South-East Asia.

I look forward to seeing examples of this first hand when I go to Indonesia later in the month.

Just as Australia's economic engagement with Asia is more advanced than is sometimes realised, so too we have more scope to contribute to regional political affairs than is

commonly appreciated at home.

We start from the best possible position, having no historical or fundamental conflict of interest with any country in the region.

We have institutional strengths to draw on. We have well-developed foreign policy expertise in the government and academia.

We must be careful not to overplay our hand, but if our timing is good and we choose things which genuinely serve the wider interest, we can help shape the regional agenda.

Our role as a catalyst in the Cambodia peace process is one good example. We have also played a useful role in launching and helping advance the APEC process, and in encouraging regional security dialogue in Asia.

As I see it, the quality of Australia's future relationship with Asia vary much depends on what happens with regard to trade alignments in the Pacific.

The scope for Australia to achieve its broadest aspirations in the region will be that much reduced if the countries of East Asia see themselves as an economic bloc in rivalry with Europe and North America.

That is why, without any illusions about the bad effects of US trade policies on Australia, when President Bush was here in January I put the case vigorously for continued US engagement in the Western Pacific.

I mean a strategic presence and an economic presence – and a presence in our regional institutions.

The United States will be better for that, so will Asia.

All this points to the wisdom of Australia's effort since 1989 to establish and develop APEC.

The general virtue of the process is its promotion of regional economic cooperation within a framework which embraces North America and East Asia.

A particular virtue is that it also provides a convenient framework within which Japan and the United States can work out their respective regional roles, without increasing pressure on their bilateral relationship.

Regardless of the outcome of the Uruguay Round, APEC's value will grow considerably if a process of non-discriminatory regional trade liberalisation can be carried forward with conviction.

The objective should be to promote an open regionalism which is compatible with a wider multilateral trading system.

Another way of promoting cooperation in the Asia-Pacific region would be to establish a

process of periodic heads-of-government meetings, say every two or three years.

The absence of such a process is conspicuous in a region whose weight in global affairs is steadily increasing.

Various formulas for participation are possible, but I personally would find most attractive a mechanism based on APEC membership, because it embraces the most important economic linkages throughout East Asia and across the Pacific.

I discussed this general idea with President Bush when he visited Australia. I hope to pursue it as opportunity allows with other Asia-Pacific leaders.

Without doubt the appropriate note on which to conclude is a positive one.

We have come a long way in the last decade: there is every chance of a quantum leap in the next.

We won't make that leap in the way Bob Menzies might have tried to make it. Blood will not determine it.

To do it, we need to recognise that we have become a player in these affairs – and have a stake in them – not by accident, but by initiative.

The key to our success now rests with ourselves. In initiatives we have taken abroad. And in the ones we have taken at home.

Sometimes it seems to me that Australians have ceased to believe that we got here largely under our own steam.

In truth we did. In truth we've not done badly.

But we'll do best when we've removed all signs of our being a branch office.

We'll never get anywhere but into trouble if we drift – as we did in the fifties.

In the eighties, we took hold of the rudder and set about an essential economic transformation which leaves us able to hold our own in Asia in the nineties.

We can confidently expect further success to follow in the course of recovery – and from the major infrastructure projects, investment incentives, huge investment in vocational training, and continuing micro-economic and industrial relations reforms announced in the One Nation statement last month.

As I said earlier, I have spent much of the past decade engaged in structural reform.

That has also meant something equally as difficult – perhaps more difficult. I mean cultural reform, the reform of our outlook.

Success at home depends on this change. Success in Asia depends on it too.

It depends on the individual and collective faith of Australians:

It depends on establishing beyond doubt –
- that Asia is where our future substantially lies;
- that we can and must go there;
- and that this course we are on is irreversible.

What John Curtin said in 1942 is right for us in 1992: "On what we now do depends everything we may like to do."