APEC: Australia's Biggest Seat at its Biggest Table

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Sydney
23 August 2007

As Prime Minister, Paul Keating proposed and with Bill Clinton had built the APEC Leaders' Meeting. Fifteen years on from its inaugural gathering, Australia was to host the 2007 meeting in Sydney under the stewardship of John Howard. To mark the occasion, the Evatt Foundation invited Paul Keating to sketch out the history of the APEC meeting and to address the contingency issues which the 2007 meeting might address. Paul Keating urges John Howard to lift his gaze and the focus of the meeting by putting strategic issues on the agenda, such as the armaments race taking place in North Asia. He also re-emphasises that Australia's vital interests reside in the East Asian hemisphere and not in the Middle East, and urges Australia to be itself rather than a derivative power masquerading as someone else's deputy.

Sitting down to a private dinner one night in Tokyo as a guest of my Treasury counterpart, the Japanese Minister of Finance, Kiichi Miyazawa, in a moment of candour, asked me whether I thought the Chinese would attack Japan.

Taken aback by the question, and one put so seriously, I immediately replied, 'No, I do not'.

To which Mr Miyazawa then said quizzically, 'But why not?'

Both questions sent a political shiver through me, coming as they did from such an accomplished and worldly figure as Miyazawa.

What that conversation did for me was to underline something I had well known but had not concentrated upon: the unresolved issues between Japan and China flowing from their history during the Second World War and the period leading up to it.

Mr Miyazawa in the same conversation then asked me for a pen sketch of the personality of Mr Li Peng, the then Chinese Premier and other senior members of the Chinese politbureau.

Those remarks made it apparent to me that not only had the leadership of Japan's government, the Liberal Democratic Party, no understanding of Chinese thinking, but worse than that, had never met Chinese leaders.

Japan's imperial history and the history of the Cold War which followed it had kept the leadership of these two great nations apart to simmer in ignorance, resentment and mistrust.

It was the antipathies within this relationship that led me to conclude that something radical had to be done about the political architecture of north Asia and that that architecture had to also include the United States, Japan's strategic guarantor.

This was the major dynamic which encouraged me, as Prime Minister, to propose a head of government meeting among the major powers of the Asia Pacific. An idea of an Australian Prime Minister who knew that Australia's security would be put at risk if the countries of north Asia again resorted to military violence. And, not just Australia's security—the region's.

This was in 1992, fewer than three years after the Soviet Union had imploded, the Berlin Wall had come down and the Cold War had ended.

Twelve days after I had become Prime Minister, on 21 December 1991, I had the privilege of meeting and hosting a visit to Australia by the President of the United States George Herbert Bush—the second only visit by an American president to this country. On New Year's Day 1992 at Kirribilli House, I put to President Bush the idea of developing a heads of government body in the Asia Pacific to take the opportunity of regionalism of a kind which had formerly been put out of bounds by the bipolarity of the Cold War.

Until that time, United States policy in the Pacific had mostly been conducted by the United States Navy. The great majority of us really only remembered one head of government meeting between a Chinese Communist Party leader and an American president and that was the famous one held between Mao Zedong and President Richard Nixon.

There existed no political framework within which an American President, a Chinese President and a Japanese Prime Minister could meet one another, save for meetings of the high summitry kind which, however infrequent, could only ever include any two of them.

As a middle power, I saw Australia as having the opportunity of helping to reshape the political architecture of East Asia and the Asia Pacific in general, thereby adjusting power in the world to better suit Australia's interests. But it goes without saying that that which suited Australia's interests, conducting our national life in a context of peace and prosperity, would similarly suit the Asia Pacific, a region riven by bad history, massively damaged by conflicts and weighed down by poverty.

At the Kirribilli House meeting, President Bush's national security adviser, General Brent Scowcroft, told me that I had outlined to the President a strategy which the Americans had not themselves conceived and which, he said, the Americans were not in a position to put together. He said the moment the United States sought to approach China with a head of government apparatus which also included Japan, the Chinese would back off if the Japanese themselves had not done so.

President Bush also agreed with my proposition that such a body should necessarily include the countries of ASEAN, especially Indonesia, but Indonesia until that time had been one of the leaders of the nonaligned movement and there was no

guarantee that even if we were able to bring in the Chinese and the Japanese, that we could do the same with the Indonesians.

The meeting finished with me promising the President that I would feel out heads of government around the region and that I would write to him more formally with an express proposal.

This I did on 3 April 1992, outlining the proposition and the progress in consultation I had made in the interim.

The President wrote back to me on 29 April 1992, saying, 'I believe the most effective means of moving your suggestion forward at the proper time would be for Australia to take the lead. Too prominent a US role could be counterproductive'.

I took the President at his word and wrote to Mr Kiichi Miyazawa in Japan, who had since become Prime Minister. He replied on 8 May 1992, saying that 'the support of other members of our region, above all the ASEAN countries, will be an essential requirement for success'. He then suggested I further discuss with the ASEAN countries the possibility of them joining Australia in taking up the initiative. And by referring to ASEAN, he meant, in the main, Indonesia. The Japanese viewed ASEAN as Indonesia with the other Southeast Asian states more or less tacked on.

So, there it was—I had to get the shy and cautious President Soeharto to agree, despite Indonesia's non-aligned status, to be part of a new open regionalism and if I got Soeharto, I would get Miyazawa, and if I got Miyazawa I would get Li Peng, and if I got Li Peng, I would get George Bush.

As it turned out, I got them all, but by the time I had, George H Bush had been replaced by Bill Clinton as President of the United States, so I had to begin afresh with a new US administration. So, this I did.

However, many people will recall that Bill Clinton had won the 1992 presidential election on the slogan 'It's the economy, stupid', attacking as he had, President Bush for what Clinton had described as Bush's adventurism in Iraq in 1991.

President Clinton made it plain to me that he would support an Asia Pacific Leaders' Meeting, provided the body had the complexion of an economic cooperation and trade body. Even though my proposal was for a highly strategic head of government grouping focused on the big political issues, Clinton was only prepared to entertain it if it had the look and feel of an economic and trade body.

This was why, in the end, I chose the APEC template for the Leaders' Meeting. In my mind there was nothing particularly common between APEC, the recently formed economic grouping which Bob Hawke had first proposed and the highly strategic body I had in mind. Mine could have been a grouping of just a dozen major states, but I chose to carry the acronym APEC onto the Leaders' Meeting to best secure Clinton's support.

In an initiative that proved again that good ideas generally find traction, President Clinton extended an invitation to an inaugural Asia Pacific Leaders' Meeting in 1993

in Seattle, the home of those two great American corporations, Boeing and Microsoft. He had chosen that city to paint a commercial and economic picture of the event, when in fact, of course, the event itself completely resembled the strategic body it truly was.

There is much debate now in academic circles about APEC, its structure and its agenda and what may be referred to as a kind of crowding out by other Asia Pacific regional fora.

In the regionalism which the end of the Cold War facilitated, in this part of the world, we have ASEAN, we have ASEAN Plus 3, we have the ASEAN Regional Forum, the East Asia Summit, as well as APEC itself, its Leaders' Meeting and its ministerial groups.

There are proposals around to sort these structures into economic and trade and military and security groupings, with the paramount political body being separate.

While much of this appeals to the neat and tidy mind, and I hope I have one of those myself, we risk mucking about with the Leaders' Meeting where we have a structure now where the United States President attends in person. Not the Secretary of State, but the President. And ditto for the President of China and the Prime Minister of Japan and the President of Indonesia.

This structure is of inestimable strategic value. Now we know that each year the American bureaucracy will be involved in preparing for the Leaders' Meeting to put the President in a position to be well briefed and to raise issues as needs be. Part of that brief will relate to the round of bilateral meetings which will precede and follow the full plenary session of the leaders. Not only does this give each leader the chance to meet counterparts, but it efficiently allows the doing of strategic business within the context of what is seen as an economic cooperation meeting. In other words, no preceding preening being required or huffing and puffing necessary—things which were always associated with summit meetings.

If there is any problem with the APEC structure, it is not that it is attended by some of the most powerful people in the world, it is that it is attended by too many of the not so powerful. When countries like Papua New Guinea, Chile and Peru were invited to join APEC, it was expanded such as to make it less efficient, with the interests of the principal players in East Asia being diluted to the interests of a greater whole.

This expanded compliment was a gift from the foreign ministers' club. A club which works on the more the merrier principle, not understanding that leaders will only turn up to organisations if those organisations are capable of doing things. Foreign ministers have a compulsion of never sending a customer away unsatisfied. It was that compulsion, to find a place for everybody, which expanded APEC to its current membership of twenty-one.

Nevertheless, oversized or not, the most important thing about the APEC Leaders' Meeting is that it actually exists. That there is actually a forum where leaders can get to know one another, develop better levels of understanding and with that, some modicum of trust.

In the lead-up to this, the Sydney meeting of the APEC leaders, all manner of economic and trade issues are being suggested for the agenda, such as climate change and multilateral trade facilitation.

Normally, the success or otherwise of an APEC meeting depends on the imagination and ability of the host head of government to fashion the agenda and to see new initiatives into place. An international climate change declaration has been suggested for John Howard, as has further progress towards multilateral trade facilitation in the Doha context.

These matters are no doubt virtuous enough and John Howard, uncharacteristically, might have a burst of inspiration about them. I hope he does. But, for the meeting to concentrate on these things only, does, I believe, under-rate and under-sell its capacity for more difficult topics; topics of the strategic variety like the arms race currently being run in north Asia and the risk posed by the continued proliferation of nuclear weapons.

These topics are not capable of being resolved in the local strategic talk-shop, the ASEAN Regional Forum. That organisation, by the way, was established with the help of Australia, most particularly through the work of Gareth Evans, the then foreign minister.

Discussion in the ASEAN Regional Forum is useful and valuable but it is only the heads of government who can really make a difference. Certainly, heads of government are not going to move on issues unworked or unprepared, but they can work on the grand topics if they are somewhat pre-cooked and prepared. This is where the APEC leaders or even some subgroup of the full meeting can do truly useful work.

As things stand, the most dangerous part of the world is not the Middle East, though of course that is dangerous, nor even those always simmering tensions between India and Pakistan. In my opinion the most seriously dangerous part of the world is North Asia, within that triangle of unresolved tensions between China and Japan and the Korean peninsula.

In the 60 years since the end of hostilities in the Second World War, the antipathy between China and Japan has only intensified. The ruling Liberal Democratic Party in Japan maintains the pretence that Japan was only defending its interests in the Pacific theatre of the Second World War, while the Chinese resent this denial and lack of atonement for atrocities against them by declaring that they will never suffer Japanese hegemony ever again.

Whether you put it down to that underlying tension or not, we are now witnessing an arms race on either side of the Sea of Japan. For a country which has long prided itself on the ‘self-defence’ nature of its armed forces, eschewing an offensive armoury, Japan’s latest weapon acquisitions blur the line between defence and offence.

Japan has, for a long time now, been developing a competent blue-water navy including VTOL and helicopter-type aircraft carriers, as well as squadrons of its own fighter jets with mid-air refuelling capabilities, giving it reach and projection. Japan has also expressed interest in acquiring the American-designed and built F-22 Raptor, a stealth fighter designed to carry off offensive tasks such as penetrating air space dominated by others.

China, for its part, has grown its air force to around 2500 combat-capable aircraft plus roughly 800 combat-capable naval aircraft. Many of these aircraft do date from earlier periods, yet China has acquired fourth-generation fighter aircraft such as 140 Russian SU-30s and 60 Jian-10s. China also has nuclear-attack submarine capability as well as its nuclear-tipped ICBM missiles.

There is a view that China's aircraft and missile delivery system build-up is designed more from a defensive standpoint, to complicate any future US or Japanese calculations in the event either one or both of those states seek to come to Taiwan's aid. Defensive or otherwise, this build-up is part of the continuing growth in armaments in North Asia.

South Korea, alert to the bristling equipment procurement of its neighbours and the ever present threat from the North, is now seriously upgrading its defence material to give it at least a fighting chance in any skirmish.

Meanwhile, back at the ranch, the Pakistanis have been supplying nuclear technology and materials to North Korea, which has proudly declared itself to be a nuclear weapons state with both the capacity to build nuclear weapons and to competently deliver them around the region. Something which horrifies the Japanese.

These issues, I believe, should be at the top of the APEC leaders' agenda. Yes, Doha is important. Climate change is important. But who is going to pop their head up on this one?

This is an issue which I believe Australia should place squarely on the leaders' agenda because we would be one of the countries to suffer from any outbreak of hostilities in this part of the world. Not to mention the other countries of the region.

Now is the time to get the focus on these things. To get a real conversation going about political and strategic accommodations in North Asia. To encourage China to include a future for Japan in its regional view of things and to oblige Japan to include a point of accommodation with China which goes to Japan's economic future, its declining population and some real recognition of the none-too-laudable parts of its twentieth-century history.

Real leadership of the APEC meeting is about getting these matters on to the agenda. In the first instance, all will resist it. The Chinese won't like it; the Japanese won't like it; and the Americans would probably regard it as an intrusion into the international game they usually conduct. But an Australian Prime Minister, particularly as host, should be able to do it. Certainly, no-one else will.

Australian foreign policy can make a difference but you have to dare to try.

The problem is, these issues are accentuating themselves. They are not going away, and American diplomacy, by itself, is unlikely to be effective in dealing with it unless it is pro-active and resolute. Frankly, I think this is hoping for too much.

These issues have to be worked on. They will not vanish because they are not being talked about. Look at the failure of US and NATO policy towards Russia.

Last week, Russian President Vladimir Putin decided to resume long-range nuclear bomber patrols over the Atlantic, Pacific and the Arctic for the first time since 1992. And Putin's office is backgrounding people that Russia may soon resume production of the TU-160 and TU-95 nuclear bombers.

Can you believe that?

This is happening because of Russian grievances about being left out of US and European arrangements since the end of the Cold War and by decisions of the US and NATO to build missile defence facilities around Russia's borders.

The US is now losing all influence over Russia. We do not want the same thing happening in our neck of the woods with China and Japan.

Let me recap here: I first proposed the APEC leaders' structure and built the consensus for it. And I knew what motivated me in doing it. It was to deal with the unresolved tensions between China and Japan and the latent capacity for conflict by building a broad regional body which included the United States with the direct involvement of its president.

Those aims and that motivation are as relevant today, fifteen years on, as they were then.

If APEC has become a talk-shop of debatable output, it is because the leaders who have shaped its agenda since its early and optimistic days have lacked an understanding of what it really is and what it is capable of.

International leaders like George Bush and Hu Jintao or Indonesia's Yudhoyono or Russia's Putin are hardly going to have their hearts racing over a discussion about trade facilitation or the removal of non-tariff barriers. This is the stuff of trade and foreign ministers' meetings, save for the big sweeps like the Bogor Trade Declaration which occupied centre stage at the second APEC meeting in Indonesia in 1994.

Officials are excellent at the incremental game of moving things like trade and facilitation agendas forward, but they are not good when it comes to divining strategic goals. Few of them think strategically, none has strategic power.

And the issues which existed at the beginning of the 1990s are not the issues which dominate now.

Then, China was on the ropes after Tiananmen Square and India was only just beginning the gradual opening of its economy.

The world is now a very different place and one of the things that makes it different are those security issues which attend great powers when they come among the world at large. Issues of the kind which attended Germany when Bismarck launched his creation on Europe in the third quarter of the nineteenth century. And we all know what that led to.

The nuclear genie which was set free in 1945 can now be possessed by any number of half-competent states and many of them are possessing it. But absent are the political command and weapons control systems that locked the genie down so successfully during the Cold War years.

Australia these days is a relatively small player in the world. There was a time when we punched well above our weight. For the moment, those days are over. I helped put the APEC Leaders' Meeting in place, and for our trouble we got a permanent seat at the table. It remains the most important table we sit at, certainly at head of government level. But before we become fascinated with the plethora of regional fora around us, we should at least appreciate what we have and what we can lay our name to.

One of the greatest pieces of software which Australia developed in the 1980s and mid-1990s was foreign policy and within our gift was APEC, the APEC Leaders' Meeting, the ASEAN Regional Forum, the Chemical Weapons Convention and the Cambodian Peace Accords, among other things, including the Canberra Commission on the Elimination of Nuclear Weapons.

None of that is happening today. These days we dance to someone else's tune, as our commitment in the Middle East makes clear.

Australia's vital interests are in East Asia. They are not in North America or Southern Africa or Europe. They are here, here where we live, in the fastest growing part of the world. It is in this region that Australia's destiny lies; it is only in this region that our security can be found and that will only happen when our foreign policies and our economic and trade policies are in appropriate and sensible alignment.

The Howard government's ambivalence towards Asia and its willingness to throw our strategic eggs solely in the North American basket will cost us dearly down the years. We must go to Asia as Australians and not as some derivative outfit pretending to be someone else's deputy. The quicker we get back to being ourselves, the earlier will be our true integration with the region around us and our influence over it.