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The Following was a speech delivered during the 'Australian Foreign Policy' session at the AIIA 2014 National Conference, 27 October 2014 at the Hyatt Hotel Canberra. AIIA National President, John McCarthy FAIIA, delivered the speech after a brief introduction by AIIA National Vice-President, Zara Kimpton OAM.

Zara Kimpton OAM:

Now, I'd like to welcome our next speaker who is our national president, John McCarthy. John has been one of our most distinguished diplomats serving most recently as high commissioner in India, and before that, he was an ambassador in Japan, Indonesia and the United States. He's also had appointments as ambassador in Thailand, Mexico and Vietnam.

Other positions that he's held over recent years is chair of the Australia India Council, deputy chair of Australia India Institute, chair of the advisory board of Griffith Asia Institute and co-convenor of the Australia-Indonesia Dialogue. Welcome John.

John McCarthy FAIIA:

Thank you very much Zara and thank you Senator Mason for coming along. Thank you all in the audience for coming to this second event which we hope will be a series of annual events which really focus on Australia foreign policy as a whole where we can discuss openly where we think this country is at. The definition is I think as wide as that.

I'm just going to give you a few reflections which have been on my mind for a few months in the hope that it will stimulate some debate and discussion and I very much look forward to hearing my friend Hugh also talk on essentially what is happening in the Australian environment.

Let me start by just mentioning that three days ago I was in London and I was having lunch with an old Japanese friend who used to work very closely with Prime Minister Koizumi. Somebody you would call probably to the center, perhaps center right of the Japanese political spectrum and with two British foreign policy journalists.

The discussion got on to David Cameron's travails in London. Anybody who's been in the UK recently would understand the sort of pressures that are on that prime minister. We talked a little bit about what he was facing on the foreign policy front including the Ukraine, including Syria, including obviously what has been happening recently in Iraq.



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We talked also of what was happening in Northeast Asia. The comment was made by one of the British journalists that the British really are moving away from the closeness of their alliance with the United States. There are too many other issues; there are too many other pressures on them. The EU issue for one, Scotland for another.

They alluded to debates in the parliament about deployment into Syria and the more recent debate in the British parliament about deployment into Iraq. In all these cases, Cameron was having to negotiate with the people's representatives about what British foreign policy should be.

They looked over and they said, "By contrast, Australia has now become the closest ally by far to the United States." The suggestion was perhaps that it was so close that we had very little room for manoeuvre and these comments were made by both Brits and the Japanese at a lunch and it made me reflect.

It was not the first time I've heard this comment, but it's the first time that it's being put to me by really serious thinkers about the international environment and I have to say it didn't make me feel very comfortable and I'll come back to that.

That afternoon, I took myself for a bit of a walk and I reflected on what that sort of conversation might have ... How that sort of conversations might have taken place 20 years ago, taking us back to 1994 at a time when I was a representative in Thailand.

Had we had a conversation then about where Australia sat in the world, the conversation would overwhelmingly have been about our embrace of Asia. About a series of policies that had been put into place in the previous decade, which really meant that Asians took us seriously as a part of that world.

In particular, if you look at the role Hawke played in the formation of APEC. You have a look at the role that Keating played in enlarging APEC to a summit. You look at the work of what Gareth Evans did and interestingly enough Myles Kupa who was working at that time is here today on in terms of Gareth's paper on Australia's role in the region. It was called, Comprehensive Security.

Nothing like it has been done since then where it really set out where Asia sat in terms of the Australian foreign policy spectrum. It was the time when Keating really made a push into Indonesia. It was really a very, very active time. It was also the time that Gareth Evans put together a construct for the Cambodian peace settlement. We were really very active in Asia and we were regarded as such and we were regarded as a player.



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That brings me to the next comment and it's this, that if you were asked today, what is the defining feature of Australian foreign policy, my strong sense is that the response you would get from leading interlocutors almost anywhere in the world is the proximity or the closeness of the United States alliance.

I sensed that almost without any reservation and it wouldn't matter whether you talked with people in Europe or Northeast Asia or Southeast Asia and that I think makes a very, very major sea change in the way we are now looking at the world as compared with the way we looked at the world 20 years ago.

Now, what happened? First off, I think quite clearly, the fact that in 2001, 9/11 occurred which resulted in our involvement in two wars in the Middle East and which was the prime mover really which led and has led to our involvement in a third war in the Middle East. Wars which have been primarily ... In which we became involved primarily because of our relationship with the United States, although the more recent intervention which we are making in Iraq, you can argue, was prompted by factors a little bit wider than our relationship with the United States.

Again, all this is added up to a global perception of where Australia sees itself in the world, at least that is my submission. Now, were I to say this to many members of the Australia foreign policy establishment of which I once belonged, were I to say this to members of either political party, I know that I would immediately be subject to a series of rebuttals.

I would be told, "Look at our trade relationship. Look at the fact that we have either concluded or are likely to conclude bilateral trade agreements which countries like China, Japan and India." I would be referred to the work we did in the construction of the East Asia Summit, although many more countries than just Australia were involved in that exercises.

I would be referred as one always is when discussing our relations with any country to the number of two-way ministerial visits. This is always used as a yardstick for the quality of the relationship with little reference often being made to the content of those visits.

Those are the sorts of responses I would get and I would be told and nobody would be seeking to mislead me. I would be told with a totally genuine approach from our interlocutors or my interlocutor that, "How can you be right? Look at what we had done." I would then have to come back and say, "What are the arguments of the way in favour of the way which we lost site of our goals in Asia?"



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It's one of these situations where you either get it or you don't. It's kind of hard to explain, but I'm going to make some sort of an effort and I would mention that I had conversations in the last 24 hours with a couple of colleagues who spent many, many years in Asia.

The first comment I think is that if you have been the host of numerous visits by Australian political politicians to Asia carrying good briefs with a lot of good will, you get the strong sense that there is some intellectual understanding of the importance of Asia, but there is not the energy and commitment to that relationship which is necessary.

It is far, far easier for a member of the Australian political class to go to Washington to be flattered by people who are an enormously significant people, but with the capacity for flattering smaller nations, which is really quite astonishing. Our politicians go, they spend a couple of days, they are overwhelmed and they come back.

It is also of course immensely easier to talk to New Zealanders, to Canadians, to British than it is to try and get involved in the depths of the political scene in Jakarta. Let alone sitting going through interpreters with a group of very senior Chinese. It is just tougher and it is tougher for people who belong essentially to an Anglo-Saxon, Western tradition and a political environment, which is totally different to that of our closer neighbours.

There are exceptions to these. The biggest exception I say to this rule is probably that I've dealt with is Gareth Evans who really did seek to get a grasp of what was happening in Asia and did it with considerable effect, although his style would not always have been what you might call the ASEAN way of doing business, but he really did get a grasp of it. There are others too, but the mainstream sense you get from the strain on political class embracing Asia is that they get it intellectually but they don't get it emotionally.

The other point is this. Our political style ... I've said this time and time again. As a Western democratic country, whose countries of primary foreign policy focus are simply different to ours, often does not work. That is because the Australian political style of a lot of noise, a lot of abuse, a lot of immediate reactions to events does not sit well when it's at the end of a ticker tape or a computer in Asia. The misunderstandings that you have, because of that particular possibility or that particular way of doing things, are really manifold.



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Another point. Our partisan politics here really gets absurd. If you're in a foreign policy setting, it's better now than it was than a year ago, but it is really absurd. The white paper that was done on Asia was a genuine effort to try and get some sensible material on Asia. It was a genuine effort to try and rejuvenate thinking in Australia on Asia.

It was a genuine effort to try and get some worthwhile policies going. Of course, there was lots of political ducks and drakes going on. 18 ministers in the former government took credit for parts of it. By the time the politicians had played around with it, it borne no resemblance to what it was suppose to bear.

Of course, the opposition really damned with faint praise because it wasn't theirs. There was a lot of very useful work in that and it was put in, not so much by government servants, but by members of the Australia community right across the board from the NGOs to the center, to the left, the business, to the center, to the right and yet it was ignored.

It was ignored because of partisan politics and that's damaging and it's silly. It shows what's wrong with our approach. One government said, "It's all great. We're not going to give you any money." The other government just ignored it. It's gone. It wasn't ours, so it's irrelevant.

The other point that worries me is this reference we get occasionally to the Anglo-sphere. The Anglo-sphere actually goes back to Cecil Rhodes, but that's a bit old. That's kind of is a bit crazy, but lately it's been revived as a concept and it's been revived as the concept I think partly because of the military exercises in the Middle East where Anglo-Saxon countries or countries of Anglo-Saxon origin have been fighting together but also because of the intelligence establishments, linkage with the Five Eyes.

You sometimes get the sense in this country that that is actually more important than the purposes, which it is supposed to serve. The classic example of that was the Indonesian farce over a year ago where a lot of people who thought they were very smart decided to, as we all know, spy on the Indonesian leadership.

In seeking to resolve that, it was clear by the approach that we took, the fact that that Five Eyes establishment was sacrosanct, was more important than the relationship with Indonesia with which that particular set of tools is actually supposed to enhance. Again, I think none of that has been lost.



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Finally, and I don't want to get on to the refugees issue, because it's complicated and it's detailed and it's a debate in itself. The one point I want to make here is not only is because of the way we have handled this refugees issue and by the way we handle ordinary visas coming to this country, we give the impression to the outside that we are an unfriendly, unwelcoming, frightened country. That's not good, that's not embracing Asia.

If I want to say anything, my first point is this is that we have lost our way on Asia. The second point I want to make is this and I leave this subject more to my friend Hugh. In terms of our dealing within Asia, the impression that we have quite obviously created by the first set of propositions that I've made, the importance of the alliance is that we think Asia is less important than our relationship with the United States. That is the impression it gives. Everything is about impressions and that is the impression it gives.

This issue of the alliance, it's not straightforward, it's not clear. The relationship with Japan and India actually probably benefits from the fact that we have a strong security relationship with United States, because it suits their policies. I think at the same time, there is a certain curiosity as to why there is absolutely no light between our position on security issues and an American position on security issues.

Both the Japanese and the Indians, of course who are not allies, have considerable light between their positions on security issues and American positions on security issues. They're probably curious but it doesn't worry them because it sits basically in their overall interest. My sense of China and there are people here who are much more expert than I am on this is that Australia is of major importance to them because of resources.

If they hear our political bang which passes for political discourse in this country about them, I think they probably ignore it as something which provided it doesn't get excessive, they basically accept, they ignore it. I might be being a little bit uncharitable towards ourselves, but that's my sense of it. It might however get excessive and they might at some stage take a different view.

I don't, by the way, suggest we should be pleasing the Chinese on everything we do. Not at all, but what we need to do I think is have a policy which is based on Australian interests. If you turn to the second page of the financial review, Australian Financial Review, you will see a very interesting set of comments about the way we are approaching this Beijing-sponsored Asian Infrastructure Investment Bank.



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It's very curious if we do avoid going into that particular bank for political reasons and the way that article reads strongly suggests that this at least for the moment is our position. Again, it's Australian interests.

Where does this harm us? I think in a changing world and Asia is changing, if we are not seeing for speaking as speaking for ourselves on our security issues, people will not listen. They will see us possibly unhappily, correctly as an American satrap. An American satrap does not speak independently and any views we might have will simply be discounted.

Finally, here again, I revert to the Middle East. That again is a subject on its own and I don't really want to get into those arguments because that would take another 15 minutes, but one thing about the amount of political energy we put into those issues detracts from what we can do in this region.

No country has unlimited foreign policy or political energy. A lot is beginning to happen in Southeast Asia. We've had a new government in Indonesia. There are problems in Thailand that are unresolved. There are problems in other parts of Southeast Asia that are also unresolved. We have to deal with Southeast Asians on major security issues, how we are indeed going to cope with the rise of China. Our propensity, our capacity to do all this is derogated from if we continue to be seen as a satrap.

Okay, that's enough.