

AUSTRALIAN FOREIGN AFFAIRS AND TRADE POLICY: LOOKING BACK AND LOOKING FORWARD

Address by Senator Gareth Evans, Minister for Foreign Affairs and Trade, to the Foreign Correspondents Association, Sydney, 18 February 1993.

Trade diplomats have a habit of talking in a language all of their own, a good deal of which is impenetrable to the uninitiated. But every now and again one comes across a piece of GATT-speak which deserves wider currency. One such example is the "free rider effect", meaning essentially that someone, with no contribution whatsoever, can benefit from the initiative and hard work of others in creating improved conditions.

As good a current example as you will find of someone anticipating this effect is the Opposition's Foreign Affairs Statement released last week. On the one hand, it claims credit - quite undeservedly - for ideas like APEC already initiated and put into effect by the Labor Government. On the other hand it makes clear that, in the unhappy event of a change of government, there will be no fundamental changes of direction: accordingly, despite having been a constant critic of Labor Government foreign policy over the last decade, the Coalition would become an unequivocal beneficiary of our effectiveness.

I think most objective observers would accept, without me having to beat the drum, that the period of the Hawke and Keating Governments has seen Australia more actively and effectively engaged in our own region, and in external policy issues generally, than ever before. I think it can fairly be said that no other Australian Government has so successfully grappled with Australia's place in the world, certainly not so consistently, over such an extended period and over so wide a canvas.

While I do certainly believe that external policy should be conducted on as bipartisan a basis as possible, and have always been willing to acknowledge and embrace good ideas coming from the Opposition (e.g. the Commonwealth-Sri Lanka initiative suggested by Senator Hill in 1990), the truth is that the Opposition over the whole period of the Labor Government has made no really significant intellectual or practical contribution to Australia's redefinition of its place in the world. It has overwhelmingly been preoccupied with sniping at Government initiatives from the edges, usually through press releases largely ignored by the media. An unfortunate corollary has been a tendency by Opposition spokespersons to talk down Australia - and Australian initiatives - in the region, and to constantly look for ways to criticise the Government on issues which should really enjoy bipartisan support.

Completion of our first ten years in Office is not a bad point from which to look back at objectives and achievements. As to objectives, the underlying rationale of Australian foreign policy is, as it has always been, the pursuit of national interest. For the Opposition to claim that its policy in Government would be based on "enlightened self-interest" is to do no more than make an unnecessarily orotund statement of the obvious.

What matters is how one defines and prioritises national interests, recognising that in the real world one cannot always achieve what one would ideally like to. The Labor Government has defined Australia's national interests, in very broad terms, as extending to geopolitical and strategic interests; economic and trade interests; and our national interest in being, and being seen to be, a good international citizen. I will sketch out in a moment the main specific priorities we have in fact pursued under each of those general headings.

The beginning of wisdom in the conduct of external policy is to recognise not only what your interests are, but the assets you can bring to bear in pursuing them, and the constraints that limit you. Australia's basic assets are that in economic terms we are a significant power (the 11th largest economy in the world, and the second largest market economy in the Western Pacific - still around the size of all six ASEAN countries put together); and that, in political terms, we are a respected middle power, with a strong internationalist tradition and a good reputation for creative and persistent diplomacy. The kind of foreign policy we have been crafting and implementing in recent years, one which

recognises both our capacities and our constraints, can be broadly characterised as middle power diplomacy with an Asia Pacific orientation.

Whether one pursues national interest objectives through bilateral, regional or global institutional channels depends entirely on the nature of the interest in question and how it can most productively be advanced. It simply makes no conceptual sense to say, as the Opposition Foreign Affairs Statement does, that Australia's foreign policy priorities should be recast so as to focus first on building bilateral ties, secondly on pursuing interests at the regional level, and thirdly, on participating in global multilateral forums: to do so is to confuse interests themselves with the operational means of pursuing them. Seeking "Good Relations" with other countries for the sake of good relations is diplomatic old-think: to be hard headed about it, good bilateral relations are important only to the extent that they contribute to the achievement of more specifically defined national interests.

Trade policy is the quintessential example of an interest that simply must be pursued simultaneously at bilateral, regional and global multilateral levels. Labor has always understood that it is necessary, in this sense, to be able to walk, talk and chew gum at the same time. And, despite all the misdirected criticism thrown about from time to time by people who should know better, that is exactly what we have done and will continue to do.

As to bilateral relations generally, certainly I would reject absolutely any suggestion that we have been somehow less than assiduous in building good overall bilateral relations with the countries most important to us. So far as Indonesia, Japan, China and Taiwan are concerned (identified by the Opposition as specific bilateral priorities) it may be worth stating what should be obvious: under the Labor Government, relations with Indonesia are better than they have ever been; we are forging an increasingly close, broad-ranging and mature partnership with Japan on a whole range of political and economic issues; the relationship with China has been fully restored after the obvious low of the Tiananmen massacre; and Taiwan (with whom a much more direct relationship has been established over recent years, but not in a way which has prejudiced our relations with the PRC) is now our sixth largest export market.

In reviewing the achievements of external policy under the Labor Government I think any fair-minded observer would regard as quite unfair partisan point scoring the Opposition's assertion that "Under Labor, Australian foreign policy has aimed to do too much, and achieved too little". Let me sketch just some of the record, first on the subject of geopolitical and strategic interests.

On regional security generally, we have been among the most persistent voices arguing for the evolution of a new approach in the aftermath of the Cold War - built on dialogue, recognition of interdependence, and a steadily increasing number of cooperative and confidence-building arrangements. Our whole approach to regional security, moreover, has been built on a fundamentally revised defence posture (as set out in the 1987 Defence White Paper), and a clear appreciation (as set out in my 1989 Ministerial Statement) that security has many more dimensions to it than simply military capability.

What were rather radical propositions just three or four years ago have now become the regional orthodoxy: not only has security been specifically added to the ASEAN and ASEAN Post-Ministerial Conference (PMC) agenda, but there are many proposals now abroad for enhancing that dialogue. The Opposition's endorsement last week of our approach to building a regional security policy on the foundations of dialogue at the ASEAN PMC was a welcome conversion, but a rather overdue one.

The best known example of Australia's middle-power diplomacy at work in a specific security context is undoubtedly Cambodia, where we did succeed in forging a consensus around the UN peace plan among an extraordinarily diverse collection of internal parties, regional governments and major power and great power patrons. The UN peace plan has obviously had its difficulties in implementation, and equally obviously remains somewhat fragile, but I strongly believe it will achieve its principle objectives - i.e. UN supervised elections, the adoption of a new constitution and installation of a democratic government, and the creation of conditions which will enable the rehabilitation and reconstruction of the country. And all this in an environment which, while not free of threat from the Khmer Rouge and not trouble-free more generally, will be much more peaceful than anything Cambodians have known over more than two decades of war, civil war, genocide, invasion and civil war again.

UNTAC has already achieved quite remarkable results in securing the registration, almost without significant incident, of 4.6 million voters, and the return - again without significant incident, and fully respecting the principles of freedom of choice - of now more than 300,000 displaced people from the Thai border camps. I am glad again to see that the Opposition on 12 February has now at last acknowledged that UN involvement in Cambodia has been a "valuable first", but the unhappy reality for most of the last two years is that the Opposition's major contributions on this topic have been to talk down the Australian Government's contribution to the peace plan, talk down the massive achievements that UNTAC has already recorded, and talk up every conceivable threat to the process. May I say finally on this topic that those of us intimately involved with this process have long since exhausted any reserves of naivete we might ever have had: the optimism I have about Cambodia's future is solidly and substantially based.

Australia's role in global, as distinct from regional, security matters will necessarily be limited. But we have been a prominent and effective voice on nuclear policy issues, particularly test bans and non-proliferation, with the South Pacific Nuclear Free Zone Treaty amounting to good regional testimony for that global effort. But middle powers, particularly those willing to deploy a little imagination and energy, from time to time can be very effective in building multilateral coalitions of support on some issues - often more effective, in fact, than greater powers who are almost inevitably perceived as having some axe of their own to grind.

Thus it was that we came to play an absolutely central role in last year's successfully concluded negotiation - after 20 years of trying in Geneva - of the Chemical Weapons Convention. Australia's efforts were very widely lauded at last January's Paris signing conference - particularly our energising the world's chemical industry to support the Convention at the Canberra Conference in 1989, our effort to bring the Asian and Pacific countries into the process with a series of technical and policy workshops, and above all our initiative in redrafting the whole convention text last year in Geneva to demonstrate that a workable document, with workable compromises on all outstanding issues, could in fact be produced.

On economic and trade issues, the most visible achievements during the Labor Government years have been the complete and effective integration of trade and foreign affairs into a single department, so as to ensure, among other things, that all our bilateral relationships have an economic at least as much as a political focus without wires being crossed along the way; the creation of the Cairns Groups in the Uruguay Round of multilateral trade negotiations; and the initiation of the Asia Pacific Economic Cooperation (APEC) process.

The Cairns Group had its origins in Australia's successful efforts, along with a number of other fair trading agricultural countries, to have agricultural issues included in the GATT negotiations for the first time; the task was then to follow that through and ensure that the United States and the European Community did not end up cutting a deal that may have been in their own interests but nobody else's. Over the last seven years the Cairns Group has played a crucial "third force" role which has been universally acknowledged, with Australia maintaining Chairmanship throughout. Despite the apparently endless manoeuvring in what should be the end game, and the dire prognostications that have gone along with it, there is every reason to believe that the Round will finally be concluded within the next 12 months. So much has already been agreed, so few really difficult issues still remain on the table, and so many countries have so much to lose now if the Round does fail, that that outcome is for all practical purposes now unthinkable (and universally regarded as such by the key players, even if they won't always say so publicly).

APEC, after being dismissed by the Opposition for most of the last three years as a "debating society", is now, I am delighted to see, accepted by it as "the most developed form of Asia Pacific regionalism". APEC is still very much at the institution-building stage, but significant achievements can be expected to flow from it over the next few years in sectoral economic cooperation, trade liberalisation and, in particular, in the new agenda of regional trade facilitation. Perhaps most importantly of all, APEC is the one international institution designed to find common ground between East Asia and North America: as such it is a very significant counter-weight to the ever-present pressures at work to break the world into three warring trade blocs, built respectively around the Yen, Dollar and Deutschemark.

Australia was not only the country which founded APEC, but we have been - I think it is widely acknowledged - the most persistent injector of new ideas into the process. Two of the most currently important of those ideas are Paul Keating's proposal for an APEC Heads Summit, hopefully sometime in 1994, and the very far-reaching proposals he sketched out just last week for achieving a much greater degree of integration over time in the Asia Pacific region.

It is obviously going to be some time yet before the concept of an Asia Pacific Free Trade Area, let alone any economic entity as integrated as the European Community, becomes remotely a reality in the Asia Pacific region. But our position is that in the meantime we should do nothing to inhibit the development of genuinely regional arrangements, and in particular we should do nothing which cuts across Australia's basic self-interest in achieving further trade policy integration with the economies of East Asia to whom we now send fully 60 per cent of our exports. In this context, there are a whole series of good, hard-headed reasons why we should be very cautious indeed about embracing any idea of a free trade agreement either with the United States or NAFTA (US, Canada, Mexico). I am glad to see that, in another overdue but welcome policy backflip, Dr Hewson has retreated from the very explicit enthusiasm he showed last year for Australia joining NAFTA, to a statement last week merely that "we will endeavour to benefit from the opportunities which could arise from the North American Free Trade Area".

Australia's interest in what I have described as being, and being seen to be, a good international citizen should not be understated as a third broad arm of external policy. It is not a matter of rounding out the inherently selfish pursuit of hard headed security and economic interests with some selfless do-goodism. Rather it is a matter of appreciating that the world continues to become a very much smaller place; that there are a number of problems impacting globe-wide or region-wide which can only be addressed by cooperative strategies transcending state boundaries (the environment, tourism, narcotics, refugees prominent among them); that the tackling and resolution of many of these issues has security and economic implications; and that in any event - even when there is no immediate national self-interest involved, as is often the case, for example, with human rights matters - there may still be reputational spin-offs for a country which is seen to be dedicated to trying to do the right thing.

This "new internationalist agenda", as it is sometimes described, is obviously so potentially vast as to be capable of absorbing, were we to allow this, nearly all our external diplomatic resources necessarily, therefore, a country like Australia has to be selective, and we have been.

The initiatives about which Australia can I think be most proud in this respect in recent years have been Antarctica - where we succeeded - after only two years of full scale international campaigning with France - in introducing a minimum 50 year moratorium on mining, oil drilling and exploration; and South Africa where, through the Commonwealth, we led the way internationally in articulating the case for financial sanctions, and in developing a strategy for the progressive easing of all forms of sanctions, including the sports boycott, in a way that would keep pace with the development of reform momentum within the country. The latter is one area where the Opposition seems absolutely unwilling to revise its traditional resistance to any form of effective pressure on South Africa, but hopefully sufficient momentum is now developing behind the constitutional process in South Africa as to make this particular debate largely academic for the future.

Some of the other "third agenda" areas where we have been particularly active behind the scenes are human rights (both with bilateral initiatives and representations, and a high profile at the United Nations), and in the area of UN reform - where we have been a persistent and reasonably effective voice in recent years in encouraging a rethink of the UN's role and responsibilities, particularly in the context of security matters, and the resources and administrative rearrangements necessary to match them.

Looking to the future, I would expect an absolute continuity of the approach I have described today if Labor is returned to Office. It will be a matter of steadily working away in all the major interest areas, focusing particularly on the further development of the Asia Pacific community, and our place in it, but not to the exclusion of efforts elsewhere where they fit the overall pattern of Australia's interests and we are capable of productively pursuing them.

If pressed to identify a set of priorities for Labor's fifth term I would think that - as a rough guide only at this stage - they might be expressed as follows:

(1) Consolidate Australia's economic integration into the Asia Pacific Region: especially by further developing regional economic cooperation and trade and investment liberalisation through APEC, by active pursuit of bilateral trade expansion strategies, and by further building Australia's official trade and diplomatic presence in the region;

(2) Contribute to continuing global trade liberalisation: especially through the conclusion and reinforcement of the Uruguay Round of multilateral trade negotiations, and support for institutions (like APEC) and measures designed to avoid the formation of warring trade blocs;

(3) Strengthen the Asia Pacific regional security environment: especially through the further development of dialogue, confidence-building measures and formal defence cooperation arrangements, and through cooperative efforts to resolve specific regional security problems and "non-military" threats to security (environment, refugee flows, terrorism, narcotics and the like);

(4) Actively work for further arms control and disarmament measures: especially extension of the Nuclear Non-Proliferation Treaty, implementation of a Comprehensive Nuclear Test Ban, effective implementation of the Chemical Weapons Convention, extension of the Missile Technology Control Regime and zones free of weapons of mass destruction, and registration and limitation of conventional arms transfers;

(5) Support for a strengthened and more effective United Nations: especially through enhanced UN capacity for preventive diplomacy, peacemaking, peacekeeping and peace-enforcement; through reordering its priorities and streamlining its administrative capacity, particularly in economic and social policy areas; and setting its finances on a sounder footing;

(6) Support for the application of universal human rights and democratic principles: especially involving the development and implementation of bilateral and multilateral strategies likely to be productive for countries in the Asia Pacific region, including Burma, China and Vietnam; and

(7) Maintain a strong commitment to overseas development assistance: including no budget reductions; an increase in the ODA/GNP ratio to 0.4% in the first instance and ultimately to 0.7%; a continued focus on the Asia Pacific region (though not to the exclusion of critical humanitarian needs elsewhere); a balanced commitment to immediate poverty alleviation and longer-term development; recognition of environmental, human rights, good governance and women in development criteria; and recognition of the role of aid policies as an integral element of external policy generally.

As I have to concede on occasions to my Asian interlocutors, democracy is not without its dangers for even the best intentioned and best performed of governments. I certainly hope that the fates, and the Australian electors, will allow us to continue - with all the experience we have now accumulated, and particularly with all the continuing total commitment we have demonstrated to our own region - to have the responsibility for the conduct of Australian foreign and trade policy.

But whatever the fate of the present Government may be, and my own within it, I can only say that I could have sought from public life no greater honour than the opportunity to be Australia's Minister for Foreign Affairs and Trade for nearly five years in perhaps the most tumultuous and exciting period of world history this century, and certainly in what has been a watershed period for Australia in defining its identity and role in this region and in the world.

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