THE BROOKINGS INSTITUTION
CENTER FOR NORTHEAST ASIAN POLICY STUDIES

HIS EXCELLENCY DENNIS RICHARDSON
THE AMBASSADOR OF AUSTRALIA TO THE U.S.

CNAPS Roundtable Luncheon
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PROCEEDINGS

RICHARD BUSH: Good afternoon. My name is Richard Bush. I'm the director for the Center for Northeast Asian Policy Studies. It's my great pleasure to welcome you all here today.

It's my even greater pleasure to welcome our guest of honor and speaker, His Excellency Dennis Richardson, the Ambassador of Australia to the United States. We will not abuse his human rights and ask him to speak before lunch. We will not abuse your human rights by asking you to listen before lunch. But please enjoy your salad and your entree and we will be back with you in a little while.

Bon appetit, and we'll be back to you in a few minutes. Thank you very much.

RICHARD BUSH: Ladies and gentlemen, if I could have your attention again. Thank you for coming to this brownbag--"brownbag"--excuse me.

[Laughter]

RICHARD BUSH: --this roundtable luncheon. It's a pleasure to have you. It's also a great pleasure for us at Brookings to welcome His Excellency Dennis Richardson, the Ambassador of Australia to the United States as our speaker.

Ambassador Richardson began as a Foreign Service officer for Australia. He served in a number of postings. Around 1989, his career branched off and he served in a variety of non-diplomatic posts. He served in the prime minister's office under Prime Minister Robert Hawke. At a time when Australia was taking some important diplomatic initiatives, first of all in the peace process in Cambodia and also in the formation of APEC, he served a couple of times in Australia's Department of Immigration and Ethnic Affairs. He served a couple of times in Australia' intelligence services.

But the United States is very glad he's returned to diplomacy. He became ambassador to the United States on July 11th of last year, and we're very pleased now that he's joining us today to talk to us.

Without further ado, Ambassador Dennis Richardson.

[Applause]

AMBASSADOR RICHARDSON: Thanks very much, Richard, if I could thank you and the Center for Northeast Asian Policy Studies here at Brookings for the invitation. You have a proud record of scholarship here. Working as we do just down the road at Scott Circle, we could almost throw a net over some quite incredibly impressive brainpower that resides within a short walking distance of where we work. And to some extent, part of the embassy's role is, in fact, to be a country's think tank here in

Washington. So in a funny sort of way, this is the Australian Embassy participating in everyday life which goes on around us on Massachusetts Avenue.

I'd like to say a few words about Australia and East Asia. Afterwards, I would be very happy to take any questions and the like. I'd like to cover off on Australia, regional architecture--China, Japan, Indonesia, and the U.S. itself--just cover a few things, obviously not extensively.

Australia's geography, history, and national interests dictate that, while our most immediate interests and responsibilities will always be in our region, however that might be defined, we have global interests that require strong relationships with all centers of global power. As a people, Australians have always been outward looking. A yearning for isolation has never been an element in our national psychology. Rather, a real fear of isolation has been strong in our national psyche.

That we are outward looking is hardly surprising when you consider that 23 percent of all Australians were born in another country, compared to the 12 percent of Americans born overseas. And 40 percent of Australians have one or both parents born overseas. Twelve million Australian passports are on issue in a population of 20 million. Indeed, about a million Australians, or 5 percent of our population, are overseas at any one time.

As the worlds' 13th-largest economy, our economic interests are understandably global. Taken as a single entity, the European Union is Australia's largest trading partner. Our largest investment partner is the United States. You are the largest foreign investor in Australia, and we are the eighth-largest foreign investor here in the United States. Our largest export markets and our fastest growing economic relationships are in East Asia.

For many years, Australia's foreign policy was actively engaged in East Asia, as witnessed by our support for Indonesia's independence in the 1940s--despite the then-views of U.S. and U.K. governments--and our central role in the creation of the Colombo Plan, a sort of mini-Marshall Plan, in the early 1950s. Whether it be the Cambodian peace process in the 1980s, the formation of APEC in 1989, the response to the regional economic crisis in 1997-98, East Timor in 1999, or the response to the tsunami in 2004-5, Australia has been there, front and center.

But the nature of Australia's engagement in East Asia has broadened considerably over the past 30 years. In 1974-75, not one country in East Asia outside of New Zealand was amongst Australia's top 10 source countries for new arrivals. But by 1984-85, Vietnam, Hong Kong, the Philippines, China, and Malaysia were so numbered. And the prominence of East Asian countries in immigration to Australia has continued.

Today, East Asian countries constitute seven of the top twelve countries for tourism into Australia. The top five countries in 2004-5 were, in order, the U.K., Japan, the United States, South Korea, and China. East Asia is the overwhelming source of foreign students into Australia. And as an indicator of a rapidly expanding economic

relationship, look at the top five source countries for short-stay business visitors to Australia in 2004-5. There were over 78,000 from China, just over 49,000 from the United States; there were 27,000 from the U.K., just under 20,000 from Japan, and 18,000 from India.

If the nature of Australia's interaction in East Asia has changed, so, too, has the region itself, both strategically and economically. The end of the Cold War threw East Asia into greater relief as a region of strategic change. Interstate conflict in Europe is now difficult to conceive; not so in East Asia, in which are located two of the world's most volatile flashpoints, the Taiwan Strait and the Korean Peninsula. And one of the fronts in the war on terrorism resides in Southeast Asia. In terms of challenges posed by nation states and their interactions, America's strategic fortunes in coming decades will be shaped more by developments in Asia and the Middle East than elsewhere. And this is, I think, well understood here in Washington.

Over the past 15 years, East Asia's economic growth has averaged around 7 percent per year. In 1960, East Asia made up around 11 percent of global GDP. Today it is around 21 percent. As East Asian economies have become more important globally, they've also become more open--one of the great ironies being the beginnings of the opening by Communist China of its economy before the economic reforms of democratic India.

In a landmark address in April 2005, our prime minister, Mr. Howard, said: Australia approaches our rapidly changing region with clear assumptions and strategies and a sense of optimism. We recognize Australia's diversity, taking account of how differences in power, institutions, and aspirations shape regional politics. We seek to engage most substantively with those countries with which our primary strategic and economic interests reside. We believe that what matters most for our regional engagement is the substance of relations between countries, more so than any formal architecture of diplomatic exchange. We recognize that advancing our security and prosperity in the region requires a balance of principle and pragmatism, and we adopt a flexible approach to this task, one that combines bilateral, regional, and multilateral instruments and that elevates results over process.

The balance of principle and pragmatism is evident in Australia's approach to major regional issues and to its key bilateral relationships. As the region has become more confident, it has become more interested in finding its own paths to regional cooperation. There has been a proliferation of interests in East Asian regional architecture. It is true that regional architecture in East Asia can appear somewhat messy, is still developing, and does not sit easily with those who aspire to neatness and order. But where we are today can only be properly appreciated within the framework of history.

Fifty years ago, the embryo of what is today's European Union was stirring. In East Asia, China was led by Mao Tse-tung, the Korean War had not long ended, and the developing situation in Indochina would lead to the Vietnam War of the 1960s and '70s.

There was no indigenous regional architecture. That would not come until the late 1960s, with the formation of ASEAN. And ASEAN's Regional Forum, which remains central in its own right, provided a key in addressing post-Vietnam War issues such as the outflow of refugees.

As we all know, the first meeting of APEC Foreign Ministers took place in Canberra in late '89 and its first Heads of Government meeting in Seattle in 1993. 2005 saw the first meeting of the East Asia Summit. And in addition to APEC and the EAS, there are ad hoc arrangements addressing specific issues, such as the Asia Pacific Partnership for Climate and Development, the core group which responded to the tsunami disaster, and most significantly, the Six Party Talks in which the United States is central. It is difficult to believe that somewhere down the track there will not be further change to existing regional architecture. But the pace of change in regional architecture cannot be forces nor can models be readily copied from other experiences in different regional and historical settings.

Australia has no greater friend in Asia than Japan, our largest export market for almost 40 years and a strategic partner for regional peace and prosperity. Australia signed its ground-breaking commerce agreement with Japan in 1957, the first such agreement signed by Japan post-war. It was controversial at the time in Australia, coming as it did just 12 years after the cessation of hostilities, but it proved far-sighted, opening up an extraordinary resources trade that fed Japan's so-called miracle economy.

With the end of the Cold War, Australia has actively encouraged Japan to play a greater security role regionally and globally. We have done so on the basis that Japan's post-war outlook has been unambiguously peaceful and democratic--safely anchored in the U.S. alliance--and a commitment to global multilateral institutions. We have welcomed and encouraged Japan's important out-of-area security responsibilities in recent years, including in East Timor, Afghanistan, and in Iraq. It is a welcome sign of a more confident Japan assuming its rightful place in the world and in our region. The trilateral strategic dialogue between Japan, Australia, and the United States has added a new dimension still to the relationship.

It is fashionable to talk about the rise of China and stress the importance of the U.S.-China relationship to the strategic future of the region. I agree. But in saying that, we should not take for granted or ignore the significance of the U.S.-Japan relationship, which is equally fundamental. Certainly any negative shift in U.S.-Japan relations, of which we see no sign, which heightened Japanese strategic anxieties, would negatively affect the entire system of regional security in East Asia. A Japan with a developing sense of isolation is something we must avoid.

China's rise looms large in everyone's thinking. In Australia, the public debate about China has a different tone to some aspects of the debate here in the United States. I suspect that one reason for this is that China's rise has been factored in at a national psychological level in Australia over quite some time. Indeed, a major study commissioned by the Australian government in the late 1980s, and headed by the eminent

economist Ross Garnaut, was entitled, "Australia and the Northeast Asian Ascendancy." That study was published in 1989, almost two decades ago.

Australia welcomes China's constructive approach to a range of security matters in recent years, from the war on terror to the Korean Peninsula. And in the context of our one-China policy, we continue to urge a restrained and peaceful resolution of issues across the Taiwan Straits. Australia's relations with China and the United States are of a different character. We are friends with both, we are allies with one.

Paul Wolfowitz was once quoted as saying of his transition from working in the Middle East to East Asian issues, "I felt that I was going from a part of the world where people only know how to create problems to a part of the world where people solved problems." That comment fits very well with our perception in Australia that East Asia is a region where leaders are interested in getting things done.

We see China very much in those terms. Its leaders are pragmatic, have become less ideological over time, and are very clearly focused on internal issues. Those issues are very serious--corruption, financial solvency, resource imbalances, environmental and health challenges, and so on.

It is legitimate and necessary to ask questions about and to scrutinize closely the reality and intent behind China's military modernization. As the Australian government noted in its recently released National Security Update, "The pace and style of China's defense modernization may create the potential for misunderstandings, particularly with the development of new military capabilities that extend the strike capability and sustainability of its forces. It is important that the development of China's military capability is transparent and that its capability decisions remain consistent with its legitimate security needs."

But of all the policy decisions that China's leaders could make that could affect the wider region, its internal policy decisions rank highly. How China manages its economy and politics matters greatly to others. The question for Australia is not whether China's growth is innately good or bad. Australia made up its mind long ago that it was a good thing. China's growth is unambiguously good for Asia and unambiguously good for the United States. Think of the consequences for U.S. interests if China's growth were to fail. The question, rather, is to what extent China's rise will change the system in which it rises. Can it play by the rules, or will it change the rules? We in Australia want China to play by the rules, just as Australia, Japan, and others do, and we have every reason to believe that it will do so.

I think Bob Zoellick's approach to China got the balance right. His approach does not seek to label China as a problem or otherwise, but is instead an invitation to a genuine two-way conversation with China. That conversation has to include some tough questions about China's actions and intentions, but the important thing is that it's a dialogue.

When we think of democracies in East Asia, we think of Australia and Japan. We note the political transitions in a range of countries such as the Republic of Korea, Taiwan, Thailand, and elsewhere. All too often, there is insufficient reference to Indonesia. No sensible discussion about East Asia can or should exclude Indonesia. Think of its significance: The world's fourth most populous country, the world's third largest democracy, and the world's largest Muslim nation. By any measure, it is pivotal, even more so in the context of the global dimensions of terrorism and democracy and the challenges terrorism poses not only to our own societies but to those in countries such as Indonesia. For Australia, for the region, and, I would argue, the United States, Indonesia is critical.

We welcome Indonesia's direction in recent years, especially under President Yudhoyono. We also welcome the significantly increased U.S. engagement with Indonesia over the past 12 months. We believe, for instance, it was a proper recognition of real change when the United States recently restored military-to-military ties with Indonesia.

Active United States involvement in East Asia is central to the region's peace and prosperity. All countries in the region benefit enormously from the security and trade which the United States brings to the table. Unlike Europe, East Asia is still subject to profound and enduring great-power competition. Without the United States' strategic involvement in East Asia, issues involving China and Japan could take on a different dimension. Without the United States ensuring maritime security in the Western Pacific--critical for the thirsty giants of Northeast Asia--that maritime security would be difficult to provide. Without the United States, North Korea's nuclear activities could lead to a cycle of proliferation throughout the region, possibly destroying any chance of a harmonious region this century.

And, I think, all too often countries in the region are publicly silent in respect of the U.S.'s role in the region. Privately a lot is said; publicly, too often, not enough is said. For what it's worth, and from where I sit, the United States takes a far more sophisticated diplomatic approach in East Asia than is often assumed. Too often, commentators feed off the fire and brimstone from particular places rather than the measured and thoughtful approaches by the administration itself. China is not eating the U.S. lunch in East Asia, and it would be a mistake to allow that emotion to drive policy.

Thanks very much. That's all I wanted to say. I'm very happy to take any questions.

[Applause]

RICHARD BUSH: Thank you very much, Mr. Ambassador, for that comprehensive look. If you would just field the questions yourself. For people who are asking questions, if you could identify yourself and your affiliation.

Alexander, if you could ask the first question.

ALEXANDER VORONTSOV: Thank you very much for a very interesting presentation.

Your Excellency, I have a question dealing with the Australia-North Korea relationship. Recently North Korea addressed your country's parliament with a request to restore the educational program for North Korean specialists in your country, a request to accept a few people to continue the education in agricultural and industrial fields. But as I know, unfortunately, Australia rejected this request. What was the reason? Thank you.

AMBASSADOR RICHARDSON: Well, we do have diplomatic ties with North Korea. We would like to see North Korea continue to come further along the road in the context of the Six-Party Talks before we go too far in our relationship with North Korea.

QUESTION: Julia Chang Bloch, the U.S.-China Education Trust.

Ambassador, historically Asia has had a hard time accommodating both China and Japan, powerful at the same time. I wonder how you and Australia view the increasing deterioration in the relationship between the two countries. Now, implicit in that deterioration, of course, is the issue of power. But also there is a question of history. And given what you said about Japan, obviously Australia has overcome the question of history with respect to Japan. I wonder if you have any comments also on how China and Korea could overcome the question of history with respect to Japan, because I don't see a solution to the relationship problem without Japan addressing that issue.

AMBASSADOR RICHARDSON: I would have no useful or insightful suggestions to China and Korea in respect of history in China. There are real issues of perception there in the region. Japan, I think, needs to give serious consideration to those issues, and at the same time, China and Japan--particularly China--should not do anything to deliberately raise the temperature of the water.

I don't know how it will be resolved over time. I would simply repeat one of the themes in my speech, and that is it's precisely because of some of that interaction and history that you rightly point to that. I think active U.S. engagement in the region is really quite important and is also terribly constructive.

THOMAS RECKFORD: I'm Tom Reckford with the World Affairs Council.

You mentioned in your talk briefly the East Asian Summit, which, as you know, caused a bit of heartburn in the U.S., particularly in the run-up to the meeting. What is Australia's view about the success of the meeting and what might happen in subsequent ones?

AMBASSADOR RICHARDSON: Well, we were happy with the meeting. It was a first meeting. First meetings of that kind are always going to be relatively tentative. It looks as though there will be annual meetings of the East Asia Summit. I think it's too

early to tell how it will develop, where its focus will be, how it will fit with APEC. You know, you have APEC, you have the East Asia Summit, you have the ASEAN Post-Forum dialogue and the like. How those three institutional arrangements work together over time, I think it's just very hard to tell.

I would simply repeat again a message in the speech. I think there's a bit of a tendency for some people to want to push it. There's a bit of a tendency for some people to feel uncomfortable with the arrangements as they are because they're less than satisfactory from one perspective. They overlap; they require a considerable commitment of time. But I think, put in historical perspective, I think we've come a long way, and I think we ought to be patient. And I think over time, I don't know how, but over time some of those concerns about the overlapping arrangements will, I think, sort themselves out. But we shouldn't artificially push it.

ERIC MCVADON: Eric McVadon, Institute for Foreign Policy Analysis.

Mr. Ambassador, you mentioned what you kindly described as a sophisticated U.S. role in East Asia. I wonder, with respect to our policies, American policies with respect to North Korea and the cross-Strait issues, are there things that particularly worry or inspire confidence in Australians?

AMBASSADOR RICHARDSON: Well, I think the role of the U.S. in the Six-Party Talks has been laudable. I think the U.S. has been patient. I think the U.S. has sought to be creative. And the Six-Party Talks do involve five others. I think it's simply unreasonable for people to look to the U.S. and the U.S. alone. I think there are things in those talks that we would like to see movement on, and it's not movement from the U.S; it is movement by others, particularly North Korea.

Equally, I think in respect of the Taiwan Strait, I think, again, if you go back to the mid-1990s and come fast-forward to 2006, the lowering of the temperature and the atmospherics around the Taiwan Strait, I think, have improved considerably. And the U.S. has played a role in that, obviously along with China. But I think, again, the U.S. has played a constructive role.

It's just very easy for commentators to see the U.S. as the world's sole superpower and to characterize it as blundering around the planet, treading on toes. I think, given the range of challenges the U.S. confronts globally and given the decision-making it's involved in every day, not everyone is going to be happy with the decision-making that sometimes emerges from Washington. But I see an administration that--when I was thinking about this speech, I could only think of one word ultimately to describe U.S. policy approaches in East Asia, and that was "sophisticated." And I think U.S. diplomacy in East Asia meets the dictionary meaning of the word "sophisticated."

SELIG HARRISON: Selig Harrison of Woodrow Wilson Center.

I wonder if you could tell us about the Australian negotiations with China to supply uranium for the civilian nuclear program of China. Particularly, one issue interests me and that is the type of safeguards that you're going to require for this uranium arrangement. Will they be in-perpetuity safeguards that will require that the reactors getting Australian uranium will always be used for civilian purposes; or will they, as in the case of the United States safeguards involving reactors, really be able to shift back and forth? If they decide they want to use one of these reactors later for military uses, will that be permitted under the type of safeguards you're negotiating?

AMBASSADOR RICHARDSON: My understanding is in respect to the last part of the question, the answer is no.

QUESTION: [inaudible]

AMBASSADOR RICHARDSON: Well, you wouldn't be able to shift from peaceful purposes to military purposes. And the safeguards we--I mean, Australia has always been concerned about proliferation issues and the like. I know this isn't one of them. But any agreement we negotiate with China in respect of the sale of uranium will be consistent with our international obligations. I don't mean that in squirmish diplomatic terms, I mean that in genuine hard-headed terms.

It is important to us. Australia will, through the course of this century, emerge as one of the great energy exporters on this planet. We already are. We are the world's largest exporter of coal. We are currently the world's seventh-largest exporter of LNG and, within the next 10 years, we'll probably be second- or third-largest exporter of LNG in the world. We have about 40 percent of the world's known commercial reserves of uranium. So when you put our uranium resources, our coal, and our LNG together, we are now and we will become an even more significant energy exporter.

Particularly in the coal and the LNG, those contracts go into Northeast Asia, primarily with China, Japan, and Korea. Uranium; quite obviously the export of uranium to China would break new ground. But as I said, we're approaching those negotiations consistent with our international responsibilities. We won't be creatively interpreting our international responsibilities.

MICHAEL MCDEVITT: Michael McDevitt from Center for Naval Analyses.

You mentioned in your presentation indigenous organization from Asia and what have you, specifically highlighting APEC. It strikes me that the Five Power Defense Arrangement is also an indigenous security-oriented organization, although I recognize its initial roots with regard to Indonesia. But recently the FPDA has expanded its mandate toward the war on terror. Could you talk a little bit about what is Australia's vision for the future of the FPDA and how it might play a role in security, at least in Southeast Asia?

AMBASSADOR RICHARDSON: Just by way of clarification without wanting to be picky, I used the word "indigenous" in the context of ASEAN, not in the context of

APEC. I mentioned that ASEAN was East Asia's first indigenous--and I deliberately used the word "indigenous" because it would be possible to argue that the Five Power Defense Arrangement, including as it does the United Kingdom, is not indigenous; whereas ASEAN consists of memberships entirely within the region. In the same way as one might have mentioned the Five Power Defense Arrangements, one could have mentioned SEATO, but I didn't.

In terms of the Five Power Defense Arrangements, they're particularly relevant in terms of ourselves, Singapore, and Malaysia. I think they do have some relevancy in terms of maritime security, but I think the countries of Southeast Asia--Malaysia, Singapore, Indonesia, Thailand, Philippines, Brunei, which all have a very real stake and form the land through which the waters of the Straits of Mullaca and other straits flow and which is the major waterway between the Middle East and Northeast Asia in terms of movements of crude oil and the like. I think any role for the Five Power Defense Arrangements there has to be in cooperation, in coordination with other countries that aren't necessarily part of it, such as Indonesia. In other words, it needs to be regionally based. And I think that's the way, increasingly, that countries in the region think and talk about it.

JAMES TANG: Mr. Ambassador, I'm James Tang from Brookings.

I have a question on the identity of Australia in the region. I think the conventional wisdom is that Australia is geographically and maybe economically in the region, but culturally and socially it's not quite. What you described just now, of course, developments in Australia, developments in the region, seem to suggest that there might be some changes.

Do you think the regionalization process in the region would accommodate a country like Australia, with a very different sort of cultural identity compared to other Asian countries, or do you think Australia itself will also develop a more complex self-identity vis-à-vis both the region and the Western world?

Thank you.

AMBASSADOR RICHARDSON: Well, what would be my starting point for something called an Asian culture? Would it be people of Melanesian origin in the eastern islands of Indonesia? Would it be the people on Java? Would it be people in Central Philippines? Would it be the people of Western China as opposed to people along the coastal parts of China? Would it be Japan?

Using broad terms, Australia is a Western country. That is part of our history. That's part of the history we're proud of. We don't see that as a barrier to our involvement in East Asia, nor do we think we should artificially think about issues of culture and society in order to meet some sense of what being Asian is. We engage with the countries in our region, on their terms and our terms. We are what we are; others are what they are.

And I don't think you can change that. Nor do I think you should artificially seek to change it even though, as a country, we have changed enormously over time.

Indigenous Australia, of course, was present in the land mass long before European settlement. European settlement was overwhelmingly British. The third act of an independent Australian parliament in 1901 was the White Australia policy. That remained in force until the '60s, '70s and had a big impact. Ford it was not until 1983 that the number of Chinese born in Australia equaled in absolute numbers the number of Chinese born who were in Australia 83 years before, at the turn of the 19th-20th century. So the White Australia policy had a big impact on our ethnic composition.

Over the last 30 to 40 years, our country has continued to evolve. And as I mentioned in the speech, 23 percent of Australians were born overseas. Five of the ten largest source countries for immigration into Australia are from East Asia. And I exclude from "East Asia," just for the purposes of the exercise, India and Sri Lanka. If you were to include India and Sri Lanka, then something like seven or eight of the top ten source countries for immigration into Australia reside within the region.

So what we look like in 100 years' time, who knows?

RICHARD BUSH: On that visionary note—

[Laughter]

RICHARD BUSH: --we will bring the “brownbag luncheon” to a close.

[Laughter]

RICHARD BUSH: Thank you, Mr. Ambassador, for an illuminating time, talk, and questions and answers. It's been our great pleasure to have you. I'd like to present you with a small token of our appreciation. Please consider yourself welcome to come back at any time.

AMBASSADOR RICHARDSON: Thank you very much.

[Applause]