

AUSTRALIA AND CHINA: A CONVERSATION WITH PAUL KEATING

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La Trobe University, Sydney Campus

Level 1, 255 Elizabeth Street, Sydney

Speakers:

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The Honourable Paul Keating, 24th Prime Minister of Australia

Professor James Curran, Professor of Modern History, University of Sydney

Transcript

PROF SUSAN DODDS:

Hello, I'm Professor Susan Dodds and I'm the Senior Vice Chancellor for Research at La Trobe University. I'm delighted to be here tonight in Sydney for tonight's Ideas & Society event - *Australia and China: A Conversation with Paul Keating*. I would like to acknowledge that the Gadigal people of the Eora Nation are Traditional Custodians of the land on which we are broadcasting, La Trobe Sydney campus. And I pay my respects to the Elders past and present.

Welcome to the fourth event in this year's Ideas & Society program. The 13th year that Emeritus Professor Robert Manne, La Trobe University's Vice-Chancellor's Fellow, has presented Ideas & Society. Ideas & Society brings together eminent Australians to consider the big issues facing our nation and the world. This year's previous events have examined Russia's war on Ukraine, the crisis in Australia's aged care homes and Australia's handling of the COVID 19 pandemic.

After tonight's discussion, the next event in the series is on 25 October, where Tim Flannery will talk with Ross Garnaut about his new book, *The Superpower Transformation: Making Australia's Zero Carbon Future* which incidentally is published by La Trobe University Press. You can register via the La Trobe website. The final event of the year in November will be a discussion on the role of the Greens and Teal independents in the newly elected federal parliament, moderated by Cathy McGowan, another La Trobe University's Vice-Chancellor's Fellow; with Adam Bandt and Max Chandler-Mather of the Greens; Zoe Daniel, Teal independent and Simon Holmes à Court, the founder of the climate initiative that supported the election of several Teals to the House of Representatives.

Now to tonight's event, the topic and our speakers barely need any introduction. There's



been a huge interest in this event, in fact we've had well over 3500 registrations, which is one of the most popular discussions the University has ever held. Australia's location in Oceania, between the Indian and Pacific oceans, means we should not, and cannot ignore the forces at play in our region, especially those fundamental to our future. China's rise as a military and economic power is one such factor. We also find ourselves caught up in the deterioration of diplomatic relations between China and the United States.

If anything, problems only escalated during the pandemic, with trade embargoes, accusations of espionage on both sides, and new tensions related to Taiwan and Xinjiang. There is presently the threat of a 'new cold war' between these two powers, and it is apparent that relations are unlikely to improve much under President Biden. What does this mean for our region? For our trade and security? How does this affect human rights considerations, or the global fight against climate change? After the AUKUS Treaty was created by the Morrison government, how much will Australia's approach to China change under Albanese? And what does our response to China mean for our relationship with the United States?

Moreover, what is the policy dynamic between Washington, Beijing and Canberra? We are delighted that the former Australian Prime Minister, with deep experience and expertise, is here to consider these and other questions, with one of the nation's most astute historians and foreign affair commentators. It's my honour to introduce our distinguished guest – the honourable Paul Keating served as Australia's 24th Prime Minister from 1991 to 1996 and was Treasurer of Australia from 1983 to 1991. His political legacy includes fundamental economic and social reforms including deregulation of Australia's financial, product and labour markets, establishment of Australia's compulsory superannuation system, Native Title legislation and the formation of the APEC leaders meeting. Mr Keating's books include *Engagement: Australia faces the Asia Pacific* which was published in 2000 and was translated into Chinese and Japanese, and a collection of post-Prime Ministerial speeches, *Afterwords*. Mr Keating continues to contribute to public debate on Australian and international economic issues, geopolitics, foreign policy and security and superannuation. He specialises on the geostrategic settings of East Asia.

And Professor James Curran is Professor of Modern History at Sydney University and a foreign affairs columnist for the *Australian Financial Review*. He has written policy paper analyses for the Lowy Institute and China Matters. James served as the Keith Cameron Chair at University College Dublin and was a Fulbright scholar at Georgetown University. Prior to becoming an academic, he worked in the Department of Prime Minister and Cabinet and as an intelligence analyst at the Office of National Assessments. James has published a number of books on Australian political culture and foreign affairs. His book, *Australia's China Odyssey: From Euphoria to Fear*, is published by New South Wales Books. I am very pleased to hand over to James, to get the discussion underway. Thank you.

PROF JAMES CURRAN:

Thanks very much Professor Dodds. I would also like to extend my thanks and gratitude to



Emeritus Professor Robert Manne, convenor of the Ideas & Society program at La Trobe University, and can I thank all of you who are in Australia and indeed around the world, who have tuned in tonight to this discussion to listen with Paul Keating.

I think the debate with China and Australia's foreign policy has tended to be overly presentist. There are of course, understandable reasons for this, but one of the problems with that is that historical and contextual ballast is often sacrificed. Mr Keating and I have agreed in a pre-event discussion that this conversation should be about the tectonic forces of history that move beneath the surface of political events. And that we are about trying to discern the underlying patterns of international affairs, rather than picking at disconnected shards.

Now, a few years ago, former US national security advisor and secretary of state Henry Kissinger said that he was concerned that today's leaders no longer have the time to think historically. He worried that the current crop of politicians is struggling he said, "to develop a perception of the world and of themselves". Kissinger went on to say, and I quote him, "We should deepen the current cognitive exercise to a level that is more compatible with conceptual thinking, and less geared to the immediate emotion."

That's what we are about tonight in this discussion which is about to follow. Paul Keating is a leader, and I don't think it needs any elaboration, who bought to office certain ideas about the world. Ideas which were grounded in view of history and the role of leaders in history, and which drew on a lifetime of thinking about the interplay of identity and culture. Paul Keating, thanks for making the time.

HON PAUL KEATING:

Thank you James, very glad to be here.

PROF JAMES CURRAN:

With that introduction in mind, and our purpose here, I want to take you back 80 years ago this year. The fall of Singapore, 1942. You were born two years later, in 1944, and the following year your uncle Billy died on the Sandakan-Ranau Death March. You've said consistently throughout your career that the Second World War "dragged us into Asia" and that as a result, there should have been no utterly dependent enmeshment with great and powerful friends, as there had been before. The strategic alignment with Britain to that point had clearly broken down.

As you have pointed out on many occasions – and I quote you – "we were alone and palely loitering" in this part of the world. How many times do we want to be shown this lesson about the folly of dependence?

HON PAUL KEATING:

Well, I should've thought that having been shown once and importantly in 1942-1945, we wouldn't have to learn it again, that a society which has inherited a continent, and I used to say in my cabinet, when they were giving out continents, not many people got one. We have no border with another state. We have a continent and therefore our capacity to

lead decent life here, to maintain the safety of our citizenry, to be able to reasonably defend the country if we need to, are all things that we are entirely capable of. If you look at our recent experience in the 1980s and 90s, it is clear that we were able to do that.

That is not to say that we told friends we don't need them anymore, like the United States for instance, or we don't appreciate them. But the problem of enmeshment, geostrategic enmeshment, means that you compromise your foreign policy action and you outsource it to another state. That is what the enmeshment does.

Whereas for instance, the last thing I did as prime minister, I entered into essentially a mutual defence pact with Indonesia. This is the Treaty on Maintaining Security that I entered into with President Suharto. 20 million of us, reasonably technically smart, 250 million of them. Between the two of us, really, able to resist any regional pressure, if you like.

In other words, left to ourselves, we can do these things. I put together the APEC leaders meeting from a cold start, with George Herbert Bush, Gareth Evans put together the Cambodian Peace Accords and the Chemical Weapons Convention. We were able to do these things and build our submarines. Kim Beazley and I were the moving force behind the Collins Class submarines. The key is, if you own a continent, the need is to keep other people's feet from it.

You want sea denial capability, and we are able to do our own sea denial capability, run an intelligent foreign policy, without being owned by the United States or anyone else. It's not intelligent to be owned.

PROF JAMES CURRAN:

No, that's right.

I want to take you back then 30 years ago to 1992. You mention some of the things you initiated as Prime Minister. In early 1992, you were a brand-new Australian prime minister and had just taken over from Bob Hawke in December 1991. You are coming to office at a period, towards the end of the 20th century, when a great epiphany has just taken place in terms of the geopolitical structure at the time: the end of the Cold War, and the Soviet Union is wrapping up.

An opportunity is presented at that time to leaders such as yourself and of course, the president of the United States, for wise and prudent statecraft. How did you see the opportunity at that point? And how did it relate to a particular view of history that you brought with you to office, that you had been thinking about really since you were a young man, with some of the books that you had been reading: about leaders like Churchill and Roosevelt, that had captured your imagination and propelled you into political life.

HON PAUL KEATING:

Well, Mikhail Gorbachev let the Soviet Union down carefully, and President George

Herbert Bush, along with people like James Baker, studiously and unboastfully let those pieces fall away from what was the Soviet Union. And this happened - Gorbachev signed the document I think five days after I became prime minister. And five days after that, I have an American president at Kirribilli House in Sydney.

You can see there was a massive opportunity for open regionalism. That is, with the bipolarity of the Cold War switched off. With the electricity turned off, with the states in the old Comecon group drifting away. States within the Soviet Union declaring independence. There was a chance for open regionalism.

If you look around this part of the world, where we could include say China, Vietnam, into the community of nations here, it was with that in mind, that I suggested to George Herbert Bush and General Brent Scowcroft who was with him at the time as National Security Advisor, that this was a chance to get the United States more strategically engaged in Asia, and at Presidential level, not Secretary of State, or Treasury Secretary level, which was what the first blush of APEC was about. But by bringing the authority of the presidency there, with someone in the White House every year and every week worrying about East Asia and in the Pacific.

And I thought that's what we could put together. Bilateral meetings with the Chinese were held every decade or so; you know, the Nixon/Mao type meetings; and with the rise of China coming, and also, with the Cold War finished, the status of a country like Indonesia. The leader of the non-aligned movement with Japan, which is always loitering in Asia and with China nearby. There's a chance, I thought, to bring that together. And Brent Scowcroft said to me at the meeting, "Prime Minister, you're articulating a policy for the United States and Asia we have not articulated for ourselves." And that was the truth of it, I thought we had this post-Cold War opportunity, but I thought that extended beyond just the regional opportunity which I saw.

PROF JAMES CURRAN:

Well indeed you said in that meeting, you said that the President, and this is directly to President George H W Bush, "the President now had scope to exercise international leadership in a way that hasn't been preceded since 1914; Russia, other former Soviet republics, the countries of central and eastern Europe, China and Mexico were all trying to enter the world market against this background. It was crucial to put into place institutions as influential as Britain's post-World War II Bretton Woods arrangements". This is getting back to, is it not, that Rooseveltian view of the world that gripped you -, was this another chance for liberal internationalism to flourish in the world system?

HON PAUL KEATING:

I've always been... I don't have heroes, but the two that have come nearest are Roosevelt and Churchill. Churchill was a 19th-century politician, Roosevelt a 20th-century one, but they both had that greatness about them. American Liberal internationalism which we hear so much of really only lasted 30 years. It lasted from about 1915 to 1945, with the death of Franklin Roosevelt. It was Woodrow Wilson, and the first World War, and Franklin Roosevelt with the second World War. Both believed in inclusion. Woodrow



Wilson's League of Nations. Franklin Roosevelt's United Nations. They saw at the end of the conflagration of the First World War and the conflagration of the Second World War the opportunity to have a more representative of structure of world power, that is a multipolar world. Not one just run by the victors of 1945 but a multipolar world.

And of course Roosevelt died before he could see that dream come true. The problem with the UN dream for him was Stalin. As George Kennan remarked, Stalin had an ideological view. You see the Soviet Union was an ideological state which was looking to world domination. But take that Soviet thought out and look at Roosevelt's instincts. His instincts were for a multipolar world, which was truly representative, and with it, of course, the end of colonialism.

So on the battleship, was it Missouri? Churchill wanted to hang on to India and Roosevelt said, "No more of the British in India, no more of the Dutch in Indonesia, no more French in Indochina". He wanted to see people be free, he wanted to turn his back on colonialism, and he wanted representative power to be represented. That's what went missing at the end of the Cold War. That was the failure of Bill Clinton, the failure of George W Bush, and the failure of Barack Obama and Trump.

PROF JAMES CURRAN:

This is a failure of the United States to find and provide a place for China, India, Russia, in a truly representative international structure, right? You would argue that instead what we got was a post-Cold War confusion, would that be right?

HON PAUL KEATING:

The idea that you can have a unipolar world. That is some end of history. The end of history did not last long. That was the point. Look, I was saying a long time ago, from about 1997, I attacked the extension of NATO in 1997, trying to ring fence the old Russia, the former Soviet Union, biting off bits of the pie crust; you can see where that has got us. I was talking about a representative structure then. And I was urging Bill Clinton then to find a place for China then. And of course, China strategically and economically, was nowhere much in 1996, 1997. But it has always been my view, you will never have an operative, peaceful world, while ever we have a G7 structure... Look at the G7. You've got Italy and Canada sitting up there with Britain and on the other side of the world is China with a bigger GDP than the United States but it's not in there.

PROF JAMES CURRAN:

It's very interesting that as the Berlin wall fell, it was clearly a sense within the American administration at the time that this was not the opportunity to dance on the grave of Soviet communism but by January 1992, when H.W. Bush gives his state of the union address, he's saying "by the grace of god America won the Cold War". They have this sense of American celebration.

HON PAUL KEATING:

Basically, At the very moment, I said to Bill Clinton in one conversation, "You guys are going to work out how you sit at the top table, at the top of the top table in 40 years from

now", and to America they were sort of saying "What do you mean, we're always on the top table", And that was trying to say, "There will be other powers in the world and an obvious one is still Russia, having nuclear weapons, and of course, China.

PROF JAMES CURRAN:

In our preliminary discussion about tonight's event, you made the point... You said we had two world wars to settle the status of Germany in Europe. You recalled that at the point of German unification in 1871, the Kaiser was crowned at the Palace of Versailles with British, Russian, and French diplomats presumably cooling their heels on the gravel there and saying, "What are we going to do with this German upstart?" Now, we've got a new upstart with China. What does this lesson tell us? Have we got to have another global war to settle the status of China?

HON PAUL KEATING:

Well it's true we had two world wars to settle the status of Germany. You can have these conflagrations but in the end, there is a settlement to be had after. Why not have the settlement before the conflagration. You would have thought, even the Nazis, when they saw their country wiped out by the carpet bombing by the US and Britain, that they would have said, "We'd better do a trade now". So you know, that's the thing.

PROF JAMES CURRAN:

This is the policy of what you call "exasperated vengeance". The carpet bombing.

HON PAUL KEATING:

That's what it was. An exasperated vengeance... I think that the big challenges, really, to US and China... I had views... I had views that are shared and enjoyed by others. Zbigniew Brzezinski was one other. Brzezinski was the ultimate Cold War warrior. He was a teenager when Hitler and Stalin split Poland. He became an American citizen. He became chief US strategic adviser to President Jimmy Carter. He was left basically to do the Nixon Mao Accord. Brzezinski was the person who had to put it into place. I've kept some things he said in 2012. Let me read them.

"In the United States, the central challenge of the next several decades will be to revitalise itself while promoting a larger West and accommodating China's rising global status." You notice, 'accommodating', not competing; accommodating. He talks about a larger west which includes Russia and Turkey. A bigger west. And then he talks about Asia, that the United States should be the regional balancer and conciliator. The US is the guarantor in the Atlantic, but the balancing power in the East. Not the guarantor in the East, not the hierarchical power; but the balancing power

He does go on to say, "The US should respect... Can and should help Asian states avoid a struggle for regional domination while mediating conflicts and offsetting power imbalances between potential rivals. The US should respect China's special historic and geopolitical role in maintaining stability on the far eastern mainland."

Repeat: "The US should respect China's special historic and geopolitical role in



maintaining stability on the far eastern mainland. He goes on to say, "The US must also recognise stability in Asia can no longer be imposed by non-Asian power, least of all by the direct application of US military power." What he is postulating here... is saying what I've always believed, that the balancing power, the stabilising power in Asia is China. It's not Japan. Japan has already had a go at the rest of us. You know, the Second World War... the Russo-Japan War. It is unlikely to be doing it these days with a diminishing population. But in this period, China was not attacking anyone.

China is attacking nobody. They live in that bowl - they've got Siberia and Mongolia to the north and the Himalayas to the east. They've got Indochina to the south, and they have the Pacific Ocean to the east. They do not attack other states. So Brzezinski says, "The US should respect China's special historic and geopolitical role." How do you respect their role? Given the fact that China's GDP on a purchasing power parity basis is now 20% larger than the United States - is a country larger than the US in GDP. It's got a big navy. You've got 20% of humanity.

Extrapolating, Brzezinski's point is that the US could run the world co-operatively with China. In other words, the US consolidates the Atlantic, a phrase I've used over and over in speeches, the US consolidates the Atlantic, which includes bringing Russia into Europe, and in the East, stability is provided by the Chinese. But still with the US present as a balancing power.

And that model would, I think, be advantageous for the whole world, because the Chinese are not trying to overturn the existing system. Let's get this clear. China is not the old Soviet Union. It's not exporting an ideology. It's part of the existing arrangements in the West. It's in the WTO, the WHO, the IMF, the World Bank, it wants to join the TPP and its President was in Davos a couple of years ago arguing for globalisation. It doesn't want to up end the existing system.

But it doesn't want to be - as big and important as it is, a "responsible stakeholder", to use the Bob Zoellick expression in a system, a proprietary system run by the United States. And frankly, with an economy this large and 20% of humanity, why should it? And why would it? The idea that you can have the G7 with Italy and Canada and Britain and flag wavers like Australia on the side and say, "We can sort of...run the world..."

I spoke to the foreign affairs and defences secretaries in Canberra in 2011. I said at the time, above all, for the US to not see China's as a strategic challenger and a full counter force... In other words, to see China's rise as simply the orderly development of the world structure. We don't want a repeat of 1892 when Russia and France enter into an entente to balance out Germany or when Britain joined it in 1904.

Once you have bipolarities and rigidities, the death of the Crown Prince in Sarajevo, blows the whole thing up. Every moment is magnified in a bipolar structure.

I thought ... you see... A decade ago there was a discussion about the G2. And the G1 was of course the United States, the G2 was China. In other words, you needed to understand



the subtleties. The G2 was a subordinate role. But the Chinese are not going to be G2 anymore, what the Chinese want is a G1 and G1, with a state which is not attacking other people, which is a major contributor to the world economy and a major force for keeping down inflation for 25 years while lifting 20% of humanity out of poverty. Is it beyond the wit of let's say the United States to come to a multipolar solution here?

I might say, such a solution includes states like India. Which I have argued... and Indonesia. But this idea that the United States is the exceptional power, and as the proselytiser of democracy, it has God's ear and the rest have got to follow along. That was fine in the 20th century. The 20th century was the century of the United States. The 21st century is not the century of the United States.

PROF JAMES CURRAN:

I wanted to just pick up on that if I could. You made the key point about why we can't have a settlement before the conflict. The question is, you've already started to discuss it, – are the Americans up for it? That is, when we are in a situation where this bipolarity is already fairly deeply entrenched. Where there is a strong bipartisan consensus in Washington on either strategic competition or a new Cold War. Where even the thought of America reaching an accommodation with China, or even a *modus vivendi* is, more or less, quickly depicted as appeasement or let's throw the Munich myth all over it.

This is something that America can do? Give up its idea of primacy?

HON PAUL KEATING:

If it was led properly yes. James, China's ambitions are in the West, not the East. There is a great confusion with countries like US and Australia, that it's all about the East and the South China Sea. That's the Chinese front door mat. They just don't want anyone else with Taiwan on their coast. What they're really interested in is the "Stan' countries. That is, central Asia. And as a result of the Belt and Road initiative, I think you could say, without building the argument, that everywhere between Wuhan and Istanbul, in the next 30 years, will have huge Chinese influence. They have already built a port for those 'Stan countries – Uzbekistan, Kazakhstan, at Gwadar on the western side of Pakistan. These little states were forever lost to the old Soviet Union.

Now under that plan, the Chinese plan, they have access to the Bay of Biscay and Baltic by way of Gdańsk. You will see the Germans and the French come on. The Chinese have always been worrying about the Straits of Malacca and how they get goods and material by land, across the great steppes of Asia, into China.

And the Belt and Road will basically up for doing that. If you look at the capacity of China to grow. The other point to be made is this – the urban societies of the kind we live in, are about 80 to 90% urbanised. That's the United States, Britain, Germany, France, Australia... China has about 60%. It has a lot of growth to go at home, at home. And it has the growth through central Asia.

So, you wouldn't need to be a demographer or a statistician to work out that in 25 or 30

years, if the Chinese economy is already 20% larger in GDP, according to the IMF, than the United States, where will it be? And what is the profit in the US not coming to terms with that mathematics? That is the reality.

So, the idea that we can ring fence China, on the basis that it is kind of illegitimate. It is not attacking anyone, but still it is illegitimate. It's a piece of strategic nonsense. And a good mind, and open-minded, creative American president could still develop a multipolar structure.

PROF JAMES CURRAN:

I wonder if this is a question that Australian strategists and foreign policy thinkers have a certain difficulty in facing up to. An America that may well stop believing in itself. This is a very different America that Australians would not be used to. You saw the reaction when Trump was elected, and Trump was not a believer in American exceptionalism I mean he didn't believe in the rules-based order, he didn't believe in alliances.

HON PAUL KEATING:

There is no rule-based order. Walking into Iraq, what rule was that under? Or Afghanistan, what rule was that under?

PROF JAMES CURRAN:

Can we just move on to the US alliance actually, the US Australia alliance, and talk about that in a little bit more detail go back to some of that history as well, when you were in government, and even before you were in government. I just want to open it by mentioning a quote from a recent interview that I did with the CEO of the US Studies Centre Michael Green, who mentioned you along with Hugh White and Bob Carr as being "those who openly questioned the alliance", and he said that you were apparently "taking China's case to the Australian people in criticising the United States".

And he added, he said, "this is not a good look and it did make people a bit nervous in the Obama Administration and at the beginning of the Trump administration." Paul Keating, can I ask what your responses is to that appraisal?

HON PAUL KEATING:

Well, the United States and the people who represent them these days, they are not interested in thinking allies. They basically have an open book for sycophants not thinking allies. In my own case, I made a few points here.

The US is exceptionally ungrateful for people who have stuck to it for a lifetime. I am one of them. For two decades within the Labor Party, I supported the United States alliance against what was then the pro-Communist Left, the soft pro-Comm Left.

While John Howard would be at the Church of England Sunday school bazaars, I was fighting the Communists at the Town Hall. This was the real battle. When I went with Bob Hawke, he invited me to meet President Reagan on the first trip... Bob had been supported by the left all his life, and he wanted to have certain qualifications with the US.



I said, "Look, if I were you Bob, I would positively embrace President Reagan as a jolly sort of a guy and your friend George Shultz in a post '83 relationship." Particularly with the problems with the Whitlam Government in the '70s, so fresh in their mind.

The problem that Whitlam had with Nixon. And I said, "Bob, this is the black-and-white brigade. They are not interested in greys. Let's embrace them enthusiastically and let's get on with it." I'm not saying that I was the sole person who was influential on Bob, but I was a big influence on him.

PROF JAMES CURRAN:

That is when Bob said – we are "together forever", Australia and the United States.

HON PAUL KEATING:

Ron was a great host, I'll say that. And the first policy commitment after the Cold War was when the United Nations, supported by the United States under the presidency of George Herbert Bush, decided to resist Iraq and Saddam Hussein in his attack on Kuwait which was called Desert Shield.

I am Deputy Prime Minister at this stage, I get called by Bob Hawke to a meeting. Bob says, "The President is going to call and wants to know what our position on Kuwait is going to be." I said, "Bob, what about your mate, [Brian] Mulroney in Canada, you tell me what a good fellow he is, what about John Major in Britain? They are members of NATO, what are they doing? Why would we be the first to put our hand up?"

And Bob said, "It wouldn't be good... you know." That is, to volunteer. So I sat through this meeting. I controlled the right of the party. I wasn't just Deputy Prime Minister. I said that if this was the first action by the United Nations after the Cold War and the US wants to support that commitment, I'm for doing it. But I said, "If your mates Mulroney and Major are dragging the chain, let's get in early but at a low price."

We already have a tanker in the Gulf and we can put a Destroyer at the top of the Gulf. And Bob said "okay". But I said Bob, no combat troops, no aircraft. And he said "no no, that's okay" and he pressed a button and the waiter came in and we all had a cup of tea. And the decision was taken. How many thanks today do we get from the United States from that? Zero thanks.

And then when I saw you mentioned George Herbert Bush and putting the APEC leaders meeting together... The US was a Eurocentric show. It had no Asia policy, no Pacific policy. It was always run by the Navy. Pacific policy was run out of Honolulu. There was no State Department involved. I came along as Australian Prime Minister I said "what about the Pacific?" I take it on, with George Herbert's agreement. George Bush said, "if we do it, it will blow up". Paul, he said "you do it". I talked to the Japanese Prime Minister, President Suharto and the Prime Minister of Thailand, the Prime Minister of Singapore, the Prime Minister of Canada and the President of China.

Over a period of time, I put together a consensus for the APEC Leaders meeting. George

Herbert Bush loses the election, and Bill Clinton gets the thing. I offered to Bill Clinton the arrangements I'd already put together. He said to me, "Look, I won the election against George Bush on a platform of 'it's the economy stupid'" and I did not want to be in foreign affairs escapades like Kuwait."

What you are asking me to do is to go into essentially a strategic body. I tell you what I'll do – I will be in it, if you make it look like a trade body. And he and I then argy-bargied that and we decided to meet in Seattle. The home of Boeing and Microsoft to look like it was about jobs across the Pacific. But you and I both know when the American President sits down with the President of China, the Prime Minister of Japan, the President of Indonesia. At a leadership level, it is of course a strategic meeting. This came out of Australian foreign policy – this was my personal gift to the United States. for which they will give you no thanks or gratitude.

That is why I don't take much notice of them.

PROF JAMES CURRAN:

Are you surprised of the sensitivity on the American side to this kind of criticism?

HON PAUL KEATING:

They want dummies... as interlocutors, as allies. Let us do the thinking, they say. We have let them do the thinking and the thinking is not very good. This is the point.

PROF JAMES CURRAN:

We will come back to that question, because there's a lot of more recent developments on the question of the alliance and the "interchangeability" of the US and Australian forces that I think is worth picking up. Before we do that, I wanted to ask a question about the Quad. And the great hopes that have been invested in the Quad over recent years. Of course, it's been elevated to a leaders meeting now and has met more regularly in recent years.

Now, one of the issues here of course is that since the Russian invasion of Ukraine, we have had a number of apologies delivered for India's position on that. Now those apologies, to be fair, were given before India's President Modi gave Vladimir Putin a public clip over the ear recently. A public rebuke.

This is, of course, at the same time that India is still sending troops to military exercises with Chinese and Russian forces in Vostok. One of the prominent Quad advocates from the ANU is Rory Metcalf, he said that at the outset of the Ukrainian crisis, India was taking "a cold interest-based approach to the plight of Ukraine but in the long-term, its future lay with the West". He said that the success of the Quad, and other friends of India in persuading India to change that approach is "not going to come through some valiant appeal to values it's going to come through helping India change its national interest calculations". What do you think about that idea that others can change the national interest calculations of India?



HON PAUL KEATING:

This is just amateur hour nonsense. The Quad is a piece of strategic nonsense. India is important to Australia as the key state in South Asia and the dominator, if you like, of the Indian Ocean. We should be approaching India on that basis, but not in some sort of string of pearls idea that we can get together to contain China, which basically is the idea of the late Prime Minister Abe. The idea that we can string together US and Australia to sort of resist China using India. Could you imagine a flotilla of Indian naval vessels entering the Straits of Malacca and exiting into the China Sea to fight the Chinese military in defence of Western values? US or Australian values. You will never see this, ever. I should say this to you. Kissinger and I served on this together. We would mostly have a dinner later. And at one of the dinners, Henry said to me in that deep voice of his, "You and I share one important strategic idea that few share. That Brzezinski shares – the three of us share. That India will never be part of the East Asian system." Henry said that and I've always believed that.

I think if China stays away from India in the Indian Ocean, you won't see any Indian naval activity or military activity in the South China Sea. In other words, the idea that the Americans and the likes of Morrison can string together some sort of defence structure around it is a piece of high nonsense.

Let me just say... You mentioned... Rory Medcalf. I've got the quote here. I found this in *The Australian*. Medcalf says, "India and its long-term interests lay with the West." You think there is one Indian politician who thinks their interest might lay with the West? India's interest lays with Pakistan and the Middle East and to some extent, notwithstanding the great wall of the Himalayas with what the Chinese are up to. But no. He says its interest lay in the West. Medcalf says, persuading India to change that approach is going to come through helping India to change its national interest calculations. In other words, here we are in Australia – with a so-called academic, talking about how we can change India's national interests. This fellow Medcalf has got his little bottle of Indo oil and it works like snake oil at a rural fair. You have a sip of the Indo oil and it does everything. How does he get column inches in the *Sydney Morning Herald*, *The Age* and the *Financial Review*?

The immaturity of the Australian international debate is that people as ordinary as Medcalf... fail to understand basic things. It should not be supported by editorial managers in any of the newspapers. If you put up with these sort of fools regularly...

PROF JAMES CURRAN:

Can I come back to the question of the alliance with the United States but more particularly on the question of sovereignty. Again, this is something that some former American officials and others have said that they are quite surprised by how sensitive Australia is about its sovereignty. But how does that all stack up with the agreement we signed with the United States and Britain which is known as AUKUS, how does it stack up with the increasing not only interoperability of the United States and the Australian forces but as Defence Minister Richard Marles now calls it the 'interchangeability' of those forces. What does all this mean for our freedom of movement? Have we had a sufficient



debate in this country about those issues?

HON PAUL KEATING:

It was all done secretly by that genius Morrison with the Americans. They must have said, "What a coup!" Americans have been boasting we've now got Australia off the fence for 40 years. Look, the Cabinet I belonged to built the Collins Class Submarine. If I had of succeeded in winning the sixth poll, I would have built another six Collins Class boats. Boat number 12 would have ended up being boat number one of the next generation. The Collins Class boat was a completely successful boat. It could not be heard under the water. In exercises with the Americans, we were sinking American boats every time. I don't know if people know that but that is the truth of it. The Collins got a bad name because they had the wrong diesel engine. But that wasn't the design of the submarine - Australia had the capacity to field its own submarine.

And what were the submarine's for, they were for sea denial in the defence of Australia. They were not designed to be picking off Chinese nuclear submarines on the continental shelf off the Chinese coast which is what those Los Angeles boats are designed to do. There are hunter-killers. The Chinese give themselves a nuclear response capability by submarines. If a submarine is carrying 12 or 16 missiles, it is a big boat going across the shallow waters off the continental shelf of China. It can be identified and destroyed.

So we are shifting. When the genius, Morrison, decided...that we should be in this and this is I'm sure egged on by, I am told this reliably but I'm not certain of this, by Andrew Shearer who's serving in the current Labor Government I hope they're not listening to him, he's the one who sunk the French boats from what I understand, reliably told. We've moved away from the capacity to defend our island continent with a class of boats which are competent at it, that didn't need to have standby capabilities a long way away, as any submarine would need to have off the coast of China. And so, when we signed up to AUKUS, what we've done is sign up to a hunter-killer submarine which has got one purpose and that is to sink Chinese submarines. We are party to that now when we shouldn't be party to it at all.

PROF JAMES CURRAN:

I think you said at one point they're use would be "like sheepdogs along the Chinese continental shelf".

HON PAUL KEATING:

Before Chinese submarines get in the Mariana Trench. Basically, I think we should walk away from the US nuclear submarine proposition. The British, of course, is just a joke. Going to Cornwall to find our security in Asia. I mean that's where James Cook and Arthur Phillip left 230 years earlier. Do we really to go back there? But we had Morrison, the super thinker, taking us there.

PROF JAMES CURRAN:

The flipside of the...



HON PAUL KEATING:

I think we should walk away from the AUKUS agreement. We should build the submarines ourselves. The sons of Collins or the daughters of Collins. Or as Hugh White wrote in a recent article, for the cost of the nuclear submarines, you could buy 25 submarines from the Germans or the Dutch or the Spanish. In other words, what would you rather – given the fact that we can only have about a quarter of them at sea – would you rather have 24 submarines with six at sea or eight nuclear submarines but with two at sea? And because they're nuclear submarines, they cannot be fielded without the support of the United States – if there's interoperability it means our sovereignty, our freedom of decision and movement is simply swept away. No self-respecting Australian should ever put their hand up for our sovereignty being subjugated in this way.

PROF JAMES CURRAN:

The Labor Opposition at the time that Morrison made this deal was given less than 24 hours' notice to consider the deal and its implications. Do you think their heart's really in it?

HON PAUL KEATING:

The deal was supposed to provide 20 months of consideration. What the Labor Party and opposition should have said was, "Thank you for the briefing, we will think about it. We've got 20 months to think about it." That morning, the morning of the announcement, I heard about it early. I put out statement saying I was opposed to it and that it would subjugate our sovereignty. So the Labor Party could have taken notice of me on this point but they took no notice. I had no conversations with anybody. Of course, they signed up. But it doesn't mean they have to stay signed up. And in my first speech at the House of Representatives, I talked about how at the beginning of the Second World War, we were left with no military industrial complex in Australia, that we should develop it. I fundamentally supported the building of the Collins submarines and frigates with Transfield in Melbourne. I would have had 12 of these. It would be a tragedy for Australia if we keep to the AUKUS agreement. You can have the AUKUS exchange of information – that's fine - we've been exchanging information with the Poms and with the Americans forever. But we should walk away from the Los Angeles class submarine.

PROF JAMES CURRAN:

Is the national security debate, though, do you think the current government is politically wedged by the opposition leader Dutton... Would this be a real concern for Labor as being seen as weak on the Alliance, untrustworthy. Will it repeat those nightmares from the Cold War?

HON PAUL KEATING:

Governments in office should make their own stories. The stories that Bob Hawke, myself, Gareth Evans, the stories we made about our independence in Asia... Our ability to do all these things. Kevin Rudd later with the Kevin's East Asia Summit... Me with the APEC Leaders' Meeting, Gareth with a great lot of regional foreign relations for instance with Ali Alatas in Indonesia My relationship with Suharto, my relationship with two Prime Ministers of Japan at the time... We can tell our story. We don't have to be caught with

the Liberal party's dumb story.

PROF JAMES CURRAN:

The question of stories provides a nice introduction to where I wanted to go now. And that is the question of national identity. Now, going back to the period of government where you were Prime Minister, there is a lot going on in that period about questions of identity and Australia's national self-confidence and its regional outlook. You said in a speech in early 1992 that in that decade, Australia could be "independent in ways that it had never been". Of course, there had been some changes under Whitlam and Fraser, to the various trappings, the old relics of colonialism, these had been modified and some were tossed out, but it was a feeling that still, we were lacking that sense of almost psychological release from that old imperial era. And that all of these issues that you are putting forward at the time were integrated in a way that is unlike any previous Prime Ministership, whether it be Native Title, whether it be the question of moving towards an Australian Republic, whether it be the APEC leaders meeting and so forth. You mentioned treaty you signed with Indonesia. Given the recent events we've seen in terms of the passing of Queen Elizabeth II, I did just want to get your views on where the public debate is headed and of course, you would recall that when you were Prime Minister, you had a 73% approval rating just on the question about whether Australian people wanted to move towards being a Republic.

And you offered the Liberal Party a stake in this. You made it clear that you would maintain the Senate's role, the Senate would still be able to block supply. The powers of the Governor General would not be circumscribed, you weren't proposing that. Howard walked away from it and put a modality in the question that he knew would defeat it.

HON PAUL KEATING:

Exactly, you have the history right. The thing is that I believe that if we were to, in a post-Cold War world, take our place appropriately in East Asia. We needed to find our security in Asia, not from Asia, that is by trying to hold hands with great powers. Then you can hardly lift your head and say, "By the way, our head of state is the monarch of Great Britain."

I took this issue on at an election, this was in the policy speech of 1993. I had people in the Labor Party... with horror, thinking that I would put this at an election. People say oh well, Keating had views about the Republic, Keating didn't have views about the Republic, Keating put a proposal at an election and it was that we would hold a plebiscite around the question – do you think Australia should become a Republic? Of which we had 73% support. Because the Prime Minister, me - I was out there arguing the importance of the Republic, which I always said would say more to us about ourselves than we would ever say to anybody else.

But I thought in the post-Cold war world, particularly in the new relationship I had personally invested with President Suharto in Indonesia and all the other regional leaders I was in touch with weekly, in terms of developing that APEC leaders meeting and operating it. Turning up with the Queen of Great Britain for whom, of course, I had

enormous respect, but I'm talking about the monarchy of Great Britain, was a joke for us. At the same time, we didn't own up to the things that we had done to the Aborigines and Torres Strait Islanders.

Apart from the *Northern Territory Land Rights Act* under the Fraser governments, there was really nothing for which the Aboriginal Affairs power was used in any substantial way. I saw that the High Court decision of Mabo was a real opportunity to settle, in some way, the question of land rights and own up to what we had done. So I made the reference speech and to the owning up - I said that "we brought the alcohol and diseases and we committed the murders and took the children from their mothers".

At the same time, even though we have wiped out any residual native title in Sydney, Melbourne and all the metropolitan areas, large tracts of Australia were open to a claim under the *Native Title Act* which I spent eight months of 1993 putting into place, in the Parliament. In other words, I wanted to turn over a new leaf for Australia. Have an Australian as our head of state. We fessed up about what we had done to the original inhabitants of the country. We try to make reparations in terms of land with native title. And use this as a sort of... a leitmotif of goodwill towards the country and its original inhabitants, and the region. And the inhabitants of the region.

This is what I thought was important. Now, John Howard did the country a dreadful disservice in this on the Republic. As you correctly say, I spoke to him on the telephone about this at the time, I wanted to make that change. Where the powers of the Governor General would not be circumscribed or written down where the Senate could still refuse supply. It was a model that the Liberal government could have adopted. But Howard, always driving in the rear-view mirror, always driving backwards and at speed, wanted to keep the monarchy. So he put the question not of 'do you want to have an Australian Republic', but rather, do you think that we should have a president appointed by the parliament? He knew that that question would fail, and then as Prime Minister, Howard didn't even argue that case. Of course, the thing failed.

So, where are we now? Well... Queen Elizabeth II has died. I met her and told her that I would not involve her family in any of this. I had a great relationship with her, really. I think the royal family would have been so glad for the referendum to have passed.

PROF JAMES CURRAN:

This is at Balmoral in 1993?

HON PAUL KEATING:

Yes, but now... look at the French. The French had a revolution for their Republic. The Americans had a revolution for their Republic. We could not even pinch ours off Queen Elizabeth II, who didn't want it. (Laughs) We couldn't take the title, even if the monarch was happy to give it.

In fact, I wouldn't be at all be surprised of King Charles III, the King of Australia, doesn't volunteer to give it to us, to renounce the monarchy's claim on Australia.

In other words, the Republican movement say to me that you should be up there right now, speaking to this. Why would you? We fluffed it. If Australians have so little pride in themselves, so little pride that they are happy to be represented by the monarch of Great Britain, why would somebody like me argue to shift their miserable view of themselves?

PROF JAMES CURRAN:

So, Australians have failed to seize the Republic, they've failed to claim it as an example of the sovereignty.

HON PAUL KEATING:

Not all Australians. The thing was close run. If properly argued by the then Prime Minister it would have succeeded. The best instincts of Australia were visible in that campaign, and in those results. But of course, you've got people now... who in their right mind would believe that the monarch of Great Britain could represent our aspirations? Whether multicultural or not. And we are multicultural. But just in the region.

We occupy one of the oldest landmasses on earth, the oldest continent on earth, with perhaps the oldest society on earth. It is so pathetic, an Australia monarch. It barely needs an argument. We have the monarchy of Great Britain and there is Morrison running off to Cornwall with that other fruitcake, Boris Johnson...

PROF JAMES CURRAN:

Charles the III, King of Australia doesn't exactly grab you.

HON PAUL KEATING:

Charles the third, King of Australia, is a constitutional aberration. That's what it is.

PROF JAMES CURRAN:

Can I just ask a final question to perhaps tie this all together? In an interview when you first became Prime Minister, you said, "In the Prime Ministership is vested the ideal of the nation and its aspirations". What is the ideal now of this place, Australia, to strive towards in your view? And where are the aspirations for this country?

HON PAUL KEATING:

I think Australia has a very poor idea of itself now. It's head of state is the monarch of another country. Its strategic sovereignty is being outsourced to another state - a North Atlantic state, the United States.

It doesn't know what it is or what it should be. And yet, the inheritance, the gift of the continent is such a great gift. Look at these issues that we have with China – China's 13 flying hours from Sydney. Here we are, manufacturing a problem for ourselves.

And I just say that the problem we have in tying ourselves in other states in Asia so uncritically, is that the United States has no idea what to do with itself in Asia, none. It has no coherent plan about what to do. Have a look at what has happened. As indications of



this.

We had President Obama talking about the pivot. Nothing came of it. He made the big speech in Tokyo about the Senkaku Islands - a part of Japan. It came under the articles in the US/Japan agreement. What did we think about that? China now has a big navy. If we want to be hanging around behind the Americans, what is their policy? What is their strategy in Asia?

PROF JAMES CURRAN:

We have seen President Biden virtually unpick strategic ambiguity on no fewer than four occasions – it seems to be walked back every time. Can you see any instance in which an Australian Government of either political persuasion would say no, if there was in fact a conflict over Taiwan?

HON PAUL KEATING:

If I were Prime Minister, I would certainly say no. Taiwan, I repeat, is not a vital Australian interest. We should be no more interested in the political system of Taiwan than the political system of Vietnam or Kazakhstan. Why should we be interested? Remember this, Taiwan's democracy started in 1996, not 1906, 1996. When Lee Teng-hui decided, oh look what we should have is a bunch of municipal elections.

He said, we can't have the KMT as the sole party, let's have some multi parties, and a bunch of municipal elections to see who would run the place. And for those municipal elections, we have World War III is that the proposition? For Taiwan, for its municipal elections, we have World War III?

For the Americans, if I've got any advice for them, it's to stick to strategic ambiguity like glue. Normandy was possible because 21 miles from Normandy was an industrial state, Britain. There was no radar, there were no satellites. And under the cover of bad weather, that allies were able to make the landings at Omaha Beach at Normandy.

There is no Western state within 21 miles of Taiwan. In fact, China is 90 miles from Taiwan. So China would see every amphibious vessel coming towards Taiwan, whether it's from Guam, or whether it's from San Diego or Honolulu, they would see them and sink them. So the chances of the Americans having a victory over Taiwan is nil, in my opinion.

And why would we wish to be part of that defeat? Why would we? In the end, finally the Americans walk away from East Asia. And we are left behind. We can't put an outboard motor on Australia at Broome, start the motor and move the continent off to San Diego - We are stuck here, as the Americans take off back to their continent back in the Pacific. We live in a Chinese world, that's the truth of it.

PROF JAMES CURRAN:

Is that part of the problem – we have mortgaged ourselves so closely to US policy that if there was for example, if there was a sudden change in US policy, and we've seen this

happen before, however unlikely it may seem in the current circumstances and with the kind of consensus in Washington, that Australia could be left like a shag on a rock?

HON PAUL KEATING:

If, for instance, it came to a fight over Taiwan, where the guarantees to Japan and Korea would fall in credibility and then possibly the US would walk away. The thing is that we can't walk away, we are stuck here. And that's why it's so unintelligent to be running this sort of a policy. And as we showed in the 80s and 90s, we can run very intelligent policy with China but also with the region, with Indonesia. Our bread is buttered on the Indonesian archipelago. It's South-East Asia that matters to us. In a television interview, I provided the seesaw analogy.

The park see-saw. If you regard West and East movements in the seesaw as problems let's say, in the East with Japan and China, in the West with India and Pakistan but at the centre, at the central focal point, the fulcrum point that's Indonesia and South East Asia we don't have these risks. So, we should be concentrating – I mean ideally, I'd see us as a member of ASEAN. In the agreement I had with President Suharto with the ANZUS words, in what was effectively the agreement for maintaining security which John Howard lost owing to his celebration of General Cosgrove. When he brought Cosgrove back with his tickertape parade in Melbourne and Sydney, President Habibie of Indonesia said you were representing a UN mission and yet you're conducting yourself like some sort of victorious, invading force, so I'm suspending the agreement that Keating made with Suharto.

The agreement was essentially... If there was an attack on Indonesia, we would regard it as an attack on us. An attack on us would be regarded in Indonesia as more or less an attack on them. That would mean we had, more or less, a mutual defence pact – this would require conversation, of course – but a mutual defence pact. As a Labor Prime Minister I put together an ANZUS-worded defence pact with the largest Muslim state in the world, the leader of the non-aligned movement. Can you imagine anyone in the Liberal Party doing such a thing? Could you imagine any one of them?

PROF JAMES CURRAN:

I think you said it was like a steel ring fence across the top of the country.

HON PAUL KEATING:

Our bread is still buttered in that archipelago. Imagine if we'd spent the last 20 odd years working under the cooperation of that agreement Instead of wasting our time on nonsense like Iraq, Afghanistan, the Quad, American hopefulness about China.

PROF JAMES CURRAN:

So the new government of Australia, just to tie this up, the new government has started of change its tone, it's talked about stabilising the relationship with China. It's poured away the vocabulary of the Morrison government whether it be 'drums of war' or so forth. It's talking about a First Nations foreign policy; it's enunciating its commitment to ASEAN centrality. Does this give you a bit more optimism about where...



HON PAUL KEATING:

Only this. Tone has got to become substance. Tone is one thing and substance is another. I wish the government well in this and time will tell. At least it's not the appalling policy which was conducted by Scott Morrison.

PROF JAMES CURRAN:

I think we will leave it there. Thank you, Paul Keating for your time. We covered a lot of territory there. History, as we know it, if it repeats it doesn't repeat exactly the same, but certainly a greater knowledge of history can help us clarify the argument and enlighten the judgement, let's hope. Thank you very much for that tonight.

HON PAUL KEATING:

Thank you very much for conducting an insightful discussion.