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**ADDRESS TO THE UNITED STATES STUDIES CENTRE**

**SYDNEY**

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**\*\*\*CHECK AGAINST DELIVERY\*\*\***

I'd like to start by acknowledging the traditional owners of the land on which we meet and pay my respects to their elders past and present.

**“Happy Thanksgiving”**

And given the venue and the topic I'd also like to wish everyone a Happy Thanksgiving.

The origins of Thanksgiving are contested between the parochial versions of history provided by Virginia and Massachusetts each of which claims the first celebration of Thanksgiving as their own.

But if you accept the Virginian side of the story then this year represents the 400<sup>th</sup> celebration of Thanksgiving, the first having occurred in the town of Berkeley Hundred, Virginia in 1619.

There is a defence angle to the holiday. General George Washington celebrated the holiday within the Continental Army, and as President proclaimed it as a national celebration. But the day itself wasn't established as a national holiday until 1863 when Abraham Lincoln proclaimed it as such in thanks for the military successes of the Union Army in the Civil War.

There is also an Australian connection and an early example of the way culture and fellowship flows between our two nations. Because, Thanksgiving is an official holiday on Norfolk Island, where the tradition of Thanksgiving was brought to that community by American whalers. There it is celebrated on the last Wednesday in November rather than the fourth Thursday, so we are still a week away from the local festivities.

Thanksgiving is a celebration of the harvest, but President Washington gave it a broader meaning in that first proclamation by "*acknowledging with grateful hearts the many and signal favours of Almighty God*".

The very special relationship between Australia and the United States extending over a century surely fits that description.

**"The Alliance is a partnership ...  
based upon shared values"**

The Alliance is a partnership between two countries – on mutual terms – based upon shared values.

Australia and the US are democratic countries which value human rights, freedom of speech and the civilian control of the nations' armed forces. In both countries the rule of law is paramount: no matter how wealthy, no matter how powerful all citizens are equal before the law.

Both countries have worked to establish and defend a global order based on a global rules based system: we have sought to assert the rule of law internationally. And Australia has lived by this.

When an action against Australia before the International Court of Justice was resolved in favour of Nauru because of environmental degradation during Australia's administration of the island, we accepted the outcome and paid the compensation. If our only reference point to our global behaviour was power, Nauru's claims could have easily been ignored, but we and the United States and many of our closest partners rightly operate according to a different creed.

There is also a comfort in our relations with the US founded in shared language and culture. Both of us are New World countries largely characterised by immigration but with proud indigenous communities. The powerful stories of immigration, of forbears making extraordinary decisions to find better lives, resonate loudly and inform our national characters.

Hollywood is relevant here as well. I've often said that I'm a big fan of foreign movies, particularly the ones from America. That joke only works by the way we almost identify with the stories of Hollywood as being akin to our own. It's therefore no surprise that Australian actors do so well in that environment.

The relationship has also been forged by war.

Since the Battle of Hamel in July 1918 when Lieutenant General John Monash commanded a joint force of US and Australian troops, American and Australian service men and women have fought together side by side in every conflict for more than a hundred years. This shared experience drives deep bonds and deep trust.

And this is reflected today in a truly unique defence relationship. Senior Australian personnel are now embedded, institutionally, within the American armed forces. As just one example, the Deputy Commander of the US Army in the Pacific is an Australian position. Its current occupant is Major General Roger Noble. Previously it has been occupied by Australia's current Chief of Army, Lieutenant General Rick Burr.

While Australians hold these positions they wear the Australian uniform, but they command American personnel and are treated as Americans. Indeed, information provided to them is sometimes done so on the basis of it not being passed on to the Australian Government, and that's OK.

This relationship provides Australia with capability it could not otherwise acquire. It gives us a standing in global affairs we could not otherwise have. And for Australia this is priceless.

All of this is an orthodox statement of the Alliance and its rationale, but often there is a false perception of the Alliance based on misguided assumptions.

The Alliance is not an identical world view shared by the US and Australia.

The world looks very different from a capital on the Atlantic seaboard of a country of 300 million people which is a global superpower, compared to a country of 25 million people located in the Southern Hemisphere in the East Asian time zone and with the world's thirteenth biggest economy. The ship of state that Australia seeks to navigate through the waters of international relations is a very different vessel from that of America, demanding different judgements and different decisions.

And whether or not we understand this, the Americans completely understand it.

Accordingly, the Alliance is not a foreign policy playbook provided to us by the United States on a silver platter. We actually have to work this stuff out for ourselves.

As a consequence, the Alliance is not a vehicle by which America issues us with our orders. The whole idea of Australia somehow being America's deputy sheriff in the region has always been nonsense.

In the very many dealings I've had with the US over the last decade not once

have I witnessed America seeking to tell us what to do. Indeed all my dealings have been characterised by the most respectful interactions befitting those of a close friend.

The issue is much less America telling us what to do as it is Australians not falling into a false sense of security that the Alliance can somehow be a proxy for Australian strategic policy. Because it can't, and America has no interest in it being so.

The Alliance maybe a cornerstone of Australia's world view, but the house built upon it has been and must be built with an Australian design and Australian interests in mind.

The acceptance of the existing global rules based order is under challenge in a way it hasn't been since the efforts to build it in the aftermath of the Second World War. China is seeking to reshape it. I don't judge that. I understand China was not at the table when these rules were made. I simply observe it.

But in observing this I also observe that the existing global rules based order and the stability it has provided has been very much in Australia's interest particularly as a trading nation.

The UN Convention on the Law of the Sea, for example, as it operates in the South China Sea is the underpinning of the majority of Australia's trade. Essentially all the trade to both Korea and Japan, two of our five largest trading partners, traverses this body of water.

So a challenge to the established rules based order there goes directly to Australia's national interest at home.

The challenge to the existing rules based order is happening right here in our region. And it is for this reason that the Alliance – a vehicle by which we stand for the existing global rules based order – is as vital and relevant today as it has ever been.

In turn this means that the relevance of the Alliance is not a function of the political leadership in either country at any moment in time. It is bigger than that.

To be sure, all of us who interact with the US – politician, public servant, General, captain of industry – get to play a part in the story, but it is a story rooted in shared values and more than a century of history, and so it is far more than the ebb and flow of temporal personalities.

And there is a Thanksgiving in that.

### **“American unpredictability”**

In some parts of the analyst community there is a discussion that begins with an assertion of American unpredictability. And it leads to a question about the ongoing presence of America in the world.

I, for one, believe that the news of a global American retreat is very premature. Indeed the *National Defense Strategy* of the US actually talks of the need to “*Expand Indo-Pacific alliances and partnerships*”.

But, for those who make the argument, Exhibit A is America’s withdrawal from the Trans Pacific Partnership.

The world and Australia need an economically engaged America. It remains the largest economy in the world. And so long as a democratic nation is in this position it affords the opportunity to write fairer global trade rules.

Accordingly, America reducing its economic presence in East Asia is a deep concern.

It’s important to note that this is not simply a result of Donald Trump. At the Democratic National Convention in 2016 a position was adopted that would have committed a Clinton Administration to also withdrawing from the TPP.

At the same time though, the reaction this has caused among like-minded nations is correspondingly heartening. The revival of the TPP by those countries in the Asia-Pacific zone still ambitious for freer trade, and a better set of rules in respect of labour and the environment, has been important. So there is real geo-strategic significance to the TPP and Australia's involvement in it.

Equally concerning is the escalation of trade tensions between China and the US. The consequences of this are there for all to see in the failure by APEC to arrive at a communique emanating from the Port Moresby meeting over the weekend.

A trade war between these countries will not be good for the global economy and therefore it is not in Australia's economic interest. Nor is it in our security interest either. From the perspective of Australia the world looks a lot safer when the US and China are talking and trading.

American intent when it comes to North Korea has also been confusing.

The problem of North Korean nuclear ambition has existed for decades. And the problem needs to be seen in the context of that period of time.

A nuclear enabled North Korea would represent a major setback to the cause of nuclear non-proliferation. Indeed North Korean actions are arguably the biggest repudiation of the Non Proliferation Treaty (NPT) there has been.

The NPT has actually been a significant success story in global decision making. The global stockpile of nuclear weapons has decreased over 80 per cent since it was signed. But a recognised nuclear enabled North Korea has the potential to turn this on its head. For not only would it see North Korea become a nuclear power it would place unwanted pressure on countries such as South Korea, Japan and even Vietnam to move down the same path.

So this has been and will be a global problem stretching over half a century.

In this context the initial course of the Trump Administration on North Korea offered much promise. In presenting a harder edge to North Korea and obtaining unprecedented Chinese cooperation in the implementation of sanctions a global pressure was brought to bear upon North Korea which had the chance of genuinely dealing with this issue.

But the summit between President Trump and Kim Jong-un in Singapore and its outcomes is less clear. The communique appears to contain little commitment on the part of North Korea to denuclearise other than a statement of a long term intent which appears weaker than the commitments North Korea made back in 1994. And an undertaking to stop testing is of little significance if North Korea has already completed its intended program of testing.

At the same time it is hard to maintain pressure on North Korea on the one hand while providing it the legitimacy of a presidential dialogue on the other.

While the immediacy of this issue may have passed – although it is difficult to be sure – it's hard not to feel that the nuclear ambition of North Korea continues and as such so does this problem with the potential for it to raise its head again in future years.

As an aside the question of North Korea's nuclear ambition raises the issue of the ratification of the Nuclear Ban Treaty (Ban Treaty) which is currently being promoted by the International Campaign to Abolish Nuclear Weapons.

While all of us fervently desire a world free of nuclear weapons, the Ban Treaty represents a different architecture in seeking to achieve this than the NPT.

The immediate declaring of any nuclear arsenal to be illegal at international law as provided for by the Ban Treaty sounds appealing. But a flaw in the architecture is that not a single nuclear power is participating in it. So its effect is simply the non-nuclear world thumbing its nose at the nuclear world.



Were that its only impact it might be harmless. But in offering a different architecture to the NPT it has the potential to undermine the NPT. For starters the verification elements of the Ban Treaty are arguably weaker than the NPT. But more significantly its whole implication is that the NPT is impotent.

As I've stated the NPT has been a success. The NPT was first ratified by the United States and the Soviet Union in 1970. By the mid 1980s the number of nuclear devices in the world had surpassed 70,000. But today there are less than 10,000.

So to devalue the NPT right now, particularly given the actions of North Korea, would be a strategic mistake. It would down-grade a vital global norm which is the world's best hope of keeping nuclear proliferation in check at this critical juncture in time.

It might also be interpreted as Australia repudiating America's extended nuclear deterrence at a time when it alone would be protecting us from the reach of North Korea's weapons. And it would potentially be inconsistent with the Alliance.

The motivation behind the Ban Treaty is worthy. It has certainly helped put energy into the global debate around removing nuclear weapons. It reminds us that beyond the NPT there is the need to see an extension of the New START Treaty, for the negotiation of a follow on treaty from New START, and the need to have all nations including the United States, China and North Korea ratify the Comprehensive Test Ban Treaty. But that said, the effect of the Ban Treaty has the potential to be counter-productive.

An argument about American unpredictability inevitably centres on President Trump. As I've said previously, he is a President who sees unpredictability as a virtue. He might argue that this is a trait which has served him well in other times in his life.

Whether or not this is true, as an American ally this unpredictability presents

challenges.

At the same time there are many analysts who will make an argument that an American retreat from the world is a deeper issue than the current President – the TPP being a case in point.

While I'm not so sure about this, I am sure that Australian behaviour in the world must contemplate bearing a heavier strategic load. For at the very least sharing more of the strategic burden of thought with the US must help in keeping America engaged in East Asia.

### **“Australian leadership in the context of the Alliance”**

It is against this background that we must provide Australian leadership in the context of the Alliance.

In my experience this would be viewed as a welcome development on the part of the Americans and give a greater mutuality to the Alliance.

Nowhere within the Alliance is Australian leadership more important than in the Pacific.

Our bilateral relationship with the United States is very broad in scope. Not only does it cover defence, but it includes: the economy, scientific cooperation, medical research, and education. Across the breadth of this relationship, the dynamic is largely characterised by Australia looking to America's lead. This is understandable. America is very large. We are about one twelfth its size.

Yet in one area the US invariably looks to us for leadership and that is in the Pacific. This is where America should see what we look like as a leader.

For a long time I have felt that we have not provided this leadership and in the process have left the Americans feeling bemused at our reluctance to lead.

If we are to have any hope of attempting to shape the strategic events which are changing our world then fulfilling expectations of our own leadership is essential. This is defined in the Pacific.

Thankfully we are now starting to see the Pacific assume the role in our world view that it deserves. The speech made last month by Bill Shorten made it clear that under a Shorten Labor Government the Pacific would assume a preeminent place in Australia's strategic policy.

In recent weeks the Prime Minister has followed suit.

But while these Government announcements are to be welcomed, more needs to be done. There must be a transformational shift in Australian attitudes to the Pacific, which in turn must be sustained, if we are to establish an Australian leadership on this issue within the Alliance.

Our leadership within the Alliance must also extend beyond the Pacific.

Australia has long experience in dealing with the countries of ASEAN. They are our neighbours with whom we have deep ties.

This is also a part of the world where our opinions matter.

The role played by Foreign Minister Gareth Evans in Cambodia in the early nineties serves as the exemplar of Australian leadership in South-East Asia.

But it is an example of leadership which is all too rare in Australia's strategic policy.

While we continue to be active, and have – for example – assisted the Philippines in Marawi along with the United States in fighting Islamic extremism, we have not returned to the heights of Australian leadership which Gareth's efforts embodied.

One wonders, for instance, how a greater effort in assisting Myanmar over the last two decades during its transition might have been able to make a real difference for that nation today.

The countries of ASEAN are fundamental to our future. Increasingly we have much in common. Indeed the issues raised by the changing roles of both China and the US look very similar whether seen through the eyes of Australia, Singapore or Indonesia. And so we need to work with them and build relationships which make us allies in dealing with our shared strategic circumstances.

Being an active player in the regional architecture is essential. We have a significant history here. Paul Keating was a leader in the establishment of APEC. Kevin Rudd played an important role in encouraging the US to join the East Asian Summit and elevate it to the leaders' level. This has provided a key forum in which the leaders of China, the US and Russia come together with the leaders of other nations in East Asia and discuss security issues.

Going forward, the trilateral dialogue between ourselves the US and Japan, and the Quad which includes India, are places where Australia can discuss issues of concern and interest in the region with like-minded countries.

Central to all of these endeavours is the broadest engagement possible by Australia. This is how we learn. This is how we discover the way forward through a challenging set of circumstances. This is how we make common cause with the broadest set of countries possible which certainly includes the United States but also goes beyond the United States.

And this is the way we play a leadership role within the Alliance by being a thoughtful contributing partner to the United States in East Asia.

The Marine rotation in Darwin is a very tangible way in which Australia is playing a bigger role within the Alliance. Initiated under the Gillard Government, it took time to settle in, but now is regarded as a great success for both the

Marines and the Australian Defence Force. I was in Darwin earlier in the week and importantly the local community have embraced the Marine presence.

This is in our interest. This is an activity which plays a part in keeping the United States engaged.

There is no need for haste. It's important that our near neighbours such as Indonesia see that this is an opportunity for them as well. Indeed the opportunities for Indonesia and other South East Asian and Pacific nations to participate in higher level exercises in the Top End should be increased by the Marine presence.

But as we go forward our eyes should be constantly on how to build the Marine presence. This is an activity which should grow.

Australia's place in the Alliance can also be enhanced by growing a more capable defence industry.

I've spoken before about the need for developing a proper rationale underpinning Australia's defence industry. It is good that we are seeking to build more of Australia's platforms here, but a defence industry policy should not simply be a proxy for an industry policy.

Having a defence industry is a decision that needs to be based upon a strategic rationale. And in Australia's case that means the opportunity we gain from defence industry projecting our nation and increasing Australia's strategic weight.

This is particularly true within the Alliance.

Already Australian defence industry companies GE Aviation Systems Australia, Quickstep, TAE and H.I. Fraser in Williamstown and Amberley will be playing a significant role in providing a sustainment and maintenance base for the Joint Strike Fighter (JSF) in East Asia. This will assist in maintaining Australia's JSFs

but it will also play a role in maintaining other JSFs in the region including those in South Korea and Japan, and potentially Singapore. And as the global model for maintaining the JSFs is operated by the United States this directly projects Australia's capability within the Alliance.

In the future, as Fremantle grows its capacity to sustain and maintain Australia's Navy, there is an opportunity for it to play more of a role in the maintenance and sustainment of our allies' navies which are operating in and around the Indian Ocean. This includes the US Navy. And similarly, some US Army Vessels operating in Kwajalein in the Marshall Islands are already being maintained in Cairns. We should actively pursue opportunities to perform work of this kind in the future as well.

At the heart of all this is the need for a more active role on the part of the Australian Government in promoting Australian defence industry within the context of the Alliance.

I do acknowledge the efforts that Christopher Pyne has made in this regard. He is to be commended. (Both those comments are off the record.) But more can and should be done.

The Australian company, Austal, is currently bidding to build the next generation of frigates for the US Navy. Already Austal is building ships for the US Navy in Mobile Alabama and I had the opportunity to visit its extraordinary shipyard there last year. The Littoral Combat Ship and the Expeditionary Fast Transport Ship are both new age aluminium hulled vessels playing their part in the US Navy and in the process building Australia's presence in the Alliance.

We do not value enough the ambassadorial role this company is playing on behalf of Australia within the United States. It is profound and it adds to Australia's strategic weight.

So Australia has an interest in Austal being successful in the US frigate tender. It is time we took a leaf out of Menna Rawlings' book, the wonderful UK High

Commissioner to Australia, and start using all the tools of Australian diplomacy and advocacy to help Austal in its bid.

If successful these would be frigates that would be designed in Henderson, Western Australia which is exactly where the Littoral Combat Ship was designed, as was the Expeditionary Fast Transport Ship. And so if successful, the place of Australian defence industry capability within the Alliance would significantly grow.

All of this is an argument for Australia stepping up and taking its place as a mutual partner with the United States in the Alliance and a partner which has the capacity to lead when we need to.

**“[T]he Alliance remains at the heart of Australian strategic policy”**

In a challenging and changing world the Alliance remains at the heart of Australian strategic policy. But precisely because of these changes and challenges now more than ever we must advocate for the Alliance, protect it and nurture it.

The best way to do this is to do what America has been asking us to do for a long time. And that is to lead. And when it comes to leadership that is defined by the roles we play in the Pacific, South East Asia and throughout the Indo-Pacific.

The biggest challenge for Australia today is to develop the leadership side of our international personality. And meeting that challenge will be the key to shaping the Alliance so that it serves both the United States and Australia for the century to come.

**- ENDS -**

Authorised by Noah Carroll, ALP, Canberra.