



Ambassador John Berry – National Press Club of Australia

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**“State of the Alliance”  
Ambassador Berry’s Remarks at  
National Press Club of Australia  
June 25, 2014**

*\*Check against delivery\**

Thank you, Lyndal.

And my thanks to the National Press Club for inviting me to speak today.

It is a great honor and privilege to be here today. I want to thank you – and all the Australians we have met for the very warm welcome we have received. Curtis and I feel very much at home here in Australia.

But, warmth, friendship, and generosity of spirit are all qualities that I – and many Americans – associate with Australians.

Today, I’d like to discuss the state of the alliance, which I will argue is stronger than ever. Together with Australia, we have upheld peace and security in this region for the past seventy years. We will continue to do so for generations to come.

In times of war and peace, we have turned to each other. We have worked and fought side by side, and we have cemented forever our partnership for freedom.

This past Remembrance Day, I was reminded of the power, the courage, and the bravery exhibited by all of our service members – both past and present. I was touched by the deep and abiding respect the ceremonies show for those who serve, and for the ultimate sacrifice so many have made so that we may live in peace and safety.

True democracy, real prosperity, and lasting security are not given to us as gifts. They must be earned. And they must be carefully nurtured by each generation.

We are not allies because of geography.

We are not allies because it is convenient.

We are not allies out of obligation.

We are allies because we share the common foundational values of liberty, justice, democracy, and respect for human dignity and freedom.

We are allies because neither one of us walks away from our friends. In our darkest days, we have always stood together – and we always will.



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We fought and died together long before the ANZUS Treaty and our alliance – from the Battle of Hamel to the Battle of the Coral Sea. And we are grateful for your support on September 11, when our home was under attack.

We remember. You will not find a truer friend, a stronger ally, or a more dedicated partner than the United States.

We could not ask for a better friend or ally than Australia.

And if the words “Lest we forget” mean anything, it is that every new generation must refresh, renew, and recommit to the cause of freedom for which our loved ones died and the promise of peace for which they dreamed.

Prime Minister Abbott’s Visit and Security Cooperation

This is exactly what we did during Prime Minister Abbott’s visit to the United States earlier this month. Together, we celebrated our great alliance, renewed our partnership, and rededicated ourselves to the values we hold dear.

President Obama’s meeting with the Prime Minister was a great success.

High on the agenda was security cooperation. This has always been a cornerstone of our alliance. As partners, we are dedicated to the idea that regional peace and security are the shared duty of every country in the region – and that they are inextricably linked with economic prosperity.

No country can – or should – go it alone when it comes to defense and security.

And so, President Obama was proud to announce with Prime Minister Abbott the conclusion of a new Force Posture Agreement. This agreement provides the framework to fully implement the Force Posture initiatives announced here in Canberra during the President’s visit in 2011.

Our joint training rotations in Darwin are a concrete symbol of this cooperation. Through these rotations – which will eventually grow to a full Air Ground Task Force of 2,500 Marines – we are making great strides together in increasing our interoperability. They enable our Marines to learn from their Australian counterparts and to build the partnerships that are so necessary to cooperation in a crisis – whether made by man or Mother Nature.

But our effectiveness will increase even more over the next few years.

Australia and the U.S. are working together to develop the P-8A Poseidon and the Joint Strike Fighter. These partnerships will strengthen Australia’s independent capabilities and our interoperability.



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They will also benefit Australian manufacturers and service providers. To date, more than \$350 million in contracts have been awarded to the Australian defense industry to produce components for the Joint Strike Fighter – and more is to come.

We appreciate the Australian government's commitment to raising defense spending to 2% of GDP. Security is a shared responsibility, and we thank you for doing your part.

Our security cooperation is more than ships and planes and tanks, however.

We work together to make near space and cyberspace more secure. We share information and intelligence that protects our people from international crime and terrorism. The U.S. Federal Bureau of Investigation regularly coordinates with the AFP, as do our customs and other law enforcement agencies.

Recently, Australian law enforcement, with the assistance of our DEA, seized almost \$6 million in cash as part of a joint money laundering investigation. Task Force Eligo has led to the seizure of more than \$580 million worth of drugs and assets and has disrupted organized crime groups around the world.

This kind of cooperation is key to ensuring that this region continues to be peaceful, prosperous, and secure.

### The Rebalance

As a Pacific country – and a Pacific power – a stable, prosperous Asia-Pacific is crucial for U.S. jobs and U.S. security. And so we are deeply committed to preserving the peace that – together with the hard work of the people of the Asia-Pacific – has led to the amazing economic success of the region.

So to maintain the peace and stability we are strengthening our ties with allies, expanding our cooperation with emerging powers such as China, Indonesia, Vietnam, and Malaysia, and building up regional institutions.

With respect to China, I want to take a minute to address the discourse I hear occasionally in Australia describing U.S.-China relations as a rivalry that is destined to end in conflict.

Let me be clear – the U.S. welcomes the peaceful rise of a prosperous China. Our relationship with China is not a zero-sum game. As President Obama said in April during his travel through this region, our goal is not to contain China. In fact, cooperation between the United States and China is vital and our cooperation is growing.



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That is why we are working together to address some of the most pressing challenges of our times. These include North Korea, Iran, and climate change. A peaceful and prosperous China that plays a constructive role in regional and global affairs is good for everyone.

Of course we have our differences – but we continue to work together on areas of common interest and concern. And, of course, we speak frankly to each other when we disagree.

I have been fortunate to visit China. Among both the U.S and China's proudest achievements has been our work together with Chinese conservationists to preserve and protect the giant panda and its habitat, along with the Takin, golden monkeys, and other endangered wildlife.

China sends more of its sons and daughters to study at U.S. universities than any other country in the world. Some of those children eventually become American citizens and help build an even better America.

This is a familiar story in my own family. My partner Curtis's uncle, Hiram Fong, was the son of immigrants who became one of Hawaii's first Senators – and the first Chinese American in the U.S. Senate.

China is our second largest trading partner and Chinese investments in the U.S. are growing.

We also make investments together around the world, including here in Australia.

Ambassador Ma and I recently visited the Australia Pacific LNG project on Curtis Island. Together, ConocoPhillips, Chinese-owned Sinopec, and Australia's Origin Energy are investing more than \$20 billion to build the largest LNG project in eastern Australia.

Last June, we reached an agreement with China to curb hydro fluorocarbons.

We have a regular, comprehensive, and robust bilateral dialogue. President Obama has met with China's President or Premier 19 times. Secretaries Kerry, Lew, Hagel, and Pritzker regularly meet with their counterparts in China to discuss a range of issues.

We are also working to foster cooperation and better understanding between our militaries.

This year, we are very pleased to welcome China as a participant in Rim of the Pacific exercise for the first time ever. Starting tomorrow, 23 countries, 49 ships, six submarines, and more than 25,000 personnel will come together in Hawaii for the largest naval exercise in the world.

Working together during RIMPAC will improve our ability to respond to any crisis.



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If the tragedies at Fukushima and in the aftermath of Typhoon Haiyan demonstrate anything, it is that the ability to work together quickly can save lives.

Most recently, the United States, Malaysia, China, Japan, and Korea, among others, worked together under Australia's leadership in the effort to try and locate MH370.

Whether we are addressing climate change, or improving regional diplomacy and trade, addressing problems with North Korea, or resolving territorial disputes, we are better - when we work together.

And that is why we are investing so heavily in the development of regional institutions.

Multilateral frameworks and institutions improve the ability of countries in the region to use diplomatic means to settle differences. We believe that rules and norms rather than the size and power of a country must determine the outcome of disputes.

Just like Australia, the United States does not take a position on the sovereignty claims surrounding the territorial disputes in the South China Sea or the East China Sea, but we share an interest in freedom of navigation and the peaceful resolution of these claims in a manner consistent with international law. We oppose the use of intimidation, coercion, or aggression to advance any country's claims.

Turning to economics, because security and prosperity go hand in hand, we are working hard with Australia and ten other partners to conclude the Trans-Pacific Partnership agreement. It is the key economic component of our rebalance to the region.

This ambitious trade agreement will bring down barriers to trade and investment, and open new markets. The TPP will include strong protections for workers, the environment, intellectual property, and innovation. It will promote green and innovative technologies. It will improve the coherence of regulatory systems, and increase supply chain efficiency.

We believe the TPP will become the model for addressing new and emerging trade issues in the 21<sup>st</sup> century.

Through this agreement, Australian and American businesses and farmers will have greater access to a trading area that produces 40% of the world's GDP, creating more and better jobs.

Today, we are in the home stretch on the TPP negotiations. Although there is still work to be done, momentum is on our side, and we look forward to completing the agreement as soon as possible.



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This is particularly significant when we look at how much we have done over the past few years to strengthen our bilateral economic ties.

Trade and Economics

Foreign Minister Julie Bishop has referred to the United States as Australia's single most important economic partner.

The statistics back her up.

Since the implementation of the Australia-U.S. Free Trade Agreement, our bilateral trade of goods and services has risen to approximately \$60 billion.

In the first six years alone, the number of Australian companies operating in the United States nearly doubled.

Today, the United States is the largest foreign investor in Australia. By the end of last year, U.S. Foreign Direct Investment stock in Australia was \$132 billion, and Australian companies had invested \$42 billion in the United States.

If we count indirect investment, the entire relationship is worth more than a trillion dollars.

Most of this growth happened during one of the worst financial crises since the Great Depression.

Fortunately, the worst of that crisis is now behind us and the future for the U.S. economy is bright. U.S. housing starts are up, our banks are lending again, and because of low energy costs, manufacturing jobs are increasing for the first time in more than two decades.

U.S. stock markets are regularly breaking records for all-time highs.

Our economy has created more than 8 million jobs since the worst days of the recession. Despite a brutal winter that affected hiring, May's unemployment rate of 6.3% is one of the lowest in recent years.

The Federal Reserve has begun the delicate task of ending quantitative easing. We are proceeding in a measured way and keeping careful watch over its effects on the rest of the world. Soon, this economic tool will be returned to our "toolbox."

Through both the "shale gas revolution" and other measures, such as increasing the fuel efficiency standards for vehicles and consumer appliances and investing in clean technologies, we are on track to be almost entirely energy independent within 20 years.



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All of these are reasons why – for the second year in a row – business leaders have ranked the U.S. as the top pick for corporate FDI. One of the key factors in this rating was that the United States is a “bedrock of stability.”

But this is no surprise for Australian companies. They know that the United States is a great country in which to do business. This is why we are the number one destination for Australian companies looking at expanding overseas.

It is why Australia is our 10<sup>th</sup> largest investor.

It is why Australia opened a consulate general in Houston in support of the large number of Australian companies in the energy capital of the United States.

BHP Billiton is investing \$3 billion in the United States this year alone.

Australia’s BlueScope employs nearly 3,500 Americans and operates some of the most cutting edge steel factories in the country.

We know, however, that entering the U.S. market can be challenging – especially for small or medium sized companies. And so we developed SelectUSA to provide information and a single point of contact for overseas companies interested in doing business with us.

For example, we provided Melbourne-based vitamin manufacturer Swisse with information on setting up operations in the U.S. Swisse has established an office in Chicago. Many of the company’s products are already on the shelves in stores across the U.S.

In order to encourage more of this type of investment, the U.S. Commercial Service is planning a road show here in Australia in September to highlight investment opportunities in the United States.

We’d like to welcome more companies like Swisse, BlueScope, and BHP Billiton to do business with us.

I’m proud to say that this is not – by any means – a one way relationship.

Hundreds of U.S. companies operate in Australia, and some of our most successful companies – including Chevron, ConocoPhillips, GE, Citibank, and Google – have operations here that provide jobs and income for thousands of Australians.

Chevron's massive Gorgon and Wheatstone LNG projects represent the largest U.S. investments in Australia ever – more than \$70 billion.



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On completion, they will add around 24 million tons of LNG per year in exports to the Asia-Pacific market.

So business is booming between the U.S. and Australia, and we are doing everything we can to continue – and improve upon – this trend.

Innovation and Investment

That can be difficult, however.

We don't know where our economies will take us. We don't know where the jobs of the 21<sup>st</sup> century will be. But by encouraging and investing in the imaginations and ideas of our people, we can remain competitive no matter what the future throws our way.

This brings me to my final point, and one that is very near and dear to my heart.

President Obama believes that the way to “win the future” is through investment in innovation.

In today's markets, innovation is essential for success. If we want to remain the world's largest economy – and we do – we must be prepared to change, to adapt, and to compete.

Investment in science, technology, and research is the most important guarantee we can make for our future.

I believe that this is one of the most fundamental areas in which we – as partners and friends – should look to increase our cooperation.

Throughout his terms in office, the President has announced several initiatives – that concern, among other things, climate change, the brain, and space – that are designed to focus attention and resources on developing creative ways to solve some of the world's most pressing problems.

For example, we have made some of the biggest investments in clean tech in U.S. history. We want – as Secretary Kerry said recently – to ensure that clean energy projects are the most attractive investments in the global energy sector in order to encourage our best minds to develop new technologies.

And, today, some of our most innovative private companies are also aggressively investing in renewables. Google in particular has put more than \$1 billion into wind and solar projects.



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Retail giant Walmart has the most installed on-site solar capacity of any company in America. The company plans to buy or produce 7 billion kilowatt hours of renewable energy by 2020 – a potential savings of \$1 billion a year.

Oil and gas companies are among the businesses leading the charge to develop cost effective wind and solar power that will help reduce carbon emissions, giving our children and grandchildren a healthier planet.

But we're not just focused on what we can do to help the climate. We're also investing heavily in other areas, especially in medicine and basic research.

Last year, President Obama announced the BRAIN Initiative. In 2014 and 2015 alone, we plan to dedicate \$300 million to gaining a better understanding of the human brain. The President hopes that we can eventually map the brain as we did with the human genome. He also hopes that a concentrated investment will prove to be the push that is needed to curing brain injuries and neurological diseases like Alzheimer's and Parkinson's.

But Americans do not have a monopoly on good ideas or talented people. We also need to look outside our borders for partners. We would be hard pressed to find better partners in that effort than our friends here in Australia.

Since my arrival here, I have been to every state and territory. Everywhere I go, I have been impressed by Australia's dynamism. Australians, like Americans, are innovators, builders, creators. You are optimistic and believe – as we do – that even the most difficult problems can be solved.

Our long and storied partnership with Australia in space is one of the most enduring – and successful – examples of our bilateral cooperation. It has taken us to the moon, allowed us to drive together on Mars, and soon beyond our very solar system.

Our joint HIFiRE (Hypersonic International Flight Research Experimentation) program may take us even further. Researchers are exploring ways to make hypersonic flight a practical reality. With luck – and I say this having just made the very long flight from the United States – this technology will be available for civilian aircraft before my posting ends.

I know that America's biggest companies are already fans of the talent and creativity of Australians.

Ideas from GE's employees in Western Australia have allowed it to streamline operations and improve subsea production technology. This has trimmed costs and improved productivity by 30 percent.



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Officials from Ford have told me that talented and innovative Australian engineers will be crucial to solving the design challenges of the future. This is why the company is expanding its Global Design Center in Geelong.

But we can do more together. We should do more.

So next month, I will launch the first "Ambassador's Innovation Roundtable" here in Canberra. Later, we plan to take the show on the road and travel around Australia. These roundtables will let us highlight existing innovation partnerships, address shared challenges, and explore new opportunities.

### The Way Forward – the Next Six Months and Beyond

Looking ahead, just a few examples of what's to come later in the year also demonstrate both the depth and breadth of our partnership. They also highlight just how much more we could expand that cooperation – and what a huge impact we could have.

In a few short weeks, Melbourne will host the 2014 International AIDS Conference. We are looking forward to sharing best practices in health policy and advances in research with colleagues from around the world. The President is dedicated to the ambitious – but achievable – goal of an AIDS-free generation.

Our annual AUSMIN consultations advance our shared agenda. Secretaries Kerry and Hagel are looking forward to this year's discussions with Ministers Bishop and Johnston here in Australia.

The high point of the year will come in November when President Obama and leaders from the world's biggest economies will meet in Brisbane for the G20 Summit. I know that he will relish the opportunity to talk about promoting strong, sustainable, and balanced economic growth with his peers.

He might even get to try out his new surfboard.

Finally, I sincerely hope that we can use the World Parks Congress in November to advance the protection of our precious natural resources.

### Conclusion

All of these events demonstrate just how deep and strong our ties are. They demonstrate the complex networks that make our friendship so vital and enduring.

But, we must never forget where that friendship began. The peace, prosperity, and friendship we enjoy today came at a price.



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When President Obama asked me where I wanted to serve, my answer was unequivocal: Australia.

This is a country that has deep meaning and importance, not only to me, but to my family.

I'm the second generation of my family to serve under our flag in the Pacific. My father fought during WWII as part of the 1<sup>st</sup> Marine Division. My uncle, my namesake, was a fighter pilot who lost his life in the Philippines. Because of their service and sacrifice, I feel a special responsibility to advance the cause of peace they fought so valiantly to secure.

My dad told me that the Marines landed on Guadalcanal with few supplies, and received very little more due to Japanese victories at sea. They endured many hard mornings on that island. They knew it would be a bad day when – more than once after night time naval battles – they looked out at the ocean and saw that all the ships were flying the Rising Sun. And they knew that help was not coming anytime soon.

Against all odds, they held that rock and turned the tide of the war. But they had seen and done things that made them wonder if there was any good left in the world.

After six months on Guadalcanal, they were sent to Australia to rest and recuperate.

My father told me that the people of Australia were so good, so generous, and so warm-hearted and true that it reminded him not only that there was good left in the world, but that it was damn well worth fighting for.

When the ships carrying the Marines arrived in Australia, they were met by a band playing "Waltzing Matilda." It was the sweetest sound any of them had ever heard. So profound was this event – that to this day, whenever and wherever the 1<sup>st</sup> Division Marines ship out, they do so to the sound of "Waltzing Matilda."

Our historic friendship is strong – it was forged under fire. The spirit of the ANZACs and the goodness of the Australian people that my father witnessed are alive and well today. Side by side, together we uphold freedom, peace, and progress. Until history's inkwell is dry, may it continue to be so –

And may God always continue to bless our two great countries.

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