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Australia's ambassadors in Washington, 1982–89

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This chapter examines Australia's ambassadors in Washington during the period from 1982 to 1989 with a focus on two major episodes: the Australia, New Zealand, United States Security Treaty (ANZUS) and Missile-eXperimental (MX) missile crises of 1984 to 1986; and the issue of agricultural protectionism in the second half of the 1980s.¹ The election in 1972 of the first federal Labor Government in Australia since 1949 had seen Australia–US relations reach their nadir, as the Nixon Administration reacted adversely to criticisms of US policy in Vietnam by Prime Minister Gough Whitlam and his ministers, and as the Whitlam Government renegotiated arrangements over the joint facilities. The return to power of a Liberal–National Country party coalition led by Malcolm Fraser in 1975 saw the embassy in Washington assist the Fraser Government to seek closer defence ties with the US extending into the Indian Ocean. Liberal Party Senator Sir Robert Cotton, who was appointed Australian Ambassador to the United States in 1982, headed the embassy when Bob Hawke came to power in 1983.

1 See Henry S Albinski, *Australian External Policy Under Labor: Content, Process and the National Debate*, University of Queensland Press, St Lucia, 1977; Coral Bell, *Dependent Ally: A Study in Australian Foreign Policy*, Oxford University Press, Melbourne, 1988; Glen St John Barclay, *Friends in High Places: Australian–American Diplomatic Relations since 1945*, Oxford University Press, Melbourne, 1985; and James Curran, *Unholy Fury: Whitlam and Nixon at War*, Melbourne University Press, Carlton, 2015.

Hawke was the head of an Australian Labor Party calling for strong action to counter nuclear proliferation and some of whose members were advocating an end to the ANZUS alliance. Cotton was succeeded in 1985 by seasoned career diplomat Rawdon Dalrymple.

The 1984 election of a Labour Government in New Zealand opposed to visits by nuclear warships to its ports precipitated a crisis in the tripartite ANZUS alliance and threatened to unravel the *modus vivendi* achieved in the Australian Labor Party (ALP) on Australia–US relations during 1983. Adding to the political difficulties in the relationship was the resentment among Australian farmers in 1985 about subsidies to US agriculture that threatened unsubsidised Australian exports. The chapter shows how the embassy in Washington, under Ambassadors Sir Robert Cotton and Rawdon Dalrymple, assisted the Australian Government to navigate the ANZUS crisis of 1984 to 1986 and the economic crisis precipitated by the 1985 US Farm Bill in a way that left the Australia–US relationship much stronger by the end of the 1980s than it was at the end of the 1970s.

Cotton, the Hawke Government and ANZUS, 1983–84

Throughout 1983 and 1984 the Hawke Government pursued its first-term foreign policy on two different strands. One was Hawke's support for the US alliance and his personal rapport with President Ronald Reagan and Secretary of State George Shultz, both of whom he talked to on his first visit to Washington as Prime Minister in June 1983. On that first visit, Hawke took care to emphasise that Australian foreign policy had taken on a bipartisan character in the 1980s, that the ANZUS Treaty yielded mutual and reciprocal benefits, and that the provisions of the treaty did not 'derogate from Australia's right of national decision-making in foreign and defence policy'.² The other strand of Australian foreign policy after 1983 was the advocacy by Minister for Foreign Affairs Bill Hayden of a comprehensive nuclear test ban treaty, a South Pacific Nuclear Free Zone (SPNFZ) and disarmament negotiations

2 Bob Hawke, speech, Washington Press Club, 15 June 1983, *Australian Foreign Affairs Record*, vol. 54, 1983, p. 269.

between the superpowers in multilateral forums.³ On 22 November 1983, Cabinet agreed on a package of disarmament measures, including measures to halt and reverse the nuclear arms race; to uphold the nuclear non-proliferation treaty; to promote a comprehensive and verifiable ban on nuclear testing; to develop the concept of a nuclear-free zone in the South Pacific; to support the achievement of a ban on chemical weapons; to support the process of negotiation and the achievement of balanced and verifiable arms control agreements; and to take an active role in pursuing arms control and disarmament. Hayden, who had been a senior minister in the Whitlam Government, took a much more critical position than Hawke towards the US.⁴

The Ambassador to the US from the time of his appointment by Fraser in 1982 to 1985 was Sir Robert Cotton. Cotton had been a Liberal senator for New South Wales from 1965 to 1978, Minister for Civil Aviation from 1969 to 1972, Minister for Industry and Commerce from 1975 to 1977 and Consul-General in New York from 1978 to 1982 before being appointed to Washington. Cotton remained as the Australian envoy to Washington after the election of the Hawke Labor Government. 'I didn't leave and they didn't ask me to – and they still pay me', he joked to an American audience in 1984.⁵ It helped Hawke's aim of demonstrating the bipartisan character of Australian foreign policy to retain a Liberal of Cotton's standing as Ambassador to the US. Relaxed and jovial, Cotton, like Hawke, was popular in America. Not a diplomat by profession, he irreverently said of his job: 'I'm the chief import for politics here.'⁶ Cotton performed the vital role of helping to introduce a new Australian Government to the Reagan Administration and of assuring the administration that the election of a Labor Government in 1983 would not affect the Australia–US relationship as the election of the Whitlam Government had done in 1972. The fact that Cotton was a Liberal appointed by the Fraser Government assisted in making

3 On the Hawke Government's foreign policy see Alan Burnett, *The A-NZ-US Triangle*, Strategic and Defence Studies Centre, The Australian National University, 1988; Andrew F Cooper, Richard A Higgott and Kim Richard Nossal, *Relocating Middle Powers: Australia and Canada in a Changing World Order*, Melbourne University Press, Carlton South, 1993; Bob Hawke, *The Hawke Memoirs*, William Heinemann Australia, Port Melbourne, 1994; Paul Kelly, *The Hawke Ascendancy*, Angus & Robertson, North Ryde, 1984.

4 Bell, *Dependent Ally*, pp. 227–9.

5 Barbara Gamarekian, 'Beyond Billabongs and Koala Bears', *New York Times*, 28 August 1984.

6 Ibid.

Hawke's case for the continuity of the Australia–US alliance. Cotton, like Beale, was a good networker in Washington and, like Plimsoll before him, made an effort to travel widely throughout the US.

Notwithstanding the calibre of Australia's ambassadors to the US, that Australia did not always rate highly in the global scale of US concerns had been graphically illustrated in 1983. In a reshuffle of responsibilities in the US State Department in that year it was decided that Australia, New Zealand and the Pacific Island countries no longer needed their own Deputy Assistant Secretary of State and were instead handed to one whose major responsibility was China. Cotton's successor, Rawdon Dalrymple, formed the impression in 1985 that there were few ambassadors, perhaps only five or six, who had relatively easy access to the Secretary of State and another half dozen or so who could get to see him if they pressed hard enough. The rest of other countries, and that category included Australia, could only get in to see him if they were accompanying a head of government or senior minister from their own country.⁷ This state of affairs was in marked contrast to the 1950s and 1960s when Australian Ambassadors Percy Spender and Howard Beale had much easier access to senior administration officials and to the President himself. The Washington of the 1950s and 1960s was a much smaller place than the American capital in the 1980s.

During his ambassadorship, Cotton called on Shultz five times, always in the company of visiting Australian ministers: with Minister for Foreign Affairs Tony Street in 1982 and 1983, with Hawke in 1983 and 1985 and with Hayden in 1983. He made three other requests for appointments that were declined: the first, a courtesy call, the second before a meeting of the 1984 Association of South East Asian Nations' Foreign Ministers and the ANZUS Council meeting, and the third a farewell call.⁸ It was, however, the case that the New Zealand ships and MX crises – which reached their denouements in 1985 and which will be analysed below – heightened the importance of Australian envoys in Washington and brought Australia to the attention of the President and senior administration figures much more often than had been the case in the late 1970s.

7 Rawdon Dalrymple to GC Allen, Chief of Protocol, Department of Foreign Affairs, 9 September 1985, letter, series A1838, item 250/9/4/5 part 9, National Archives of Australia (NAA), Canberra.

8 Paper, Department of Foreign Affairs, 'Calls on Mr Shultz by Sir Robert Cotton', series A1838, item 250/9/4 part 10, NAA, Canberra.

In 1985 the embassy was staffed by 34 Australia-based officers from the departments of Foreign Affairs, Trade, Primary Industry, Treasury, Finance, Immigration and Ethnic Affairs, as well as the Attorney-General's Department and the Department of Defence, and supported by 176 locally engaged staff.⁹ Its chancery at 1601 Massachusetts Avenue was a modern building comprising seven storeys above a ground floor and two basements and a head of mission residence, which was described in 1985 as a building 'in a state of advanced general deterioration' that had 'not been renovated since the early 30s'.¹⁰

While the relationship of Cotton and the embassy with Hayden was sometimes strained, that with Hawke and the Department of the Prime Minister and Cabinet was much more cordial. Cotton accompanied Hawke during his first official visit to Washington in 1983 and had further discussions with him at Kirribilli House in January 1984 about the state of Australia–US relations and Cotton's plan to expand the embassy's 'constituency' in the US.¹¹ What Cotton meant by this was the problem, as he saw it, that Australia, unlike in many other countries, had no ethnic political base in the US and faced the problem of a 'vanishing constituency'.¹² He noted, however, that Australia's victory in the 1983 America's Cup, the success of Australian films, and the contribution of sporting persons and music groups had led to a remarkable rise in American interest in Australia. In these circumstances Cotton considered that:

We now have an unprecedented opportunity to build on a new respect for Australia's achievements, to demonstrate that we are a country with a future, a considerable economic potential, a contribution to make, and one to be taken seriously not only as an ally but as a focus on a broad range of American interests in our highly populated and fast growing region.¹³

Cotton sought to enlist Hawke's support in building on this new American interest in Australia by securing an adequately funded and coordinated program of information, cultural and promotional activities in the US, citing as an example support for the Australian–American

9 Paper, 'Washington', Department of Foreign Affairs, n.d., 1985, series A1838, item 250/9/4/5 part 9, NAA, Canberra.

10 Ibid.

11 Cotton to Hawke, 9 May 1984, series A1209 1985/1053 part 5 and series A1838 250/9/4/5 part 8.

12 Ibid.

13 Ibid.

Bicentennial Foundation's ambition to promote Australian studies in America. Cotton was successful in engaging the interests of a group of Americans headed by Charles W Parry, chairman and chief executive officer of Alcoa, to work with the Australian Government on planning for the Bicentenary.¹⁴

Cotton led the embassy during a period when it assisted the government in the review of ANZUS that Hawke had promised during the election campaign. The review concluded that the ultimate value of ANZUS lay in the assurance it provided against the subjugation of Australia by major military force and the overall deterrent value of having a relationship with a country having large military resources and global reach. At a more immediate and practical level, the review found that there was substantial and irreplaceable value in the many-sided cooperation with the US in such matters as consultation with the Americans on strategic matters; being treated as a favoured customer in defence purchasing; gaining access to US defence scientific and technological information; and receiving a large volume and wide range of intelligence reporting. While such benefits were normally presented as flowing from the tripartite ANZUS Treaty, in reality they stemmed from Australia's association with the US.

The review noted that the joint facilities were not a necessary consequence of the ANZUS Treaty and did not derive from any particular ANZUS arrangement, but that the agreements that established them referred to the treaty. It found the risks that the facilities posed of making Australia a nuclear target were justified by the contribution they made to the deterrence of nuclear war and that they involved no derogation from Australia's sovereignty and independence.¹⁵ But whereas earlier Coalition governments had sought what Coral Bell has described as 'maximalist' interpretations of the ANZUS Treaty, Hayden was content for ANZUS to be defined as a 'regional' treaty.¹⁶ By the end of 1983, Hawke and Hayden, assisted by the embassy in Washington, had secured a *modus vivendi* in the Labor Party based on support for the ANZUS alliance combined with an active foreign policy aimed at mitigating the nuclear arms race through support for such measures as a Comprehensive Test Ban Treaty and the SPNFZ.

14 Ibid.

15 Department of Foreign Affairs to Hayden, 12 March 1985, cablegram no. CH267301, series A1838, item 686/1 part 42, NAA, Canberra.

16 Bell, *Dependent Ally*, pp. 232–3.

The aftermath of the 1984 New Zealand election

The election of a New Zealand Labour Government in July 1984 greatly complicated the foreign policy of the Hawke Government. The embassy in Washington and the ambassadors were called on thereafter to help the government salvage a fracturing ANZUS alliance and prevent through diplomacy infighting over ANZUS in the governing ALP. In 1984 the New Zealand Labour Party ran on a platform of banning from New Zealand ports all visits from nuclear-armed and nuclear-propelled ships; denuclearising the ANZUS alliance through renegotiation of the ANZUS Treaty; refocusing it on ensuring the economic, social and political stability of the South East Asian and South Pacific regions; and promoting the SPNFZ. Although the governing New Zealand National Government did not make foreign policy and protecting ANZUS a major line of its attack on its Labour opponents, the US embassy in Wellington took the extraordinary step of intervening during the New Zealand election campaign.

US Ambassador to New Zealand Monroe Browne distributed a statement about the ANZUS alliance and sought to refute Lange's suggestions that an earlier New Zealand Labour Government had prohibited nuclear ships visits between 1972 and 1975. In fact, a New Zealand National Party Government had suspended visits of nuclear-powered vessels in 1964 because of the absence of clear processes of indemnification in the event of a nuclear accident involving such vessels.¹⁷ They had not resumed visits to New Zealand until 1976 after US indemnification legislation had been passed, although 22 visits by nuclear-capable ships had taken place between 1972 and 1975.¹⁸

17 Paper, Department of Foreign Affairs, 'US views on ANZUS and port access', n.d., series A1838, item 686/1 part 30, NAA, Canberra.

18 High Commission in Wellington to Department of Foreign Affairs, cablegram no. WL20102, 11 July 1984, series A1838, item 919/18/1 part 4, NAA, Canberra; AD Campbell to Hayden, 19 October 1984, submission, series A1838, item 686/1 part 30, NAA, Canberra.

When Labour's David Lange won the election resoundingly on 14 July 1984, many senior figures in the Hawke Government were relieved that the ALP Conference had taken place before the New Zealand election and not after it because of the boost that Lange's election would have given those in the ALP who wanted to replicate the platform of the New Zealand Party. Lange would later tell Hayden that he had received hundreds of letters from Australians seeking to use events in New Zealand as leverage in internal battles in the ALP.¹⁹ As it was, the centre and right of the ALP were able to defeat proposals from the Socialist Left faction that would have required Australia to withdraw from the ANZUS alliance and close down the joint facilities in Australia. The conference permitted visits of US ships to Australian ports although limiting the pattern and frequency of US naval visits so that they did not amount to 'home porting'.²⁰

In the immediate aftermath of the New Zealand election, an ANZUS Council meeting – in fact, the last ever tripartite ANZUS Council meeting – took place in Wellington on 16 and 17 July 1984, with ministers from the caretaker New Zealand National Party Government representing New Zealand, as Lange's ministers had not yet been sworn in. Ominously, in a press conference after the meeting, Shultz confirmed that it was essential for any alliance that the military forces of members had to be able to have contact with each other.²¹

In responding to the New Zealand election and its consequences for ANZUS, Hawke and Hayden had differing approaches. Hawke did not want the US to make a deal that accorded exceptional treatment to ship visits to New Zealand for fear that members of his own party would press for Australia to be given the same treatment and potentially to reopen the whole debate over ANZUS that appeared to have been settled in Australia in 1983. Conversely, he worried that if New Zealand were able to implement the ship ban without US reprisals, the chances of being able to keep the existing Australia–US relationship intact would be slim.²² That was why Shultz had been so uncompromising at

19 Hayden and Lange, New York, 26 September 1984, record of conversation, series A1209 1985/1053 part 5, NAA, Canberra.

20 Deborah Snow, 'Nuclear Ships to Again Ruffle ANZUS', *Australian Financial Review*, 16 July 1984.

21 Department of Foreign Affairs to High Commission in Wellington and embassy in Washington, 15 July 1984, cablegram no. CH209514, series A1838, item 919/18/1 part 4, NAA, Canberra.

22 'Lange's Threat to ANZUS', *Sydney Morning Herald*, 9 August 1984.

the Wellington ANZUS Council meeting about US ship visits – he was less worried about New Zealand ports than he was about the possible reaction of the ALP.²³

Hayden, on the other hand, instinctively wanted to pursue an even-handed policy to the US and New Zealand. In frank discussions after the Wellington ANZUS Council meeting, Lange bluntly told Hayden that US vessels were not needed in New Zealand and had no bearing on New Zealand's defence strategy.²⁴ Hayden countered with an explanation of Australia's accommodation with the US on the US joint facilities, B-52 flights over Australia, and US ship visits. Of his own experience, he recalled: 'We went down that lane in 1982. There is blood on my feet still.'²⁵ Hayden was referring to the embarrassment he had felt in 1982 when Prime Minister Malcolm Fraser had exploited ambiguity and uncertainty in ALP policy over US ship visits. This incident had contributed to Hayden's replacement by Hawke as leader of the ALP in the following year. Hayden then elaborated his thinking about the benefits that ANZUS gave to Australia – in sharing of intelligence, managing the relationship with Indonesia, and accessing US defence equipment and valuable defence and scientific information.²⁶

Hayden came to a perceptive early assessment that Lange would be unable to resist the overwhelming sentiment in the New Zealand Labour Party on ship visits.²⁷ In these circumstances, he thought that expelling New Zealand from ANZUS because of its new policy – which was not an explicit obligation under the treaty – would cause a 'nasty' reaction in both New Zealand and Australia, as would a scenario where both Australia and the US withdrew from the tripartite treaty. As did embassy officials in Washington, Hayden warned Shultz and the State Department against bullying New Zealand or taking economic action against it. He predicted to Hawke that New Zealand actions would make the next ALP Conference in Australia difficult, but he was confident of winning if arguments were made in a reasonable way or in a way that could be characterised as not blindly following the US:

23 Ibid.

24 High Commission in Wellington to Department of Foreign Affairs, 18 July 1984, cablegram no. WL20205, series A1838, item 686/1 part 26, NAA, Canberra.

25 Ibid.

26 Ibid.

27 Hayden to Hawke, 20 August 1984, cablegram no. MC12525, series A1838, item 686/1 part 26, NAA, Canberra.

In saying this I am not proposing criticism for the sake of being fashionable. On the contrary, I am proposing that we express our concerns, and where necessary in good common sense, our criticisms, only on a limited number of occasions when it may be required to protect our national interests. A middle power like Australia cannot be on exactly the same course as a superpower like the U.S. no matter how close our formal alliance and our friendship, on all matters.²⁸

Hayden advised Hawke that the Australian Government should not overreact: Australia had its own policy on ship visits and should leave New Zealand to work out its policy with the US. Above all, Hayden considered that Australia had to pursue its specific interest of preserving an appropriately structured defence partnership with the US, entailing a willingness to support an American strategic presence in the region as part of a system of reciprocal obligations and benefits.²⁹

In the second half of 1984, the Australian Ambassador in Washington and his staff fulfilled one of the most vital functions of Australia's overseas diplomats in their close reporting of the thinking of the Reagan Administration on the New Zealand crisis. This reporting helped the Australian Government to maintain a nuanced and even-handed approach to the political rupture between two of Australia's closest allies. On 20 September 1984, for example, Cotton and his deputy head of mission, Tim MacDonald, met with Paul Wolfowitz, Assistant Secretary of State, Bureau of East Asian and Pacific Affairs, in the company of Peter Henderson, Secretary of the Department of Foreign Affairs. Wolfowitz indicated that the US would try to work out a compromise with New Zealand, but that the State Department was nervous about making concessions to New Zealand because of the major political and strategic problems that this would create for more important relationships, particularly Japan and Australia. Military thinking in the US, moreover, was that ANZUS as a tripartite arrangement was less important to the US than the relationship with Australia.

The State Department kept the embassy abreast of US–New Zealand negotiations. Wolfowitz, for example, relayed to the Australians the substance of a discussion between Shultz and Lange in which the American had proposed the compromise based on an agreement reached with Norway – that is, a prohibition of the stationing of nuclear weapons

28 Ibid.

29 Ibid.

in New Zealand coupled with an acceptance of ships visits without any questioning of their nuclear status. Lange countered with a different kind of compromise – a policy of not stationing nuclear weapons on New Zealand soil in conjunction with a formula that acknowledged no need for the US to deploy nuclear weapons in defence of New Zealand.³⁰

Towards the end of 1984, the State Department informed embassy officials that it could not afford to extend unilaterally the post–New Zealand election moratorium on ship visits because that would be giving a signal to other allies that, in response to political difficulties, the US was prepared to adopt a self-denying ordinance. There was some sympathy on the part of the Americans for giving the New Zealand Government a ‘fig leaf’ to cover a back down, but Shultz was becoming increasingly irritated with Lange’s inability to resolve the situation to the satisfaction of the US. During these and other discussions, Australian diplomats in Washington under Cotton’s guidance adopted the approach of counselling the administration to maintain a patient attitude to New Zealand since the way that the issue was handled would have important implications for the Pacific, for Australia’s traditional ties with New Zealand and for Southeast Asia due to the effects on the attitudes of Singapore and Malaysia towards the Five Power Defence Arrangements (the series of agreements signed in 1971 between Australia, New Zealand, the United Kingdom, Singapore and Malaysia providing for immediate consultation on possible actions in the event or threat or an armed attack on Malaysia or Singapore).³¹ In this respect, Cotton and his staff proved adept in advocating the policies of the Hawke Government.

Not long before his own second visit to Washington, at the beginning of 1985, Hawke sent Lange a letter of advice as the New Zealand Government considered the prospects of a US ship visit. He warned Lange that New Zealand policy was imposing a grave risk to two of Australia’s most important bilateral relationships – those with New Zealand and the US. He advised Lange: ‘We could not accept as a permanent arrangement that the ANZUS alliance has a different meaning, and entail different obligations, for different members.’³² Hawke’s admonitions were unavailing. Not long after sending the letter,

30 Embassy in Washington to Department of Foreign Affairs, 25 September 1984, cablegram no. WH53706, series A1209 1985/1053 part 5, NAA, Canberra.

31 Embassy in Washington to Department of Foreign Affairs, 1 September 1984, cablegram no. WH52686, series A1838, item 686/1 part 26, NAA, Canberra.

32 Hawke to Lange, 10 January 1985, letter, quoted in Gerald Hensley, *Friendly Fire: Nuclear Politics & the Collapse of ANZUS, 1984–1987*, Auckland University Press, Auckland, 2013, p. 95.

on 17 January 1985, the US embassy in Wellington requested a visit to New Zealand by the destroyer *Buchanan* on 17 January 1985 while Lange was holidaying in Tokelau. Although the ship's obsolescent status meant that it was unlikely to be carrying nuclear weapons, its armaments included the ASROC anti-submarine missile (of 20,000 such weapons produced, 850 had nuclear capabilities). Since acting New Zealand Prime Minister Geoffrey Palmer could have no categorical assurance that the ship did not carry nuclear weapons, he declined the US request for the *Buchanan*.³³

The MX and New Zealand ship visits crises

Before the New Zealand decision, on 25 January 1985, Cotton sent an analysis to the Department of Foreign Affairs in Canberra, giving his advice on a forthcoming visit to the US that Hawke was about to make.³⁴ One of the most important roles of the Ambassador in Washington was to advise on, and help prepare for, prime ministerial discussions with the President and his Cabinet. Cotton performed this role with great care and diligence. While noting that the overall Australia–US relationship was harmonious, Cotton pointed to irritants such as over Australia's lobbying for a Comprehensive Test Ban Treaty and some criticisms of US policy in Central America. He also noted a feeling in some parts of the Reagan Administration that events in Australia's region were moving contrary to US interests – on ships visits, growing pressures from disarmament movements, the SPNFZ and Soviet pressures in Pacific Island countries. Cotton recommended disaggregating the issues and explaining the Australian Government's position on each. He did not, however, mention in his cable an issue that would cause a storm during Hawke's visit.³⁵

Before Hawke arrived in Washington, a political crisis had developed in Australia and in the ALP caucus over testing of MX missiles. Its origins went back to 1979 when a tri-service US defence committee began a study aimed at finding new international sites for the testing of US intercontinental ballistic missiles. The committee completed its

33 Gareth Evans, Minister for Minerals and Energy to Hayden and Beazley, 16 March 1985, memorandum, series A1838, item 370/1/20 part 33, NAA, Canberra.

34 Cotton to Department of Foreign Affairs, 25 January 1985, cablegram no. WH59133, series A1209 1984/1287 part 1, NAA, Canberra.

35 Ibid.

report in September 1981, recommending Sydney as a base for the staging and refuelling of US aircraft in their monitoring of missile tests. After taking office in 1981, the Reagan Administration unveiled a plan to add thousands of additional warheads to the US arsenal including a new land-based strategic missile (the MX). Since the MX was more precise and powerful than other missiles, many considered it to be a destabilising first-strike weapon. Adding to the controversial nature of the MX missile was the Strategic Defense Initiative, which Reagan had unveiled on 23 March 1983. With arms negotiations deadlocked, Reagan announced plans to develop a space-based antiballistic missile system that would render nuclear weapons obsolete. Reagan's launching of a massive build-up of nuclear arms and an expensive effort to build a defence against strategic missiles exacerbated tensions with the Soviet Union and catalysed anti-nuclear activism in the US and around the world.³⁶

In 1982, the Reagan Administration obtained the agreement of the Fraser Government to provide logistic support for monitoring of long-range missile tests with the splashdown point near Australia. After Fraser's defeat at the polls, the administration tested whether Hawke's sympathies towards the US matched those of its predecessor by pressing him to confirm Fraser's decision. Hawke agreed and later, on 16 November 1983, Hawke, Hayden and the Minister for Defence, Gordon Scholes, formally agreed to the request with certain modifications. But they asked the US to remove the impact zone of the missiles outside Australia's exclusive economic zone and give an assurance that the flight path would essentially be limited to international waters. Cabinet ratification of the decision of the three ministers came only on 29 January 1985 at the first meeting since the re-election of the Hawke Government in 1984.

As Hawke left for Washington in 1985, shockwaves reverberated throughout the ALP over the publication of the decision in the Australian media. Left faction Labor MP Gerry Hand described the decision as 'the best-kept secret since the Government has been in office' and warned that there was a 'very real question of survival' for the Labor Party if Hawke continued with his policy.³⁷ Concern over the policy was not restricted to the Left as members of both the Centre-Left and Right factions criticised the decision, and federal member for Capricornia

36 See generally Ronald E Powaski, *Return to Armageddon: the United States and the Nuclear Arms Race 1981–1999*, Oxford University Press, New York, 2000.

37 David O'Reilly, 'Left Seeks Centre's Support over MX', *Australian*, 4 February 1985.

and Hawke supporter Keith Wright urged that Australia should become the 'Switzerland of the South Pacific'.³⁸ Hawke's difficulty in sticking to his decision on the MX missile was exacerbated by the perception of many Australians that the Reagan Administration had overreacted to the New Zealand Government's policy on visits by nuclear-armed warships in the previous year. For the Australian Government to agree to the US request, at the same time as some were criticising it for siding with the US against New Zealand, would have been a provocative and risky step to take.³⁹ It did not help that Hawke's letter to Lange about his stance on nuclear ships had been leaked to the *National Times* newspaper and had provoked a strong backlash in sections of the ALP.

Both Hawke and Hayden could argue that their policies on ANZUS and nuclear ship visits were consistent with party policy, since the 1984 ALP Conference had specifically endorsed the US alliance, the continuation of the ANZUS Treaty and the use of Australian ports by US nuclear-armed ships. However, the proposal that Australia assist in the monitoring of MX missile testing appeared at odds with ALP policies on nuclear testing and nuclear non-proliferation. It would be difficult for the Hawke Government to defend MX missile testing on the same basis as it defended the joint facilities – that the facilities contributed to nuclear deterrence. This was because the MX program involved the threat of escalation of the arms race. Moreover, the Hawke Government's proposed SPNFZ treaty was already being criticised for the fact that it would still allow the passage of nuclear-powered and nuclear-armed warships. Helping an ally in test-firing missiles that were designed to carry nuclear warheads into the Pacific was much harder to defend as consistent with the proposed treaty.

As Hawke embarked for Washington, many senior figures in the Australian Government hoped that the US would quietly drop their request for Australian support for monitoring the MX missiles; otherwise the Hawke Government may be forced to decline it. In a press conference in Brussels before heading to Washington, Hawke intimated the possibility of a change in policy on the MX missiles by stating that

38 Ibid.

39 Geoff Kitney, 'Why Bob Hawke will have to say no', *National Times*, 1 February 1985.

'I'll be making it very clear to the United States' Administration that the Australian Government is not giving support to the strategic defence initiative'.⁴⁰

Cotton and the embassy helped resolve a major potential problem by convincing the Reagan Administration that Hawke had moved ahead of the opinion of his caucus on the MX missile issue and that the administration would need to rescue him from a difficult domestic position. Shultz, who was a personal friend of Hawke, took an indulgent and helpful attitude. Hawke had a conversation with Shultz and Caspar Weinberger facilitated at an embassy dinner. Following the meeting, the two US Cabinet members instructed their departments to solve Australia's MX problem. It was a measure of Hawke's stature in the US and the Australian embassy's deft handling of the issue that Hawke and Shultz issued a joint statement to the effect that Hawke had raised the community concern in Australia on the testing of the MX missile and that the US had taken the decision to conduct the MX tests without the use of Australian support arrangements.⁴¹

In his first press conference after returning to Australia, Hawke explained that a decision to provide support facilities for MX missile tests would have placed the alliance with the US and the joint facilities in jeopardy and would have impaired the capacity of Australia to carry out its disarmament policies.⁴² Hawke feared such a rebellion in his caucus as would have led to a re-examination of the whole US alliance. Adding to Shultz's assistance of Australia on the MX issue, the Assistant Secretary for Asia and the Far East, Wolfowitz, later gave the broadest and most unequivocal assurances yet about the US commitment under ANZUS at a conference at Pennsylvania State University in March. Ironically, in view of the fact that Hayden had sought to lower expectations about the treaty's meaning, Wolfowitz remarked: 'In the case of an attack on Australia, for example, our commitment remains firm whether

40 Transcript, Prime Minister's Press Conference at Brussels Hilton, 4 February 1985; Brussels to Department of Foreign Affairs, 5 February 1985, cablegram no. CH257659, both series A1209 1984/1287 part 1, NAA, Canberra.

41 Hawke and Shultz, Washington, 6 February 1985, joint statement; Embassy in Washington to Department of Foreign Affairs, 6 February 1985, cablegram no. WH59609, both series A1209 1984/1287 part 1, NAA, Canberra; see also United States, *Department of State Bulletin*, vol. 85, no. 2097, April 1985, pp. 60-1.

42 Paul Malone, 'Alliance in jeopardy: PM gives his reasons for MX Decision', *Canberra Times*, 20 February 1985.

the attack should come from the Pacific or Indian Ocean approaches. Our commitment to the defence of allies is not limited to any particular threat; it applies to any particular aggressor.⁴³

In supporting the MX missile tests, Hawke had been trying to demonstrate that he was as pro-ANZUS as the Liberal-National Party Opposition, which his party had defeated at the polls for a second time on 1 December 1984. The problem with this strategy, as the MX crisis revealed, was that it seemed to have aligned Labor too closely with the view that the integrity of the alliance demanded Australia's and New Zealand's absolute compliance with US wishes. While the Opposition was exhorting Hawke to crush New Zealand, Hayden and Scholes's successor as Defence Minister, Kim Beazley, urged that such an approach to New Zealand was not in Australia's interests.⁴⁴ Thus, when the Reagan Administration urged the Australian Government to issue a joint statement cancelling the 1985 ANZUS Council meeting, Hayden and Beazley convinced Hawke to decline the overture. As Hayden noted on 2 March 1985, he did not want Australia to be seen as dropping New Zealand or pushing them into a 'laager mentality'.⁴⁵ So Australia issued a statement by itself on the cancellation, lest it appear to be siding with the US against New Zealand, while also agreeing to go ahead with bilateral consultations with the US.⁴⁶

On 24 June 1985, Rawdon Dalrymple replaced Cotton as Australia's Ambassador to the US. Dalrymple was a highly regarded professional diplomat. Born in Sydney in 1930, he was educated at Sydney Church of England Grammar School and then took a Bachelor of Arts degree at the University of Sydney before winning the New South Wales Rhodes Scholarship in 1952. He took first-class honours in Philosophy, Politics and Economics at Oxford University and returned to Australia to lecture in philosophy at Sydney University in 1955 and 1956. In 1957 he joined the Department of External Affairs and, after postings in Bonn, London, Manila and Jakarta, was appointed Ambassador to Israel from 1972 to 1975 and then Ambassador to Indonesia from 1981 to 1985.

43 Peter Cole-Adams, 'The Untidy History of 34 Years of ANZUS', *Age*, 23 March 1985.

44 Geoff Kitney, 'Ministerial Moves to Cool the ANZUS Debate', *National Times*, 8-14 March 1985.

45 Hayden, 2 March 1985, note, series A1838, item 686/1 part 40, NAA, Canberra.

46 Australian Government media statement, 4 March 1985, series A1838, item 686/1 part 40, NAA, Canberra.

While Dalrymple had been appointed a Deputy Secretary in the Department of Foreign Affairs on 21 March 1985, other aspirants to the post in Washington included the Secretary of the Department of Foreign Affairs from 1981 to 1984, Peter Henderson, and Bill Morrison, a former Minister for Defence in the Whitlam Government. Moreover, Hayden and Hawke each had their own preferences for the post among other senior Foreign Affairs officials. Against Henderson was that Hayden felt him too close to the previous government. Just before Henderson resigned as Secretary of the Department of Foreign Affairs, Hawke had indicated that he intended to make a political appointment in Washington. This did not happen. Hayden and Hawke could not agree on their own candidates; Morrison was sent to replace Dalrymple in Jakarta and Dalrymple was appointed as envoy to the US. The factor that likely proved advantageous to Dalrymple was the respect of Hawke, who had been Western Australia's Rhodes Scholar in 1952, and knew him from their years together at Oxford University. This highly skilled and experienced diplomat inherited from Cotton the task of helping the Hawke Government through the New Zealand ANZUS crisis and dealing with another major problem in the relationship, the US decision to subsidise American agricultural exports.

Noting Cotton's difficulty in securing audiences with Shultz by himself, Dalrymple early in his term urged that more messages to the US Government be passed through him as a way of helping him to see and influence Shultz and other senior administration officials more often on political matters. In November 1985, he reported that he could not recall instructions from Canberra that would have given him access to Shultz or his deputies, although he often received ones that took him to comparable figures in the administration on matters such as trade and Australia's forthcoming bicentennial celebrations in 1988.⁴⁷ Dalrymple's remarks also highlighted that the Australian Government had the option of using diplomatic channels other than the embassy in Washington. For example, more often than not Hawke would, either personally or through his own office, or on the telephone, pass on his views directly to Reagan and Shultz.

47 Garry Woodard, Acting Deputy Secretary A, to Miller, 11 November 1985, minute, series A1838 250/9/4/5 part 9, NAA, Canberra.

Dalrymple took charge of the embassy at a critical time in the ANZUS crisis. As some members of the administration and Congress contemplated ending the ANZUS arrangement altogether, the Hawke Government faced the unpalatable possibility of having to negotiate a new bilateral agreement with the US including possible pressure to codify key clauses of arrangements including on the joint facilities, Pine Gap, North West Cape and Nurrungar. This issue had the potential to erupt in the ALP caucus. Another problem was that Australia was unlikely in the mid-1980s to get anything like the commitment it had obtained from the US under the ANZUS Treaty 1951.

Talks that Hayden held in October 1985 with Shultz, Weinberger, the Secretary of Defense, and Robert MacFarlane, the National Security Adviser, thus shaped up as what one commentator described as the most critical meeting held between Australia and the US since World War II.⁴⁸ At its conclusion, Hayden reported that he had agreed with Shultz that direct bilateral arrangements under the ANZUS Treaty would be maintained and that the Hawke Government intended to maintain support for activities under the ANZUS Treaty, including access to Australian ports by US naval vessels. In the meantime, Hayden asked the embassy in Washington to advise how the US Government was likely to react to legislation that the Lange Government had foreshadowed on nuclear ships visits.⁴⁹

The departments of Hayden and Beazley canvassed exhaustively which options were best for Australia. They agreed that termination, withdrawal by one or more parties from it or denunciation would destroy the treaty and that any effort to secure a replacement bilateral security treaties would 'create enormously difficult problems for Australia'. On the other hand, suspension of US obligations to New Zealand under the treaty would trigger no formal legal consequences and support the Hawke Government's policy objectives of maintaining the ANZUS Treaty and allowing Australia to maintain its close bilateral relations with both Australia and New Zealand.⁵⁰ Hayden agreed and instructed the embassy to support a measured response to New Zealand through informal suspension that, 'while constituting an unambiguous signal to

48 Andrew Clark, 'ANZUS Breakdown has become a Messy Divorce', *Bulletin*, 9 October 1985.

49 Department of Foreign Affairs to Embassy in Washington, 7 November 1985, cablegram no. CH323649, series A1838, item 250/11/18 part 27, NAA, Canberra.

50 Beazley to Hayden with attachments, 16 October 1985, letter, series A1838, item 250/11/18 part 26, NAA, Canberra.

New Zealand (and to her western allies) that it was not “getting away” with its port access policy, would not cause serious problems for the maintenance of the ANZUS treaty’.⁵¹

Michael Costello, Hayden’s private secretary, reinforced the point by arguing that, if New Zealand–US military cooperation were suspended, the Australian Government should publicise the fact that its own military relationships with both the US and New Zealand remained intact: ‘In this scenario we would have two sets of bilateral relationships governed by the full effect of the ANZUS Treaty. Australia would be the pivot of the western association of nations in this part of the world.’⁵² The efforts of Hawke’s ministers acting in part through Dalrymple and his staff to persuade the US Administration of the desirability of the suspension option were successful. In August 1986 Shultz sent a letter advising that the US was:

[s]uspending its security obligations to New Zealand under the ANZUS Treaty due to the continuing failure of that country to restore normal access to allied ships and aircraft. I wish to reaffirm the view of the United States that the commitments between the United States and Australia remain unaltered in any way.⁵³

Export enhancement and the economic relationship

When Hayden confirmed to Shultz in 1986 that the Australia–US leg of the ANZUS arrangements would continue unimpaired despite the New Zealand–US leg having been suspended, his message contained a sting in its tail. As captured in a departmental briefing paper, Hayden asked:

What exactly is the value of the alliance to both its partners?

Where manageability of the alliance is threatened is when one partner takes action which damages the fundamental interests of its alliance colleagues ...

51 Hayden to Hawke, 27 November 1985, letter, series A1838, item 686/1 part 59, NAA, Canberra.

52 Costello to Hayden, 25 October 1985, note, series A1838, item 686/1 part 58, NAA, Canberra.

53 Text of letter from George Shultz to Bill Hayden, 11 August 1986, *Australian Foreign Affairs Record*, vol. 57, 1986, pp. 739–40.

... A few weeks ago, Secretary of State George Shultz told Prime Minister Lange that New Zealand would remain a friend but not an ally. Now the Congress is telling Australia that it is an ally but not a friend.⁵⁴

The object of Hayden's barb was the US Export Enhancement Program (EEP), a US initiative that was causing consternation among Australian farmers. On 15 May 1985 the US Secretary of Agriculture, John Block, had announced a US\$2 billion plan to provide subsidies in cash or kind to US farm exporters to ship to designated markets, enabling them to sell at subsidised prices in those markets. The intent of the EEP and the 1985 Farm Bill that followed was to apply pressure to the rest of the world by directly subsidising American agricultural exports. The US had decided to use targeted agricultural subsidies in order to compete with subsidies provided to its farmers by the European Economic Community (EEC), as a way of pressing the EEC to lower or dismantle its agricultural protection.

In supporting the EEP, the Reagan Administration was reacting against a fall in the value of US farm exports by 13 per cent between 1981 and 1984 from US\$44 billion to US\$38 billion. The effect of the Farm Bill on Australian farmers, who received no export subsidies from government, was dramatic. For example, Australia's share of the wheat and flour market declined from nearly 20 per cent in 1985–86 to about 11 per cent in 1988–89, while the US share of the market soared from 28.7 per cent to about 43 per cent.⁵⁵ At the same time the EEC, against which the EEP was targeted, increased its share from about 17.4 per cent to very nearly 20 per cent over the same period.⁵⁶ From 1985 to 1988 the bilateral relationship between Australia and the US was particularly affected by the impact of US governmental action on Australia's farm sector, especially for wheat, cotton and rice. As one Australian-based US official commented:

54 Department of Foreign Affairs Backgrounder, 13 August 1986, quoted in Burnett, *The A-NZ-US Triangle*, p. 179.

55 Don Kenyon and David Lee, *The Struggle for Trade Liberalisation in Agriculture: Australia and the Cairns Group in the Uruguay Round*, Department of Foreign Affairs, Canberra, 2006, p. 136.

56 Ibid.

At its peak, between 1985–88, the EEP issue generated levels of Australian official and public outrage directed against the US unequalled since the Vietnam War. A fundamental difference between the two issues is that Australians, like Americans, were divided on Vietnam – but are unified on the EEP issue.⁵⁷

US economic measures aimed at the EEC were not the only ones to cause problems for Australia. In 1983 the Reagan Administration had also pressed the Japanese Government led by Nakasone Yasuhiro to redress the economic imbalance in the Japanese–US economic relationship through such measures as taking more imports of coal and beef from the US. As with measures aimed at the EEC, those aimed at Japan had consequences for Australia. Despite US coal being unable to compete in price or quality with Australian coal, Australian coal exporters found themselves squeezed by increased Japanese purchases from America. Similarly, in 1985 a rise in the quota of US beef consumed in Japan entailed a lesser quantity of Australian beef being sold on the Japanese market. By the beginning of 1985 the Australian Government found itself in the position of fighting a rear-guard action to preserve its market share across a range of commodities.⁵⁸

The problems in the ANZUS relationship were largely resolved, at least as far as Australia was concerned, by 1986. In the second half of the 1980s, a major focus of the Australian Government and the embassy in Washington was on economic and trade issues. In the embassy, Australian actions on the trade front were led by an experienced Department of Trade official, the Minister (Commercial) Greg Wood, much of whose work was targeted at Congress. A Department of Foreign Affairs briefing paper in 1986 noted that power in the US was shared between the administration and the Congress and that when the American leadership faced domestic imperatives it would put aside principles and friends. Noting that Dalrymple had proved adept in lobbying and reporting, the Department of Foreign Affairs still felt that he needed extra support with work on Capitol Hill.⁵⁹ Part of the

57 Quoted in Pemberton, 'Australia and the United States' in Peter John Boyce and Jim R Angel (eds), *Diplomacy in the Marketplace: Australia in World Affairs*, vol. 7, 1981–90, Longman Cheshire, Melbourne, 1992, p. 130.

58 See John Welfield, 'Australia's Relations with Japan and the Korean Peninsula', in Peter John Boyce and Jim R Angel, *Diplomacy in the Marketplace*, vol. 7, 1981–90, Longman Cheshire, Melbourne, 1992, pp. 253–68.

59 DFA paper, 'Australia and the U.S.A.' n.d., 1986, series A1838, item 250/9/4 part 11, NAA, Canberra.

solution to the problem came in 1987 when the Hawke Government created a new position in the embassy, that of Minister (Congressional and Public Affairs), a position filled until 1989 by a future Australian Ambassador to the US, John McCarthy.

Indicative of the degree of importance that trade and economic issues were assuming from the mid-1980s on was Hawke's visit to Washington in April 1986. It was the first prime ministerial visit to the US in which trade and economic issues were the sole reason for the visit. The principal purpose was to convey the Australian Government's concern at the highest level towards the impact of the US Farm Act on the export of Australian farm products.⁶⁰ In Washington Dalrymple and his staff facilitated and managed the series of meetings Hawke had with senior members of the Reagan Administration – discussion and lunch with Reagan, extensive discussions with Shultz, a morning one-on-one golf game followed by a lunch hosted by Shultz and a dinner hosted by Hawke. Hawke also saw the Secretary of Agriculture, Richard Lyng, and the Chairman of the Federal Reserve, Paul Volcker. A difference between the 1986 visit and previous prime ministerial ones was the number of meetings arranged between Hawke and Congressmen, a program that also reflected the increasing energy that embassy officials were directing towards Congressional liaison. Hawke called on Senator Bob Dole, the Senate Majority leader; Senator Robert Byrd, the Senate Minority leader; as well as the House Majority leadership Chairman, Tip O'Neill, Jim Wright and Tom Foley. These meetings, along with conversations with the Congressmen who attended Shultz's dinner for Hawke, enabled him to communicate the consequences of the Farm Act to a country that the US regarded as a friend and expected to continue to be a close ally.⁶¹ The administration was engaged to soften the effects of Congressional legislation and to support trade negotiations in multilateral forums. Hawke conveyed to Reagan the severe hardship that Australian farmers were facing, sought to have the administration's reassurance that the EEP would continue on a targeted basis essentially at markets of subsidizing exporters and secured US agreement to have agriculture accepted as a key issue for a new round of multilateral trade negotiations in Geneva.⁶² In his remarks on the visit on 17 April 1986,

60 David Reese, Counsellor, Embassy in Washington, to Colin MacDonald, 28 April 1986, letter, series A1838, item 250/9/4 part 10, NAA, Canberra.

61 Ibid.

62 Prime Minister's Departure Statement from the White House, April 1986, series A1838, item 250/9/4 part 10, NAA, Canberra.

Reagan indicated that the US would 'be responsive to the extent we can to Australian interests'. Reagan explained that the US aimed at a truly free international agricultural market but that in the interim measures were necessary to counter unfair subsidisation.⁶³

In trilateral meetings of the ANZUS Council before 1985 economic issues had been kept out. However, in the Australia–US ministerial talks held in San Francisco on 10 and 11 August 1986, economic issues had assumed such a dimension the US was persuaded that they must be made a major item at the talks and were a significant part of the communiqué.⁶⁴ During 1986 there had been a range of ministerial delegations to the US, not only the prime ministerial visit, but ultimately an all-party parliamentary delegation to lobby against the EEP and the 1985 Farm Bill. There were also innumerable industry delegations to Washington in the period from 1986 to 1990.

As well as lobbying the administration and Congress, the Australian Government pursued an energetic campaign to include agriculture in negotiations in the General Agreement on Tariffs and Trade (GATT) in Geneva from 1985 and reinforced this campaign by forming and leading a coalition of agricultural free traders known as the Cairns Group. Australia and the Cairns Group found common cause with the US delegation in Geneva, which articulated an international strategy of working towards the elimination of protection for agriculture while maintaining the right to keep its protectionist defences as long as other countries subsidised agriculture. In Geneva, Australia and the US worked closely together with the common objective of achieving real agriculture policy reform in the period from 1985 to 1990. Bilaterally, however, both sides were at loggerheads over US policies on agricultural protection and export subsidies that were prejudicial to Australia's interests.⁶⁵ In these circumstances, the embassy in Washington had to work hard to reduce mutual mistrust as Australian ministers and officials came to question whether the US was genuine in its strong support for agricultural reform in Geneva, or whether the Geneva stance of US officials was simply a diversionary ploy.

63 Remarks by Reagan and Hawke, 17 April 1986, series A1838, item 250/9/4 part 10, NAA, Canberra.

64 David Reese to Australian Consuls-General in the US, 20 August 1986, letter, series A1838, item 250/9/4 part 11, NAA, Canberra.

65 Kenyon and Lee, *The Struggle for Trade Liberalisation in Agriculture*, p. 134.

US Government spending on farm support declined from a peak of US\$25.8 billion in 1986 to more 'normal' levels of US\$10.89 billion in 1989. In the lead-up to the framing of the 1990 US Farm Bill, the Australian Government kept up the pressure on US agriculture policy by lodging a complaint against the US sugar program in the GATT in 1989. The government and the embassy in Washington also sought to soften the protectionist aspects of the 1990 Farm Bill by pressing for it to be broadly consistent with US negotiating proposals in Geneva that were aimed at reducing market-distorting subsidies and trade barriers. Although multilateral negotiations in Geneva would continue for several more years beyond 1990, the end of the Uruguay Round in 1993 saw substantial liberalisation of trade in agriculture and a significant reduction of export subsidies. The gradual movement of the US downward from the peak of its farm support in the mid-1980s laid the basis for a more harmonious Australia–US relationship by the end of the 1980s than that which prevailed in 1985–86.

Conclusion

The period from 1972 to 1975 had been one of considerable strain in Australia–US relations, and Australia's embassy in Washington had had to work hard to improve the relationship in subsequent years. When the Hawke Government took office in 1983, the new Labor Government sought to achieve a consensus in the ALP based on strong support for the Australia–US alliance, combined with regional and multilateral efforts to mitigate nuclear proliferation. This consensus threatened to unravel after 1984 with the MX missile affair and the election of a New Zealand Labour Government, one of the policies of which was to prohibit the entry of nuclear-armed or nuclear-propelled ships into New Zealand ports.

Strong pressure was exerted on Hawke to follow New Zealand's lead and many feared that the consequence of the crisis would be that the ANZUS alliance would be terminated without any adequate replacement. Under Cotton and Dalrymple, the Australian embassy in Washington played an important part in steering the Reagan Administration away from punitive sanctions against New Zealand and in favour of remodelling ANZUS into a bilateral alliance in the form of Australia-US Ministerial Consultations (AusMin) that continued nonetheless to be based on the tripartite ANZUS Treaty of 1951. By 1986, the embassy and the

government had been successful in solving the ANZUS problem to Australia's satisfaction, and had also helped to avert potential trouble for Hawke over his MX missiles policy.

By that time, however, economic and trade problems centred on US subsidisation of agriculture were causing as significant a strain in Australia–US relations as the ANZUS crisis had. Now focusing its efforts on economic issues and targeting Congress as well as the administration, Dalrymple and his staff worked relentlessly to persuade the administration and Congress of the harmful effects of agricultural protectionism on innocent victims like Australia in the American–European trade war. By the end of the 1980s and beginning of the 1990s, the embassy's diplomatic efforts as well as Australian efforts in multilateral trade negotiations had helped bring about an international solution to the problems of international trade in agriculture. Cotton and Dalrymple had played an important part in this process, but their efforts were nonetheless supplemented by other channels of communication between Australia and the US, for example direct communication between heads of government and communication between the US embassy in Canberra and the Australian Government.

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