

# 12

## Reflections: From 1940 to the post-9/11 world<sup>1</sup>

Kim Beazley  
Australian Ambassador  
to the United States, 2010–16

Every student of Australian foreign policy is aware of wartime Prime Minister John Curtin's 'turning to America' article in the *Herald* on 27 December 1941. It was dramatic, yet I don't think as dramatic as Curtin's short speech to the House of Representatives during the Battle of the Coral Sea in May 1942. That was more redolent of immediate danger delivered as it was at a non-conclusive point in the action:

As I speak those who are participating in the action [Australian but overwhelmingly American sailors] are conforming to the sternest discipline and are subjecting themselves with all they have – it may be for many of them the 'last full measure of their devotion' – to accomplish the increased safety and security of this territory.<sup>2</sup>

This was reality, not projection, or analysis of future strategy. Here, six months after war on Japan had been declared, American ships were blocking a Japanese attack on Australia's bastion in Port Moresby.

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1 This reflection was written in October 2014.

2 John Curtin in *Commonwealth Parliamentary Debates*, House of Representatives, 8 May 1942, retrieved via Hansard, 17 July 2015, [parlinfo.aph.gov.au/parlInfo/genpdf/hansard80/hansardr80/1942-05-08/0121/hansard\\_frag.pdf;fileType=application%2Fpdf](http://parlinfo.aph.gov.au/parlInfo/genpdf/hansard80/hansardr80/1942-05-08/0121/hansard_frag.pdf;fileType=application%2Fpdf).

Those ships were fighting in what is now Australia's Exclusive Economic Zone. Bombers out of Queensland were joining in. One could not have had a more dramatic changing of the guard a few months after the ignominious collapse of Singapore.

Coral Sea is a misty part of the commemorative calendar in Australian official life. For ambassadors here in the US it resonates with clarity. Its commemoration here is in the hands of our Naval Attaché. It is recognised by a dinner or reception that attracts each year the most senior American naval representatives. Its 70th anniversary, which occurred soon after I arrived, also saw a major event at the US Naval Memorial. Americans take commemoration more seriously than we do. They avidly read the historical pamphlets the embassy produces for them and it sits in the minds of our American political and defence interlocutors. A commemorative coin helps, and skilfully distributed here it breaks through the cloud of a myriad of concerning global issues dominating American minds to help keep our agenda on the US table.

I think of Curtin a great deal while I am here. Reminders occur all the time. The Curtin–MacArthur relationship was a big feature of a conference in Milwaukee, Wisconsin, in 2014 commemorating the General's life. One of the 'big books' this year, the must reads for US political types, is British historian Nigel Hamilton's *The Mantle of Command*. Hamilton deals with Franklin Delano Roosevelt's strategic leadership in the first two years of the US' World War II. I suspect Hamilton's work reflects the first sign that we are distant enough from World War II to dispense with sentimentality in our historiography. Though he admires Winston Churchill, he roasts him. His analysis of the collapse of Britain's capacity to defend Australia is devastating. His detailing of the meticulous American focus on blocking a Japanese capacity to isolate Australia is thought-provoking.<sup>3</sup>

One million American service personnel passed through Australia in World War II. We were commanded by an American General, Douglas MacArthur, but until 1944, when the Philippines were recovered, we contributed the majority of his troops. Important though the US was for our equipment, a unique feature of Australia's war was that, unlike any other American ally, we supplied US fighting forces with the bulk

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3 Nigel Hamilton, *The Mantle of Command, FDR at War, 1941–1942*, Houghton Mifflin Harcourt, Boston and New York, 2014.

of their logistics. Politically we were intensely focused on securing an American priority on our region both during and after the war and ensuring we had feet under the deliberative table.

Our early representatives to the US, Keith Officer, Richard Casey, Owen Dixon, Frederic Eggleston and, immediately postwar, Norman Makin, had to build an infrastructure of interconnections from scratch to make the shift to a massive web of infrastructure from nothing. It was a simpler time, with minds concentrated by war, but I don't know how they did it. They laboured under the political handicap that our American General was unpopular in Washington DC, and after the early emergency the US Navy that dominated the Pacific War wanted the fight back on a trajectory from the central Pacific, not the southwest. This might explain something of our unique role as an American supplier. Now we are intricately embedded in decision-making points in the US bureaucracy. Then, the US interlocutors were getting to grips with the fact that Australians were approaching them from somewhere other than the British embassy.

I rehearse this period because I argue that until this point we have never been as close to American priorities, or they more important to us, as was the case then. That has now changed. The first charge on our ambassador here is to completely understand their country's strategic situation and how it fits into American global priorities. The first surprise for me working back into the alliance brief was the realisation that the alliance was more important to us now than was the case in the Cold War. I was our last Cold War Defence Minister.

Then the joint facilities we hosted were critical to the US strategic deterrent and the US–Soviet discussion on controlling the arms race between them. On this basis we became a nuclear target and accepted this because the nuclear balance was critical to the avoidance of global nuclear devastation. The relationship produced benefits. We gained first-class intelligence on our region and more broadly. Likewise access to quality military equipment – the type that really worked – and training. We had the deterrent effect of a powerful ally. All of this was very useful. Our region, however, was not heavily challenging. Our gross domestic product (GDP) at the time that we wrote our 1987 Defence White Paper was greater than that of the Association of Southeast Asian Nations (ASEAN) combined and not far behind China (who hardly featured in the paper at all). In the area of military equipment, the US material was good. European equipment was, however, highly competitive: we

preferred an Austrian individual weapon for the Army to an American one. On balance it could be said that, with nuclear factors considered, the US consumed our security – unusual for a Western ally. Committed as we were to the Western side in the frozen global architecture of the Cold War, the challenge for Australian statespersons was not how close we were to the US (we were close enough), but how we created space in our region and globally for Australian initiatives.

Things have changed dramatically. International structures and relationships (including alliances) are more fluid. Nuclear issues are not so prominent now. Crisis events that engage the US see it seeking much more complex foreign political arrangements. They seek partners beyond old allies. Keeping the attention of a much busier, more internally disputatious ally, is a difficult exercise. More important, the defence focus among our regional neighbours has changed markedly. No longer do they concentrate on internal security. Force projection interests them as they contemplate disputed borders. Something of an arms race in the region is underway. Improved economies drive this. Indonesia alone now of ASEAN partners is passing our GDP.

In the 20 years since the fall of the Berlin Wall there has been a military technological revolution. Just as maintaining a technological edge in our region has become difficult and critical, the capacities built into weapons platforms by the US has moved substantially ahead of its competitors. Nowhere can the consequences of this be more clearly seen than in the massive upgrade of our air defence. We are tracking for the best air defence we have had. Satellite surveillance, a product of the US intelligence partner, provides a strategic picture of the region. Our world-class over-the-horizon radar for strategic/tactical purposes was developed in the first instance with the US Airborne Early Warning aircraft, ASW/general surveillance aircraft, F-18 classic fighters, Super Hornet fighter bombers, Growlers, F-35s for strike – all of this massive capability is American. No more Mirages and Canberra bombers. Our strike and surveillance aircraft in the US order of battle are operated by the US Navy. As a result we are the US Navy's top foreign military sales partner.

The US security guarantee, whatever the argument about its applicability in various circumstances, immensely complicates the calculations of any potentially hostile nations in our region. The joint facilities are still important to our allies and ourselves. At least for the moment they are no longer nuclear targets. Whereas they constituted overwhelmingly

America's main interest in us, this is now balanced by the growing significance to the US of our zone. The US during the Cold War focused on Europe, North Asia and the Middle East. We inhabited a strategic backwater influenced further by discomfort suffered by the US in the Vietnam War. Now we are the southern tier of the new centre of American attention. Asia drives global prosperity and the US is responding. We are a more significant ally geographically than at any time since World War II. Just as the US is devising more complex ways of assessing the friendship of other powers, we have their heightened attention. It is argued that our proximity to the US burdens our relations with the region. As during the Cold War, our alliance is at least a private comfort to most in the region. Those locally who argue the opposite have a multiplicity of reasons for doing so. Among them none has the notion that by advocating more distance for Australia from its US ally they are improving Australian security.

Coming in as Ambassador, I have been challenged by the fact the US is more important to us, but at the same time there is more internal American argument about American priorities (including a serious isolationist stance among some powerful players). The US also confronts multiple crises in which it is expected to play a role. It looks for friends in all of them, and but can fit them into no ready paradigm as was the case during the Cold War. Alliance management for the US has become more difficult as it has become more important. What the US wants in a situation is harder to predict, changes more frequently, but requests of friends are nevertheless emphatic. Australian interests (beyond the general one of wishing the US success) are less easy to calculate. As the relationship has become more critical it has become more complex.

This is a picture the Ambassador to the US has at the back of their mind as they approach their representational task. One thing that is important to understand is that I do not represent the Australian people. The Australian Government represents the Australian people. The ambassador represents the government. The full title of an ambassador has not left its centuries-old nomenclature. Ambassadors once had the power to make wars and treaties. That is not so now. The ambassador is a cog in a giant wheel of policy advice and delivery. Through driving exercises in public diplomacy and in arguing the case privately, there is ample opportunity to present a unique perspective on the setting and history of the points at issue. The policy, however, comes from only one source: the government at home represented by its ministers. The most

critical moments organisationally during the year revolve around prime ministerial and ministerial visits. Foreign ministers, trade ministers and defence ministers are most important but all ministers are significant. The visits by principals are helpful for many reasons not least because they force an ambassador to update their understanding of subtle policy changes or new policies.

When representation first began here, ministerial control and direction was distant and light. Arguably the most significant ambassador we have had here was in the 1950s, Sir Percy Spender. The then government allowed him a licence on all fronts (including treaty-making) that would have made him recognisable to a 19th-century plenipotentiary. My circumstances are very different.

The first humbling thing for an ex-minister to note is that your ministerial equivalents here barely want to talk to you (Hillary Clinton was a little different on this) but are very prepared to phone their counterparts in Australia. We have to work harder to get up a prime ministerial–presidential call, but when it comes, as with the ministerial calls, we are not on either end of the conversation. We are not always in the know when a conversation takes place. We receive summaries from both ends that are useful on detail but negligible in tone. Politicians and some public servants are active communicators with their American friends. Ministers not only reach their counterparts but delve into other areas of government, notably Congress and down the administration hierarchies. Particularly in the White House and the National Security Council (NSC), senior officials would rather talk to a senior adviser to the minister or Prime Minister than the Ambassador. Thankfully they still answer their emails (sooner or later).

In my time, the most extensive extra-ambassadorial communicator was former prime minister Kevin Rudd. He was nonstop at all levels and branches of government. So ubiquitous was he that, when he briefly returned to office, excited individuals at the White House said they were forming the Rudd Letter Committee. That was brought into existence, they assured me previously, because it was the only way to handle the regular written communication from the Prime Minister.

While this leadership communication creates information problems in the embassy, it is an unmitigated good thing. Our comfort matters little. Rapport between principals matters a great deal. Ministers, prime ministers, secretaries and presidents think outside their briefing notes.

They know the real decision-makers better than their public servants, probably before they get into office and certainly after six months in it. Second-track diplomacy bodies like the Australian American Leadership Dialogue have been invaluable in this regard. The job of the Ambassador is to work with it.

Australians and the Australian media are fascinated by the proximity of Australian leaders to their American colleagues. In my time in politics and since, the closest relationship was between John Howard and George W Bush. That relationship was forged during Howard's presence in the US during the 9/11 atrocity. It deepened with the war in Afghanistan and then the war in Iraq. Bush is a man who seeks deep friendships and appreciated them when politically embattled here.

The nearest equivalent was the relationship between Bob Hawke and George Shultz (Secretary of State, not President). That friendship was crucial when Hawke sought to extract Australia's support for a test of the then developmental MX missile. At the time the US was placing medium-range cruise missiles in Britain and foreshadowing the deployment of Pershing missiles in Europe. These posed political problems of enormous dimensions. A test seemed paltry alongside those commitments. Hawke persuaded Shultz that to persist would bring the joint facilities into more intense political debate in Australia. Shultz overrode the objections in his own department and the Pentagon. When the Reagan Administration departed, Schultz left. By then, Hawke had substantial international stature, which made him a strong partner for the new President, George HW Bush. This was intensified by support during the Kuwait War.

Paul Keating was a kindred spirit, in many ways, with another visceral politician in Bill Clinton. The three prime ministers I have served have all in their different ways enjoyed good relations with President Barack Obama. His associations are more cerebral. The current Prime Minister, Tony Abbott, though of a different political persuasion, has nevertheless managed a strong relationship. The search for MH370 has been a source of fascination here. The shooting down of MH17 and Prime Minister Abbott's response to it has evoked great sympathy in the administration. The developing picture in Iraq and Syria has started to assume some of the character of engagement in relationships manifest in the previous involvements in Iraq and Kuwait. Already there seems a more intense relationship developing between the President and those at the forefront of his coalition. It has certainly lifted the already high

appreciation the President has of his relationship with Prime Minister Abbott. It seems mutual engagement in conflict is the catalyst for the type of interpersonal relationship the public expects. Foreign ministers' personal engagement is also important. All have been well-placed here. In recent times the current minister, Julie Bishop, has developed a particularly close relationship with Secretary Kerry. Possibly his deep engagement in the Middle East has helped. He needs good interlocutors in the Indo-Pacific region.

There is another reason the phenomenon of close prime ministerial and ministerial engagement in which the embassy may be out of the contact loop does not matter. We are essential to building structure beneath the policy formulations of ministers. This can only be done by an embassy. To sustain serious policy initiatives and functional connections requires deep, detailed work often across countries. Sustained activity in the embassy generates, or contributes to, well-constructed solutions. This is particularly so when engagement in military conflict is involved, or a major policy initiative has to have meat added to it to make it work, or when our ally's or our minds need to be changed. A continual drumbeat on this front has been provided by the conflict in Afghanistan. Likewise has been the development of the so-called 'pivot' in US policy to an Asia-Pacific priority. Currently underway is an intense campaign to secure an agreement for the Trans-Pacific Partnership and trade agreement and see it through Congress. These will be discussed with other matters below.

In pursuing our supportive diplomacy it is worth looking at our current assets. When I came here, the embassy was our second biggest (Indonesia was our largest). With the integration of AusAID into the Department of Foreign Affairs and Trade (DFAT), we have dropped to third (Papua New Guinea moved ahead). Our personnel by function break down this way: Defence has 104, DFAT has 107, Intelligence, Police and Customs have 15, Immigration has 19, Austrade have 12, Agricultural/Treasury/The Australian National University (ANU)/Education/Industry has 12. A-based staff at Post number 93, locally engaged 176. Of the 93, 48 are Defence. Defence has 496 attached to the embassy out-posted and Customs and Attorney-General's 3.

Another asset is our property. We have good entertainment spaces. We are able to stage substantial cultural outreach in them and we are a popular location for social events. For officers, we are within walking distance of State, White House, Treasury and the Eisenhower



Building. The chancery is tired and its replacement has been announced. Increasingly, we have been using the Ambassador's Residence as a multifunctional representational asset. Until the middle of 2015 we have had in my time 600 events at the residence. It is a representational machine with a small staff. My wife has devoted herself to improving its grounds and entertainment spaces. Most of these events are the types of functions one would expect at a residence – receptions, formal meals, garden parties. Increasingly, however, we are using the residence for conferences. Particularly noteworthy, as the US honed the direction of its diplomacy in Southeast Asia, are informal conferences on East Asian issues. They have been held with staff from US State, White House, Pentagon and Intelligence officials with Australian counterparts. They provided a mechanism for very frank exchange. That has been broadened out into gatherings advancing the national security and trade agendas. Mostly activity has been of the dimension of my predecessors (though they did better with presidents than me). With the possible exception of the Indonesians and the British, no embassy in my time here uses its residence as opposed to its chancery as much as we do for these purposes.

This representational effort is much enhanced by our cultural and public diplomacy effort. Spaces at the chancery are well used by the cultural effort to display the work of talented Australian artists, photographers and filmmakers. Particularly anticipated is the annual (for a period of a few months) display of Indigenous art and the Anzac exhibition. The latter is often assisted by the Australian War Memorial and the period around Anzac Day heavily engages our American national security counterparts. Spaces at the residence and chancery feature from time to time Australian musical talent. We also host Australians who are performing in venues in Washington. Performances by the Sydney and Melbourne Theatre Companies in my time have been a critical part of our Congressional outreach. More generally, this showcases us having a sophisticated cultural excellence. Figures such as Cate Blanchett, Jacki Weaver and Tommy Emmanuel have been prominent in my time and writers such as Richard Flanagan have featured.

A decade ago then Los Angeles Consul-General, John Olsen, started a celebrity-filled gala under the headline 'G'Day LA'. We showed off talented (mainly cinematic arts and music) Australians for one of the hottest tickets in town. This has now branched out into a 'G'Day USA' rubric. It covers not only the original purpose but now a series of galas, seminars and promotions across the country. The seminars showcase

Australian industry and academia. It is a sophisticated public diplomacy attracting more and more serious American participation. It shows us to be problem-solvers (drought, water and energy) and technologically masterful (niche manufacturing and services). As I will mention below, Australian funds and companies are becoming big players in the US, well beyond what can be usefully managed or value-added by the embassy. What we do achieve is focusing our heavy economic engagement with an Australian brand name. Our public diplomacy section and Austrade take the lead here and the Defence Industry branch is also deeply involved. The chancery and residence further enhance this rounded and capable image with philanthropic activity. We provide space for fundraisers both directly and through prized auction meals prepared by our well-reputed residence chef.

I will not do all of the embassy's activity justice because I will not focus on the activities of the non-defence, foreign affairs and trade agencies. All of them use the residence and chancery actively to further critical elements of the Australian agenda. Treasury is immensely active with its counterpart here. Their representative spends much time in New York and with international agencies like the International Monetary Fund (IMF) and World Bank. The Treasurer's attendance at IMF meetings is a big event here. Likewise our outreach in the education, science, law enforcement and customs areas. Our agricultural representative is to the forefront of battles to get Australian product in. Those fights we have with the Americans are most potent in the agricultural and trade area. Our people are a tough bunch. Immigration also has a significant clientele here. The ambassador is engaged with all agencies. At different points of time they all confront issues that require an ambassador's attention. There simply isn't the space to cover things here.

Aside from consular activities, the heart of an embassy's activity is political reporting. This is essentially the function of DFAT officials here but all agencies contribute. A weekly meeting of division heads ensures sufficient knowledge of each other's priorities across agencies and functions so those reporting know where possibly valuable information might be obtained to add to the comprehensiveness of information being sent home. A critical 'enabler' at the DC embassy is the Congressional branch. A creation of the 1990s, its responsibility is monitoring Congress and, more broadly, American domestic politics. Congress is the coequal branch of government. Its legislation and deliberations impact heavily on Australian interests in the US, the capacities at the heart of American

national security policy and pressures on all of the most sensitive aspects of US foreign policy. It is a branch whose intricate relationships with a large array of Congressional staff sees it much under pressure from all agencies to advance legislative causes where appropriate and argument generally. The embassy has its own in-house lobbying firm.

It is information that is on a routine basis the most valuable deliverable to Australia from the alliance. The US–Australia population ratio is roughly 15 to one. When the population of the agencies that drive US foreign, national security, international economic, and intelligence product is calculated, the ratio is more like 50 to one. The Office of the US Trade Representative would be as big as DFAT. Spending on defence in Australia is far exceeded by expenditure on intelligence in the US alone. There is virtually no issue around the globe on which Australian decision-makers would not like an understanding of American knowledge and views. In my pre-briefing before posting the issue pushed first for my attention was nuclear development in Iran. Of particular concern was to discern whether the red lines might be that which could trigger pre-emptive attacks on the capability. A casual glance at the Australian media of the day would not have suggested that would likely be my charge. The consequence of any activity, however, would substantially impact Australian (let alone the globe's) interests. There were not many other sources of serious information on the matter available to us than what could be gleaned from the US.

Australian citizens are better travelled and more globally focused than the average American. Our politicians and foreign agencies are very well-informed. We are probably, pound for pound, more global citizens than any other country. Nothing we do compares with the weight brought to an issue by our US counterparts. The benefit of the longstanding alliance is that we are easily inserted into the US information chain almost as though we are US nationals. For example, when the democratic demonstrations broke out in Cairo's Tahrir Square, the embassy sent 42 cables to Australia in the first week. Deep bonds of acquaintance and friendship existed between Americans inside government, previously in government, in think tanks with what might be described as the deep state in Egypt. No open source reporting, close though it was, on the situation in Cairo got anywhere near the details and nuance available to the US on a moment-by-moment basis. Intelligence failure is always

bewailed in Washington. When examined, however, it never shows an absence of information. That is copious. It is always failure to join the dots.

As substantial an example, in its way, as the experience with Cairo was the tsunami and nuclear crisis in Japan. Here we were well-informed but the US adds another dimension. At an early point, the US had noted our public statements on the Japanese coping. I was called in by the administration, concerned that our public statements reflected our state of knowledge. Sat in a corner and permitted to read technically unavailable documents, I was given a picture of very serious difficulties being experienced by those managing the nuclear component of the crisis. My reporting was not welcomed in all circles at home. Fortunately for me, public reporting caught up a couple of days later with what we had been given. In any crisis situation, whether or not the US has human assets receiving critical information, it has a vast array of technical assets available to it. The world is well aware of the fact but not of how good it is. The observable does not indicate of itself intent, but it certainly can tabulate the problem.

One region where we approach American capacity is in the Asia-Pacific. Our information is strongly based on an extensive network of diplomatic resources, business connections, defence activities (our other major military alliance is the Five Power Defence arrangement that includes Malaysia and Singapore), and academic study. On the latter, ANU has the largest collection of Pacific scholars of any university on earth and is represented at the embassy. The US regards our advice to them as a strong quid pro quo for what they provide us. They frequently are over-deferential, not so much on Southeast Asia but on North Asia.

We do have a deep understanding of North Asian, particularly Chinese, affairs. Nothing we have approaches the extensive interpersonal relations of interested American politicians, businessmen and think tankers. We know the questions to ask and have great analytical skills. Americans live with the people they study largely because the people they study want to live with them. I have been taken aback by under-the-radar holidaying by the odd senior Chinese official with the Bush family for example. The way think tankers here quietly expect to drop in on senior Chinese officials, former and present, or dine privately with Japanese prime ministers and ministers is staggering. They think that we do that routinely. We don't, but we don't disabuse them. Members of Congress interested in foreign policy follow a similar path.

Washington is home to over 200 think tanks and like operations. Hanging about in DC private operations is the last administration and the next few. Decision-makers and advisers to the current administration reach out to the private sector every time serious matters are under consideration. Information is king and it is ubiquitous in this town. Global personal networking produces a different style of operation for American decision-makers. Our leaders do it but they tend to come new to it when they take office.

It is easier for Americans because power attracts. Our style is to work through our material, arrive at an Australian position and then seek to engage our foreign interlocutors with the mutually beneficial product of our conclusions. The American method is to envelop the situation with the concentration of a large number of minds and agencies and advance it with senior officials who likely have deep knowledge of the players. One of the factors in the current Secretary of State's deep engagement with the Middle East and Europe is that he knows so many players personally and has known them for a long time. Hillary Clinton's advantage in China was that she was in a similar position. The US is often frustrated. In part that is because there is a high level of expectation that an outcome can be managed. We have the comfort of modest expectations. If you are intimate with the Americans and trusted, and we are, you have access to extraordinary information. Few around the globe feel it is vital to engage us if we are in a quarrel or tangential to the issue. Most want to engage the Americans no matter what. When that is not the case, and the US is just starting to get comfortable in Southeast Asia, their expectation of us is that we can deliver a product to them such as they are capable of delivering to us. On Southeast Asia we make it.

More than in any other Australian embassy our engagement with the US is military. There are over 500 Australian Defence personnel in the US spread across half the states. The majority are embedded in US units or working alongside US equivalents on combined project teams, covering a wide range of US military activity. This includes operational planning and intelligence, capability and development, military education and legal support. Over 100 are in the Washington area. A third are embedded personnel, a third liaison, with the remaining third representative or executive positions. Our intelligence profile is similar. Some have found themselves working on the most sensitive projects, including the US equivalent of our Defence White Papers.

Hawaii is a major centre. We now have 36 staff operating in Pacific Command (PACOM) and rising. They include the Deputy Commanding General of the US Army in the Pacific. PACOM is the go-to point for much of our exercise activity. In Australia in 2013, that involved 21,000 US personnel and 7,000 Australian Defence Force. Our Consul-General in Hawaii is de facto ambassador to PACOM. Of all our consulates, it does the heaviest political reporting.

Thirteen per cent of our defence budget is spent in the US. Defence military and civilian personnel are heavily engaged in managing that, with substantial involvement in acquisition projects, advancing Australian defence industry and deep collaboration on science. Currently, 469 Foreign Military Sales cases are under management with a combined portfolio value of US\$18.7 billion. To digress, science is an area of substantial growing collaboration. China is the first or second trading partner of most countries, including the US and ourselves. The US is the primary research partner of most. We punch above our weight. We have the world's 13th-largest economy but we are the eighth-largest research partner of the US. Advancing this is increasingly engaging embassy time.

While Australia's defence decision points are obviously in Australia, they are still advanced in the US. Though Defence in the embassy is largely self-sufficient, the Ambassador is frequently engaged when there is an impasse, with intelligence product, and when an issue involves the broader national security community in Canberra. We are a go-to point when the F-35 program hits snags or when Americans become engaged competitively over buys of earlier generation fighters as interim measures. I have been engaged in frequent discussions on American support for our submarine project. I was delighted to visit Electric Boat in Connecticut and be shown over the USS *Missouri*, a new *Virginia*-class submarine. The young captain in the control room asked me if I recognised it. I said it looked like the equivalent area of a *Collins*-class submarine. 'Yes,' he said, 'it is just like it'. According to him, he thought our submarine had provided a useful test bed for their new class. He had served as an exchange officer on an Australian submarine, which he thought was 'just the best'. The embassy is indispensable in the management of complex projects.

A couple of examples illustrate the importance of an embassy contribution to advancing or resolving key parts of Australian engagement. Afghanistan is managed out of the DFAT political side

and Defence. There is a triangular exchange between agencies on the ground in Afghanistan, Canberra and here with major input from our NATO embassy in Brussels. Other European capitals are involved too. Early in my time here we were much involved in the changes in Uruzgan province following and during Dutch withdrawal from an operation they had commanded. US focus was on persuading the Dutch to stay. Ours was on the practical arrangements needed as we assessed the Dutch determination. This produced a little tension, largely managed here. The US wanted Australian command if the Dutch exited. We were prepared to provide it on the civilian side and were prepared to be Military Deputy and provide much of the command personnel on the military side. We wanted to ensure access to American enablers to replace the Dutch. Our judgement was that would best come with an American commander, though we provided the lion's share of the troops. The Americans eventually agreed, though that required a 'full court press' from each leg of the triangle and Brussels. On Afghan matters, I became immensely impressed with my other political colleague, Brendan Nelson, at NATO Headquarters.

We also were involved in the decision to permit the Australian-trained Afghan National Security Forces (ANSF) 4th Brigade to operate outside the confines of Uruzgan. This disturbed some in the political leadership in Australia but was much wanted by the US and the ANSF. Our reporting was heavily involved in the ultimate favourable decision to deploy outside Uruzgan. The key decision-making on American decisions on the build-up and the current withdrawal was done in the NSC in the White House. Here we were treated to considerable knowledge of the various phases of US decision-making well in advance of final determinations. We still are. There have been few surprises for us in the critical decisions there. We were also heavily involved in deliberations over the post-2014 aid package for the ANSF. The US was attempting to obtain US\$2 billion from its allies. They hoped for US\$100 million a year (over three years) from us. Our starting point was US\$50 million. As the Chicago NATO meeting approached the US was anxious for someone to 'bell the cat'. To their relief, the well-advised then Prime Minister Tony Abbott arrived with US\$100 million. This and future commitments is a continuing story. The US remains anxious for continued allied support both with the money and with remnant troops. While planning is a Pentagon matter, the decider resides in the White House. Something similar is evolving with Iraq. With the NSC involved, the Ambassador is heavily engaged.

Another example on a defence matter was the ratification of the Defence Trade Cooperation Treaty in 2010. Signed by Bush and Howard in 2007, it had largely lain dormant. This was a task for Congressional branch. Our activity was somewhat controversial here as there was a local preference for Congressional lobbying to be done by administration personnel. It was not a matter that could be left at that. I had to be involved with extensive lobbying of members of both houses on both sides of the aisle. Even more extensive was the work done with relevant staffers, particularly with Republicans and with the Senate Foreign Relations Committee.

The blockage point was a belief that the language in the preamble agreed by the administration usurped the Senate's authority. Senatorial courtesy assigned great weight to the ranking Republican Senator, Richard Lugar, without whose support Chairman Senator Kerry was reluctant to move. Our focus with members of Congress and staff was on advocacy for movement on this point. In some ways lobbying was easier for us than the administration, viewed by some in Congress in a more partisan way. It helped that the treaty's origins were in a Republican Administration.

Acceptability was gradually achieved. High drama started on the day the treaty was to be passed. We had cabled Canberra the night before that the deal was done. We were horrified to receive a call (to Jan Hutton, then head of the Congressional branch) that a 'secret hold' had been placed by a senator on discussion. The staffer explained to Jan that any senator could do this on any item on the Senate agenda, on any day, without a reason given or the senator identified. He promised to get back to us as the issue developed. He phoned later to say that the hold had 'disappeared' (not withdrawn) and the matter went to a successful vote. Good things were said about Australia as it went through. Much of it was around the staunch character of Australia as an ally.

It was a good example of the need to get all our Congressional ducks lined up, advocating our interests with both Democrats and Republicans, with leadership, committees, as well as tangential senators who sometimes signal an interest in particular issues. Even having done that, it is largely left to the Senate gods to determine whether something will be passed or not. We never did get to the bottom of the last blockage. Most likely it was, in issue terms, unrelated. Likely a senator looking to cut a deal on some other piece of business they wanted to progress.



That decision taken in the 1990s to establish a Congressional branch has made us much more effective. Relations with members of Congress is largely a matter for ambassadors. We are the only ones they will see. However, the detailed work of Congress is done by their vastly underpaid (by our standards) staffers. Without them onside, little useful can be achieved even when their employers are willing.

Probably the most important event in my time as Ambassador to this point was the determination by the administration to 'pivot', or what is now known as the American 'rebalance', its priorities to Asia. That was symbolised by the President on his visit to Australia by his announcement of a rotation of a Marine brigade through Darwin. When I arrived I was immediately chastised by the administration for the then government's advocacy of an Asia-Pacific community not unlike the European Union. It was pointed out that no one in Asia supported it and we were talking above ourselves.

We pushed back. We pointed out this was about them, not us. We believed, as Australian governments had always argued since World War II, that the US needed to institutionally embed itself in the Asia-Pacific (or as we prefer, Indo-Pacific) region. The community idea was quietly dropped and American membership of the East Asian summit substituted. Much of the heavy lifting for this within the administration was done by Kurt Campbell (then Assistant Secretary in State for the East Asia and the Pacific) and Tom Donilon (then National Security Advisor, who was particularly focused on the Sino-American relationship).

It came to a head prior to a visit by Secretary of State Clinton to a meeting of the ASEAN Regional Forum. She had prepared the ground by attaching the US to the Malaysian-initiated treaty of Amity and Cooperation. Jeffrey Bader's book *Obama and China's Rise* contains a good chapter (ch. 9) on this from a White House point of view.<sup>4</sup> In mid-2010, Obama presided over a moot among his staff two days before the Secretary was due to leave. On one side was State and the relevant section of NSC. On the other was Treasury, his economic advisers and his schedulers. The economists wanted to focus on APEC. The schedulers thought the President needed another overseas commitment like he needed a hole in the head. We did whatever we

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4 Jeffrey A. Bader, *Obama and China's Rise: An Insider's Account of America's Asia Strategy*, Brookings Institute Press, Washington DC, 2012.

could to bolster the pro-East Asia Summit (EAS) side of the argument. The President sided with his foreign policy advisers. His agreement was made with the understanding he would need to attend EAS meetings.

As American engagement deepens, all relevant Australian decisions are taken by Australian ministers. Their nuance on features of American engagement, particularly as they bump up against initiatives by China, is vigorously conveyed by those of us engaged in the political section of the embassy here. A week never goes by without cables home reporting facets of American engagement and the results of our own messaging.

The most significant vehicle at the moment for the next phase of American engagement sits with Trade Minister Andrew Robb and our trade negotiators in Canberra: the Trans-Pacific Partnership Treaty (TPP). For myself, the trade section of the embassy and the Congressional branch, the job is to back up the minister and DFAT with advocacy, in Congress in particular. We try to keep track of the detail, conscious of the fact we are not direct players. The minister has developed a significant relationship with his American trade counterpart, Mike Froman.

In DC, the ambassadors of the TPP partners have formed an informal group aimed at engaging collectively and individually members of Congress who, in the end, will determine American membership. We are well served by the presence of New Zealand Ambassador, Mike Moore, once Prime Minister of New Zealand and head of the World Trade Organization. He and I are advantaged in Congress by having once been legislators. We are keenly aware of trade agreement aversion among those in Congress sensitive to constituents who feel US employment has been adversely affected by global free trade arrangements.

We point out to our counterparts that the collapse of the American middle-class relativities over the last 30 years has compromised the ability of domestic consumption to drive American growth. The best chance for American producers to drive local jobs and wealth is for the trade rules in the dominant Asian market to reflect the long-term American advocacy of global free trading arrangements. Congress is only dimly aware of the massive growth of the Asian middle class: now some 580 million (20 per cent of the global middle class), to near 3 billion (or 60 per cent) over the next 15 years. This is critical for the life chances of the next generation of American workers. We have the best lobbying assets among the relevant embassies when combined with our trade branch.

More generally, we are sensitive to the fears of our Asian colleagues that the US rebalance has been sidetracked by events in the Middle East and Europe. Certainly they absorb a substantial amount of Presidential and Secretary of State time (as they do for our Prime Minister and minister, and increasingly, ours in the embassy). But they are a product of the fact that the US is a global power – the unique attribute the US brings to its operation in Asia. It is baggage the US must carry with it. Insofar as there is security of energy supplies tied up in it, Asia has a deep interest in American focus on the Middle East. Asia is now 70 per cent of the Middle East region's oil market, headed to over 90 per cent over the next decade or so. Of all the powers, including China, only the US can affect outcomes that secure the source and sea-lanes. If there is any silver lining to the horror of contemporary events in the Middle East, it is producing a dramatic shift in what was the drift in American public opinion towards isolationism. The international engagement argument is easier now than at any point in my near five years here.

Little of the national security/defence issues have surprised me here. The one surprise on this front has been the discovery that we are much more closely engaged with the US in intelligence and military activity than was the case when I was Defence Minister. What has been a complete surprise has been to see how deep and growing is our economic involvement, a product in particular of the facilitation of investment produced by the free trade agreement negotiated during the time of the Howard Government. I have not been able to produce anything equivalent to the brilliance of my predecessor Michael Thawley's lobby for that agreement, though we will need to for the TPP.

By a large margin, the US is our most important partner in direct and indirect investment. The US investment in us is over US\$650 billion, much larger than its investment in China. Ours is AU\$430 billion in the US, and, over the last three years, growing faster than investment the other way. That is more than 10 times our investment in China. Indirect investment is very important for us. Though we have the third-largest pool of investment globally, most of it resides in the management of our superannuation funds. The US is a safe haven and easily accessed. Nevertheless, about 10,000 Australian companies do business here, many of them establishing production facilities in the US and outlets. The US gives such Australian companies economy of scale. We have some notables. Westfield is the second-biggest shopping centre owner here. BHP-Billiton and its partners produce 25 per cent of the oil extracted from the Mexican Gulf. It is also the largest foreign investor

in the American shale oil and gas revolution. Boral is the biggest brick manufacturer. Lend-Lease manages a large share of American defence housing.

Those are the large stories. The smaller ones are more typical. Australian high-technology manufacturers are accessing the US venture capital industry, the world's largest. We are becoming skilled niche manufacturers. That is particularly noticeable in defence-related product (see the 19 Australian companies directly and indirectly engaged in the manufacture of the F-35). The embassy's public diplomacy, particularly through the 'G'Day USA' campaign, is increasingly engaged with Australian manufacturers and service providers.

This is a very big story but largely ignored in Australia. We are much more focused on our trade and investment relationship with Asia. That is a good thing strategically (and a good selling point for Australia here) and will be ultimately good economically. Investment flows, however, to where it is easily profitable and safely accommodated. It is difficult to see any other country as favourably placed as the US any time in the near future.

These examples give a flavour of operations at our embassy here. They don't remotely tell the whole story. I guess if I totalled the percentage of my activity directly related to them it would be around 10 per cent. However, they usefully illustrate how the embassy now operates. I have to be humble about this. Australian influence in this town fluctuates. We were probably at a peak in the 1950s. There are nearly five times the number of countries represented now in DC than there were then. The leisure that would see a Secretary of State and senior members of Congress dine with us regularly has disappeared. We get a lot from Congress but not with the numbers we got then. Embassies are not the socially attractive institutions they once were. Ambassadors now get very excited when a member of Congress or a senior administration official shows up for an event like a national day. Only the British, Chinese, Israeli, French and some Middle Eastern embassies show greater numbers than us.

On the other hand, demand for our presence in think tanks and peak institutions is growing. There is an insatiable hunger for being talked at in this town. As they follow the American 'rebalance' towards Asia, these bodies crave frank and detailed information. We have a reputation for providing it. This is not only about ourselves but also about others.

I have to be very careful with invitations to discuss regional players. However, we have much to contribute. There is a growing awareness that our governments have been doing some heavy lifting in national security matters. There is an appreciation (as a result of some unwanted activity) that we play a substantial role in the intelligence community. As interest rises again in the broader US public about foreign policy we can only expect these welcome trends to continue.

This has been an essay that has focused on the activities of the Ambassador and embassy from a very functional point of view. That is appropriate because I am a functionary and this embassy is a relationship machine. It does not capture the spirit of the relationship, though this pervades all that we do. The Americans are our polar opposites. We Australians are pragmatic and pessimistic with well-calibrated low expectations. Americans are optimistic and idealistic. The different approaches are probably why we get on. The American approach means most regard us with overwhelming affection even if we are not troublesome enough in a troublesome area to get their undivided attention. A certain amount of foot stamping is necessary.

Our embassy was birthed in the revolutionary cauldron a war induces. Curtin's article of 27 December 1941 in the *Herald* included a revolutionary Australian statement: 'Australia looks to America, free of any pangs as to our traditional links or kinship with the United Kingdom.'<sup>5</sup> This would be of no note now; then it was an overturning of our national identity and by no means bipartisan. The Menzies Government, however, had prepared the ground for the implementation of its practicalities by extracting our representative from the British embassy in the US before Pearl Harbor.

There have been other revolutionary acts and statements of a nature that have redirected the character of Australian polity and society. The Deakin/Fisher governments' determination on an independent Australian war-fighting capability, followed by a separate World War I Australian Army Corps, Calwell's postwar immigration program, Holt's modification of the White Australia Policy (and its subsequent dismantling), the 1970s abandonment of sectarianism in Australian education and the High Court's Mabo judgement can be seen as others. Curtin's was done in extremity and its successful outcome has been an influencing spirit in the

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5 John Curtin, *Herald*, 27 December 1941.

relationship ever since. Not all of us find this palatable and we are now very good at ensuring we maintain our national character and identity. That is easily seen for good or ill when you come across some of our one million fellow Australians overseas, as I do frequently.

One thing about the Americans is they do pay the price. As commander of our troops, Douglas MacArthur's stature rose in New Guinea and the islands before he cemented his reputation as a great commander in the Philippines with American forces near exclusively. The accompanying Leyte Gulf naval battle saw an 'allied' fleet engage the Japanese because there were Royal Australian Navy ships involved including the heavy cruiser HMAS *Australia*. MacArthur spoke for all Americans though on his first visit to Canberra in March 1942, when he elaborated his nation's military code:

It embraces the things that are right, and condemns the things that are wrong. Under its banner the freemen of the world are united today. There can be no compromise. We shall win, or we shall die, and to this end I pledge to you the full resources of all the mighty power of my country, and all the blood of my countrymen.<sup>6</sup>

That put things pretty dramatically. Nevertheless, it is still of a piece with the way many Americans in their foreign policy/national security agencies speak to us. To understated Australians it can seem a tad excessive. It is genuinely felt and smart to encourage.

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6 Gavin Long, *The Six Years War: Australia in the 1939–45 War*, the Australian War Memorial and the Australian Government Publishing Service, Canberra, 1973, p. 182.

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