EMBASSY OF AUSTRALIA
WASHINGTON DC

20 April 2011

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2011 ANZAC Lecture
Georgetown University, Washington DC

"On ANZUS Turning Sixty"

This year the United States embarks on four years of historical memory – 150 years since its Civil War. The proximity of its real conclusion with the civil rights acts of the mid-1960s mean that its historiography will still be grounded in romancing the struggle. It is real memory and enthusiastic re-enactors will keep the romance alive. The 65,000 volumes already written on the Civil War will be joined by many more. As was pointed out recently, 65,000 amounts to one a day! Figures such as Abraham Lincoln, Robert E. Lee and Ulysses S. Grant still enrapture American imagination and that of many non-Americans as well. It took a hundred additional years to settle the racial questions but the geopolitical outcomes of the war concluded in 1865.

I am often asked what fascinates me about the Civil War, because at home I have a public reputation for that interest. The devotion for me dates back to the 1970s and it is shared with a variety of Australian Labor Party activists, young in that period. We had many motives but one at least stemmed from the great debates in the ALP then and into the 1980s about the significance of the US alliance in Australian national security policy. Most of us supported the alliance. To defend it effectively, we wanted to know what made the US tick. Why had the United States determined in the 20th century to play the role in the Pacific it did and so crucially in Australia's year of living dangerously in 1942.

Iconic for us was Labor Prime Minister John Curtin's famous article, reorienting Australia toward the United States for security purposes in December 1941. That and the subsequent events were the ballast of our contention that our Party had created the alliance and should not spurn its political child. Curtin's hopes in our view were not disappointed. Ours would not be too. The story of Australian foreign policy and the Australian American relationship is much more complex than that. But that is a part of it.

The circumstances in which the United States found itself in that role against Japan and subsequently can be traced directly back to the northern victory in the Civil War. The war determined the occupation of the non-Canadian part of the North American territory by the United States and embellished the American sense of 'manifest destiny'. That sentiment would have been destroyed by any other outcome of the war. As it was, at the turn of the century reunifying the nation was still an American project and policy in the Pacific was an important part of it.

Extending what was argued a benign influence in the Pacific was a manifestation of the value of American values to the globe, a stance worthy of an exemplary democratic power. The Philippines were taken and China was romanced. This position annoyed old European empires and as such drew contradictory responses in the Australia of the time. We expressed both delight and wariness as we were a member of one of the empires. Significantly for us, American policy was a chain on the newly emerging Asian empire of Japan. Japan in the 1930s might not have sought to break the chain but for the oil embargo placed on it for its quite evil policies in China by the United States. But with only two years' supply in reserve, the Japanese decided to go for broke, and broke.

A different outcome in the Civil War would have transformed this picture. Historical "what if" exercises are tendentious but worth a go if we are to learn from history. In this case, the ebullient American sense of 'manifest destiny' would have dimmed in the shadow of embarrassment and sorrow. Two insular and quarrelsome states, the USA and the CSA would have challenged each other for control of the remnant territories of the continent.

Rather than project idealistically into the Pacific, the North might well have looked toward Canada while the South looked to Mexico, augmenting political instability in the area. Among the states, both North and South, further disintegration might well have followed. It is possible to imagine a Texas Republic re-emerging. This would likely be the case if the CSA did not satisfy Texan ambitions in Mexico. All three – USA, CSA and Texas – could have ended up contesting the South-Western States. In the middle of all of this, a decrepit slave-holding regime would exist in the South, looking increasingly anomalous globally but carrying its signature institution into all these struggles and probably the Caribbean as well. This political miasma would not produce the bold, idealistic, confident, industrially powerful saviour of freedom of the two world wars. The fate of Australia and New Zealand would have been very different. Cause enough for a group of young folk contemplating the sources of Australian security in a national security concerned era, to take a serious look at this seminal event.

This is the ANZAC Lecture, although it has an ANZUS title. ANZAC Day commemorates the landing of Australian and New Zealand troops with a combined designation (Australia New Zealand Army Corps) alongside more numerous French and British forces at Gallipoli in April 1915. For the latter it was another foreign field in a centuries old litany of foreign fields. For us it was a thing of wonder. Our first confrontation, with the sacrifice of the lives of many of our sons – our first experience of an industrial dimension battle. A testing of higher policy and of common commitment. Also of character and leadership. From it, we identified aspects of the nature of the people who had emerged in the two British colonies. The things that set us apart, individualised us as a people. This is the source of endless debate in both our countries but many would argue features of our national character were established here and all thought so at the time. Courage, care for one's mates, resilience in adversity, leadership in crisis, strength, sacrifice – the values issues. Physically, we saw ourselves raised in the southern sun, as possessing a healthy capacity to endure. It is a serious enough event for no less a witness than our current American Ambassador to Australia to describe his first experience of an ANZAC Day as "sombre".

It was also the last time Australian and New Zealand troops fought as ANZACS. Though we have fought alongside or in the same theatres in a number of wars since, from the rest of that war, through WWII, Korea, Vietnam and now Afghanistan. There was a slight difference in WWII after El Alamein in the Western Desert, apart from the European commitments of thousands of Australian airmen, Australia focused on the Pacific in a conscious battle for survival. The Kiwis continued on into Europe. Our iconic battles were different after our joint participation in Alamein. For us, Kokoda, New Guinea and the islands. For New Zealand, Monte Cassino.

But we had a combined interest in the Pacific war's outcome and future security arrangements in the region. To a deal of British and American displeasure, we launched a combined effort to influence events with the creation of the ANZAC Pact between us in 1944. We anxiously sought American engagement, which was finally manifest in the signature of ANZUS in 1951. Dispute over the entry of possibly nuclear-armed ships

to New Zealand ports in the 1980s undercut the trilateral character of the pact. Gradually that is being retrieved. It is noteworthy that in the recent Christchurch earthquake tragedy, senior American and New Zealand officials were meeting in that lovely city and a congressional delegation had just departed. Those who were there will be forever bonded in their close experience of that tragedy.

ANZUS incorporated Australia within the system of American extended deterrence when the Cold War went nuclear and hard. That system built on one of the most unselfish acts by a nation in human history. The US after World War II could have retreated in a secure and prosperous isolation, ignoring a damaged, embattled and threatened world. Instead, in the burgeoning nuclear age, successive administrations offered their people and civilization hostage to defend the freedoms of old enemies and friends. The likely flashpoints in the emerging system in Europe and North Asia were not new trouble spots. Over the centuries, roiling national ambitions had produced fiendish conflicts. To say the least, that was a hell of a risk for a quiet people used to getting along self-reliantly with their own lives. Again though, probably in part this reflected that manifest destiny trajectory we referred to earlier.

I don't want to kid myself about the Australian end of this. In reality, not all in the US were happy about this South Pacific extension. Many could not see our relevance so distant were we from the main theatres. The price of the disapproving joint chiefs was that no military planning group was attached to ANZUS unlike NATO and ultimately SEATO. The price for the US diplomats was a reluctant Australian support for a peace treaty with Japan. These ambivalent attitudes were eased by joint participation in conflict in Korea.

For Australia, the ANZUS alliance is the basic document underlying a range of bilateral agreements and treaties which support an intense military, scientific and intelligence collaboration. It is my contention that it was in the 1960s that the modern alliance was consolidated. Until then, British policy in the Far East focused Australia. On the American part, no real role had been found for Australia in the system of deterrence or the Cold War struggles.

The British decision to conclude its military presence 'east of Suez' and the advent of the Kennedy Administration changed all this. President Kennedy determined the US would defend the freedoms of people wherever they were challenged. That ensured American engagement in Indochina. His Defense Secretary, Robert MacNamara, presided over a massive expansion of US nuclear forces. The US required a quiet space for elements of communications facilities for ballistic missile submarines, early warning systems, and the capacity to study Soviet capabilities. Australia was suitable. The changing situation was symbolised by the holding of the first ANZUS council meeting outside the United States in Australia in 1962. Secretary Rusk sought Australian training teams for Vietnam. Foreign Minister Barwick sought reassurance of major engagement of US forces if, as in Korea, massive Chinese forces were provoked south. Both received the relevant assurances. Ultimately 50,000 Australian troops served in Vietnam. Through the 1960s a series of agreements established the joint facilities. The modern Australian-American alliance system was established.

Though a substantial military alliance emerged from this, much needed to be resolved. This was particularly so when President Nixon declared his 'Guam doctrine' in 1969. He made clear that in areas not vital to the Cold War conflict, US allies were expected to look to their own defences, at least in the first instance. The US would back them up by assisting the development of their military capabilities and readiness. The US would provide ultimate assurance if the ally threatened to be overwhelmed. For Australia this meant serious attention to the structure of our own forces. A doctrine of "self-reliance within alliances" emerged in Australia and has by and large been held to on a bipartisan basis since.

This brings us to where ANZUS now stands 60 years on. Our troops are engaged in Afghanistan and Australian forces are in the Persian Gulf and the Red Sea. We exercise extensively in the Pacific. Technology has transformed the role of the joint facilities. The naval and early warning function are back up now for the US but very important for Australia. But the collection of information has gone exponential and become of real-time value. Collaboration is extending into the realm of space and cyber.

The US sustains its global focus but in the post cold War era seeks partnerships with a variety of friends as it deals with difficult global issues including the emergence of fundamentalist terror. Australia more emphatically defines itself as a middle power with global interests. On the array of major global issues from non-proliferation through to poverty, Australian and American values and views are similar. On American regional concerns in the Middle East, Australia's approach is sympathetic. On American engagement in the Asia Pacific, Australian policy is actively supportive. Many issues in which we are aligned but possibilities too for differing priorities. It is an environment that could only be handled in the context of a deep and mature alliance.

As this speech is a highly personal one, I might make a couple of personal observations here. When I was briefed into this job, two things struck me. One was the depth of our intelligence collaboration. I had thought it very deep when I was the Australian Defence Minister. However, it is far more broadly based now. Australia is engaged much more and the product is much more relevant to Australian intelligence concerns. That reflected that shift to global interests on Australia's part and the increasing complexity of the Asia-Pacific region.

The second observation relates to Australia's changed geopolitical circumstances. Back in the 1980s, I had been puzzled, as we hashed out our doctrine of defence self-reliance, by American attitudes towards us. Though the US found it acceptable, the Administration was not entirely comfortable with it. They recognized Australia's right to pursue an independent course, provided no American interests were impeded. Nevertheless there was not a great deal of enthusiasm for Australian initiatives in Cambodia and more broadly Indochina, toward nuclear-free zones and some aspects of global arms control. It struck me however that once the US was assured we would maintain our defence effort in the Five Power defence arrangement, continue patrolling the South China Seas, surveilling Soviet activities, sustaining the joint facilities and allowing port access for US vessels, the US really didn't mind much what we did. The reality was we were still, in Cold War terms, in a strategic backwater.

That is not Australia's position now. We are a firm ally of the United States in the southern tier of the evolving central point of the global political system. Economics have changed everything. Australia is in the time zone, give or take a couple of hours, of sixty per cent of the world's population. And in the Asia-Pacific, half of the world's economy. That has shifted our perspective too. When I was Defence Minister, responsible for our 1987 Defence White Paper, our GDP exceeded the combined GDP of the ASEAN states. That figure now stands at 70%. By 2050 Indonesia's GDP alone will be twice that of Australia. Australia's need for friendship with the United States will grow, not recede. Likewise our interest in the peace, prosperity and security of our region is absolute, not qualified, even though like all states in the region we must in defence policy hedge against the worst.

We should all be aware of social theorist Karl Popper's warning against the sin of "historicism". That is the assumption that trends perceived are inevitable outcomes. All nations newly on the road to economic growth and prosperity require repeated difficult national decisions and the friendly tolerance of all if they are to arrive at hoped-for destinations. It has to be said though growth in China's and India's GDP will lift at least 600 million people out of dire poverty over the next few decades, their per capita GDP will still be, according to a study by the Carnegie Endowment for International Peace (based on data from the IMF), low to relatively middling. This despite a large share for China and India of the world's product. Absolute size is significant. The US however will still be very big. High levels of per capita wealth generate resources for inventiveness, critical for a technological military edge. Conversely, perception of a comparative lesser level of personal wealth generates demand for more as remembrance of former extreme poverty recedes. Many other growth states in Asia and South America, though likely to experience better per capita incomes, will still be well behind Europe and Japan even though their share of global production will be quite predominant. Though relativities will change, the discrepancies will still be there and all of those in the currently wealthy states will be very wealthy indeed. Unlike defence matters, economics is not a zero sum

game. We all prosper when we all prosper. However, with modern globalised communications, we will all be brutally aware of the inequities.

This shared understanding of the importance of free markets to economic growth and jobs creation underpins our strong relationship on trade issues. Australia and the United States have been active participants in, and have benefited from, our membership of the World Trade Organization. We continue to look for creative ways to conclude the all-important Doha Round. We have a vibrant bilateral free trade agreement, which has overseen growth in trade between our two countries of 42 per cent since 2004, the year before the FTA took effect, and growth in US exports to Australia of 38 per cent.

We expect even larger benefits from the Trans-Pacific Partnership, known as the TPP. The TPP represents an historic opportunity to create a ground-breaking Asia-Pacific regional trade agreement. Australia and the United States are partners in this important negotiation, along with seven of our regional partners. Our shared vision is to create a high quality, comprehensive, 21st century agreement that supports trade liberalisation and business activities in the region, with membership to expand over time to include other Asia-Pacific countries.

To Australia's advantage, the demand for food, energy and minerals from growing Asian markets will be massive. We are already the world's largest coal and uranium exporter. If Conoco Phillips is correct, within the next ten years Australia will be the world's largest LNG exporter. In addition the demand for our iron ore and other minerals will be heavy for a very long time. A very direct interest in the security of sources of supply and sea lines of communication will be shared by many more countries than has been the case historically. According to Allan Gyngell, head of our office of National Assessments, depending on choices the US makes, "we might not see a struggle for global leadership so much as a struggle to avoid global leadership", so complex will be the task and so diverse the participants. Australia has a strong interest therefore both in its primary alliance but also through the G20, UN, Asian-Pacific regional agreements, WTO, IMF, in making a multilateral system work. It is not surprising therefore that we have worked hard to encourage our ally into plurilateral organisations in Asia and globally in the G20 which are so important to us. ANZUS was a creation of a disciplined deterrence system. The Australian-American alliance operates now in a multiplicity of political as well as security environments. For Australia, the relationship is a significant political force multiplier.

So what about our main ally in this the 60th year of our ANZUS relationship? The US is immensely powerful and will remain so way beyond our lifetimes. The leadership role it assumes will be a matter of choice as far as American governments are concerned. There is nothing in the system that automatically deprives the United States of massively influential global power. The US is still the main centre globally of inventiveness, with an immense intellectual and industrial infrastructure. It has the capacity to regularly reinvent itself and its industry. Even in these troubled times, Silicon Valley and other points of the creation of new technologies are surging. In defence, though caught up in the aftermath of one war, enmeshed in another, the capabilities of American platforms are substantially improving. Expenditure in the US defence budget on R&D alone is greater than anyone else's entire defence budget except perhaps that of China but even that is only on some measures. We measure defence relativities in terms of manpower and platforms. These on the whole are not secret. The capabilities those platforms contain, however, usually are. It is very easy to obtain a misleading impression from changes in numbers of platforms alone.

I often like to point out that Australia emerged from World War II with the world's fourth largest navy and fifth largest air force but that scarcely told the whole story. We have the world's 11th largest defence budget now but without what we gained from the alliance, that would be pretty meaningless. What I have now been read into about American capabilities, which is by no means the whole story, suggests to me that despite great advances elsewhere in the world, the Asia Pacific region in particular, the US is now further ahead of all the rest of us than it was ten years ago. In other words, American sea, air and land platforms, whatever their number, are now being rendered even more effective. That fact is more important than my simply pointing out that when I was Defence Minister there were 600 ships in the US Navy and there are now 287. The choices at the end of the day are technologically influenced, not driven. They are influenced by other

things as well: the psychological environment is important. That can be influenced by how much the US sees others prepared to say and do. American choices are also influenced by domestic expectations. When LBJ was US President, Americans outlayed about the same percentage of GDP on health and defence – about 9%. Now the outlay on health is 17% and on defence 4%.

In the current budgetary situation, the US confronts difficult conundrums. Both sides of politics agree that current levels of budget deficits are unsustainable and the growth in public debt unacceptable. We can understand that. The US deficit is as large as Australia's GDP. It is a handicap for creative US thinking on both national security and social issues until the problem is solved. The problem will be solved in the next three years in the manner a democratic constitution of checks and balances fore-ordained – messily, but effectively. In the meantime, tight prioritizing will be the order of the day.

In the tight prioritising on defence and national security policy, Australia has a bid. Ours is for a focus on the Asia-Pacific and for US force structure, a maritime focus. This is consistent with sustaining US leadership at the heart of the global political system and on the lines of communication that will increasingly concern the emerging powers. The recent outcomes of our AUSMIN discussions made clear that we understood we were challenged to be responsive. Both government and opposition in Australia have said they would be.

Australia has been similarly appreciative of US foreign policy moves in the Asia Pacific – the US's signing of the Treaty of Amity and Cooperation, joining EAS, pursuing a balanced diplomacy with China, particularly on Korean affairs and taking the lead in advocating accepted international legal practice for the commons of the South-East and East Asian seas. We are working together to negotiate a regional free trade agreement in the Trans-Pacific Partnership. The fraught politics of the Middle East and West Asia draw the US like a magnet. Australia is there too, both militarily and with resources. Easier said than done. But most Australians would look forward to a day when commitments could recede to levels commensurate with regional significance in the global order. To see this, however, requires a strategic projection beyond the usual five-year cycle.

The ANZUS alliance has a Pacific mandate. The broader alliance is potentially global but with a Pacific priority. Australian Government officials are often challenged with a view that our loyalties or support must follow the patterns of our trade. That suggests selling makes you dependent. That is nonsense. Our international economic stance is much more complex and features a massive preference for investment by Australians in the United States. We do assume issues in the region among our major trading partners are reconcilable and are more easily reconcilable when prudent steps are taken by allies toward hedging against a bad day. In my time here, I have found the US effort to establish acceptable principles of maritime behaviour, sound economic relations and close management of breaking disputes very impressive – more impressive than local commentaries credit. This is a challenge for decades and will constantly require policy adjustment as realities change. What will not change unless deliberate decisions change it is the power and capacity of the United States to lead. What also will not change is its reasonable demands on friends for burden-sharing. Choices will not be so obvious that there not will be room for occasional substantial differences on perspectives of an emerging problem. That is where the deep connections and the long-term trust built through 60 years of the operation of the ANZUS Alliance will be so vital.