

## AUSTRALIA AND THE UNITED STATES

Address by Senator Gareth Evans, Minister for Foreign Affairs and Trade, to the Queensland Branch of the Australian Institute of International Affairs and the State Chamber of Commerce and Industry, Brisbane, 19 May 1989.

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Since assuming the Foreign Affairs and Trade portfolio, I have not given a major speech in Australia on Australia's relations with the United States. I thought it was time to do so because it is a relationship, both in reality and in public perception, which looms exceedingly large in our foreign affairs and trade thinking. My recent visit to Washington, the attention that Australia-United States trade problems received in the aftermath of Vice President Quayle's visit, and the publicity given to the ANZUS question by the Yale University speech of the New Zealand Prime Minister, all make it timely to offer an analysis of Australia-United States relations, and of the policy and perceptions behind those relations.

I want today to explore the dynamics of the relationship between Australia and the United States: the mutual interests that the alliance serves, the role of American leadership and the capacity of the alliance to accommodate differences in perceptions and actions.

At a time when some commentators are questioning where the balance of advantage lies, I want to look closely at the ledger of benefits, and to explain how a range of Australian interests, going well beyond matters of security, are served by a close but independent relationship with a country which remains the leading influence on the international scene.

I do not want to understate the serious trade related differences Australia has with the United States. But it is worth reminding ourselves, on occasions when the Australia-US relationship is under public scrutiny, that it is normal in international relations for differences to exist, even between close allies. It is not normal, indeed it is abnormal, for relations between any two states to be so devoid of differences as to be completely ripple-free. It suggests either that they have nothing vital in common or that one has an unhealthy influence over the other.

A reminder is especially appropriate at the moment because in the 1930s, before the war-time alliance between our two countries, there was constant friction over economic issues - Australia's large adverse trade balance with the US; Washington's tariff policies; Australian objections to Pan American's landing rights here; and the cost of cabling facilities between Australia and North America. So much so that the American Consul-General in Sydney reported in 1935 that "anti-American feeling is fairly rife".

As economic issues have risen in the agenda of the 1980s, public awareness of friction between Australia and the United States has also risen. For Australians born and raised among high and solemn policy utterances about the alliance with the United States, there may be concern that the relationship is somehow weaker as a result. I want today to show that this is not the case, but at the same time make clear that the relationship with the United States - though of particular importance - is not something different in essence from other international relationships, etherealised in some way above the atmosphere of ordinary life. It has to be assessed like any other relationship. It has to be managed. And, from time to time, it has to be tested.

Similarities and differences. It has been a strength and a weakness of Australian attitudes to the United States that we see ourselves as so similar: both democracies; both beneficiaries of the English language; both inheritors of the rule of law, a free press and a strong private sector; both a part of what used to be called the New World.

Yet just as George Bernard Shaw described Britain and the United States as separated by the same language, the broad similarities between Australians and Americans mask striking institutional and cultural differences. The strong role of government in Australia followed necessarily from our beginnings as a penal settlement. In America the early settlers were disparate, self-reliant communities more likely to be governed, if at all, by commercial enterprise or religious conviction. While we still have an hereditary British monarch as our head of state, the Americans broke with their British colonial masters in a revolutionary war. We evolved slowly as a nation state; some might say too slowly, through self-government, dominion status and finally independence.

The major difference, however, is simply historical. The United States is an established society which for about half this century has been the world's greatest power. Australia is, by comparison, a small nation with an evolving sense of its place in the world; a nation for which the American model of the way to wealth and power may not so readily apply.

The important question is not why or how these differences exist but how can they be successfully managed. Each country needs to make the effort to understand the other and not just assume that we are natural allies. The nature of the effort required of each side itself differs in important ways. For Australians, it means at the very least penetrating the global avalanche of simplistic popular images of American culture to come to grips with the real flesh and blood - the human complexities and competitive pressures which make the American polity such a vigorous and fertile one. For Americans, nurtured on a profound belief in the intrinsic and unique virtues of American society and in America's democracy - a belief for which history has in this century given them plenty of reinforcement - it calls for an often difficult leap of imagination to understand, simply, what it is to be a non-American, and to accept wholeheartedly the legitimacy of non-American interests and the value of friends who are true to themselves.

There is a place in this process for more cultural and people-to-people links - the huge increase in tourist flows over the last few years is a step in the right direction - because for all the shared cultural symbols, there are still huge gaps in our knowledge of each other's society.

The alliance has experienced the highs and lows of diplomacy. Perhaps the lowest was, instructively, the misconstrued effect of a high: the late Harold Holt's well-intentioned, yet exultant cry: "All the way with LBJ", which suggested to Australians grappling with the trauma of the military commitment in Vietnam that the Australian Prime Minister had lost sight of their way.

The highs in alliance diplomacy, as distinct from war-time camaraderie, have included the creation of sensible understandings with the United States during the period of Indonesia's "confrontation" with Malaysia - when major regional conflict seemed imminent - and, more recently, Australia's role in maintaining links with both New Zealand and the United States during the still evolving ANZUS dispute. In each case Australia was clear sighted about its interests and subtle in pursuit of them.

The experience of both sides of Australian politics in managing the alliance, after the politicising of ANZUS during the 1950s and 1960s, has brought recently a maturing of our relations with the United States. We have made clear for some time now that we no longer seek what used to be called a "special relationship" with the United States, or with any other country, because in the past that has been an excuse for not having an Australian foreign policy. The desire for a "special relationship" with any country is an invitation to laziness and lack of integrity in policy making, removing as it tends to do the perceived need for making the kind of hard-headed assessments of national interests and capacities which are essential to any credible foreign policy.

What Australia now has with the United States is not just a military alliance, but a relationship of real depth and breadth, embracing ties of history, commerce and culture, and a profound mutual interest in maintaining a strong American presence globally and within our region.

That the alliance gives expression to mutual interests needs to be clearly understood because it lies at the heart of its durability. These interests extend across security issues, economic issues and multilateral or global issues, and it is worth looking at the ledger of benefits in each of these areas in turn in order to arrive at a balanced picture of what both sides gain from the relationship.

Security benefits. The ANZUS alliance does not absolve Australia from its responsibility to pull its full weight in its own protection. Australia's defence policy is one of self-

reliance. But it is self-reliance within an alliance framework. The alliance, as the review of the ANZUS Treaty which the Hawke Government initiated in 1983 concluded, continues to be a fundamental of Australia's defence policy.

It is fundamental because, quite apart from the significant deterrent value associated with its ultimate guarantee that each country will, in the event of armed attack, "act to meet the common danger", the alliance provides an ongoing framework for the exchange of intelligence, technology, resupply and training. Without these arrangements, Australia would find it difficult to sustain a self-reliant defence posture. And, as Kim Beazley has noted, such assistance, while vital to Australia, is not costly, financially or politically, to the United States.

The United States contribution to Australia's security goes beyond bilateral defence cooperation. It also has a regional dimension, because the contribution the United States makes to regional security also bolsters Australia's national security. While we have not always agreed with every aspect of US policy in the region - not least in relation to Vietnam - it must be acknowledged that United States leadership has, in the post-War period, been a vital ingredient in the economic growth and relative strategic stability of the Asia-Pacific region. It contributed hugely to the political and economic renaissance of Japan. It supported the economic development and stability of other countries in the region as they came to grips with independence, in some cases with spectacular results.

Within the area of Australia's primary strategic interest, the United States bases in the Philippines at Subic Bay and Clark make an important contribution to regional security, which is why Australia has expressed its support for the retention of these facilities: their presence or absence will be an important continuing element in the regional equilibrium, not just in the familiar US-Soviet context but in the multipolar environment emerging with the rapid growth of other major regional powers.

Similarly, the continuation of a healthy, multi-dimensional relationship between the United States and Japan is manifestly vital to the security and progress of the whole Asia/Pacific region. Here, as elsewhere in the region, we see the United States presence as a generally stabilising one: a presence which helps to ensure that the regional security environment remains relatively benign from an Australian perspective.

On the other side of the security ledger, important United States interests are served by the alliance. Our location makes us a strategically significant ally. Not only are we currently the only formal US ally in the South West Pacific but we are in the unique position of straddling both the Indian and Pacific oceans where the United States and, more generally, the Western alliance have vital interests - although I might not go as far as former US National Security Advisor Brzezinski who in a speech in Melbourne last year rather thrillingly described Australia as the "Oceanic Geo-Strategic Control Centre".

We are important to the United States as an ally which is recognised as a major power in the South Pacific, a respected voice on Asian affairs and a major trading partner in North and East Asia. In my experience United States leaders genuinely value the perspective we bring to regional issues.

We offer the United States access to our ports in both oceans, access which is important in sustaining the US global role. Again, our contributions to regional security through our Defence Cooperation Program in South East Asia and the South Pacific, our participation in the Five Power Defence Arrangements, and our capability to analyse regional developments, all serve important alliance as well as specifically Australian interests.

If we did not do them, the United States would have to devote even more resources to the region.

In the larger global context, we make a distinctive contribution to the United States defence posture, and, through that to global stability, by operating with the United States a number of joint facilities in Australia, most importantly at Pine Gap and Nurrungar.

The ground station at Nurrungar is used for controlling satellites in the United States Defence Support Program, which would give the earliest warning of a ballistic missile attack on the United States or its allies. It thus plays a key role in helping to deter a nuclear attack and to prevent a nuclear exchange starting from an accidental launch. The Pine Gap facility collects intelligence data which supports the national security of both Australia and the United States. In particular, it provides data vital to the verification of arms control and disarmament. The value of this compliance verification role has become increasingly evident as disarmament has moved from being an aspiration to an emerging reality with the INF Treaty and the real prospect of a START Agreement. Without this verification capacity, further major arms control agreements could simply not be concluded; and without Australia's contribution the risk of nuclear war would be directly and significantly increased.

Commercial benefits. In economic terms, the relationship with the United States is, has long been, and will for the foreseeable future continue to be a very important one for Australia.

In the first half of the nineteenth century, before the Panama canal was built and the railroads joined the east and west coasts of the United States, it was easier to ship goods to California from Sydney than from New York.

The trading ties of last century have grown into a substantial commercial relationship. The United States is Australia's second largest trading partner, supplying over 20 per cent of our imports and taking over 10 per cent of our exports. The total stock of US investment

in Australia is higher than that of any country. And what happens in the US economy of course directly affects the health of the Australian economy, as it does that of a great many other countries around the world.

Obviously the bilateral commercial relationship looms larger for Australia than it does for the United States. But this is not to say that the Australian market is not important to the United States. Australia is the United States' eleventh largest export market. The United States has a two to one trade balance in its favour with Australia. We are among the top four cash customers of United States defence equipment. In the last four years alone, we have spent \$4.7 billion on defence purchases in the United States. Australian investment in the United States is high by any standards, and it is increasing. At the end of 1986-87, it stood at \$21 billion. In 1989, Australia is likely to rank fourth in terms of foreign merger and acquisition activity in the United States.

Multilateral benefits. Beyond security and economic matters, the United States is important to Australia because of the crucial influence it is able to exert across a range of multilateral issues which are vital to Australia's long term security and prosperity. Whether it is the Uruguay Round of multilateral trade negotiations, the effective operation of the United Nations and its specialised agencies, multilateral negotiations on a Chemical Weapons Convention and a Comprehensive Test Ban Treaty, or a host of other issues in which Australia has a stake, it matters to Australia what position the United States takes.

Appeals for support on multilateral issues work both ways. Australia does not carry the same clout in multilateral forums as a superpower, but we are nevertheless a significant player. And on many multilateral issues, the United States is keen to secure Australian support because of our reputation as an active, independent and influential participant on the multilateral scene. Examples of issues on which the United States has sought Australian support include human rights resolutions, UN consideration of the future of Micronesia, the question of Palestinian representation on bodies like the World Health Organisation, international efforts to strengthen the Nuclear Non-Proliferation Treaty, and the negotiations in the Conference on Disarmament on a chemical weapons convention. On the last item, it is illustrative of my point that the United States approached Australia with the suggestion that we host the forthcoming international Government-Industry Conference on Chemical Weapons.

The alliance relationship does not, of course, of itself guarantee United States support for Australian objectives in multilateral negotiations. But the alliance does give us access that we would not otherwise enjoy. Without the alliance it would be that much harder for a geographically remote, medium sized country to secure and keep the attention of a superpower. It has been a constant complaint of other nations that United States policy is driven too much by either East-West perspectives, or else domestic imperatives. The alliance relationship gives us the opportunity to inject a different perspective; one that may otherwise get lost in the big picture of United States foreign policy.

My purpose in going through this ledger of benefits - across the security, commercial and multilateral fields - is not to make the case that the balance of benefits lies with one or the other side. Precise measurements of that sort are not only difficult but they are also fairly meaningless. The more important point, and the one that goes to the heart of the question of the value of the alliance, is that each side reaps important benefits from the alliance. Simplistic assumptions that the alliance is only about hypothetical security guarantees patently ignore the range of Australian interests which the Australia-United States relationship serves. Or to put it another way, those who argue Australia should abandon the alliance - or who urge the Government to make threats which could lead to the destruction of the alliance - need to explain why Australia should forego these benefits, for little return, but at considerable cost to Australian national interests.

Alliance and independence. It is sometimes asserted that an alliance between two nations of such unequal capabilities as Australia and the United States inevitably involves the surrender of foreign policy independence by the smaller nation. Some past Australian policies can be interpreted as supporting this assessment. But the impression sometimes conveyed by previous Australian Governments that they were unprepared to exercise independent judgments does not mean that such judgments are incompatible with a close alliance with the United States. My own view, and the basic approach of the Hawke Government, is that alliance does not mean - and does not demand - obeisance.

Australia and the United States hold similar views on a great many international political and security issues. In recent years we have also had differences of view on such significant issues as the Strategic Defence Initiative, sanctions against South Africa, ratification of the Geneva Protocol on the rules of war, some Middle Eastern and Central American questions, aspects of the South Pacific Nuclear Free Zone Treaty, and on the urgency of a Comprehensive Test Ban Treaty. In citing these examples I am not suggesting that the measure of independence is the number of disagreements. The point is that, whether or not we come out in agreement or in disagreement with the United States on any particular issue, we do so on the basis of an independent Australian judgment. Our differences reflect differing national interests and outlooks based upon such things as geography, our respective roles in regional and global politics, the composition of our exports and so on. A healthy alliance, as ours most assuredly is, not only accommodates independence but demands it. In this sense, ours is not only an alliance of democracies but also a democratic alliance.

Trade problems. This is not to say that all differences are healthy differences. Some are not, and the serious problems we face in the trade area with the United States fall into this latter category.

Decisions made in Washington on such issues as the Export Enhancement Program, sugar

quotas and restrictions on imports of meat and dairy products - all intended to defend the interests of Americans - have in fact had the effect of hurting Australians. In particular Australia's primary producers, who are among the most efficient in the world, are finding themselves squeezed out of markets by practices which distort prices and levels of production.

Australia finds itself caught in the crossfire of a destructive trans-Atlantic subsidies war. It is no consolation to be told that the EC and not Australia is the intended target. And we are even less impressed by this line of argument when we see that the intended target has not been hit but we and others in the Cairns Group of fair traders in agriculture have been. The most graphic example is wheat, where the increased pressure on international markets and prices caused by the interaction of the US Export Enhancement Program with its cited target, the EC Common Agricultural Policy, has over recent years forced efficient Australian farmers to reduce considerably their production of wheat.

The irony is that the United States makes loud complaints about the barriers its products face in certain export markets. Listening to the domestic debate on these matters in the United States I gained the impression that most Americans think that protectionism is something that only happens outside the United States and that the United States plays fair while no one else does. The reality is quite different. Indeed a recent article in *The Economist* (reprinted in *The Australian* of 4 May 1989) reported that the Reagan Administration - a self styled proponent of free trade - presided over the biggest increase in American protectionism since Herbert Hoover's time. And by one estimate fully one quarter of imports into America are affected by some form of protection - up from one eighth in Hoover's day.

The trade problems between Australia and the United States must be resolved because if they are not they will eat away at the larger relationship. As the Prime Minister said in a speech last June to a joint session of the United States Congress: "Australians must not be given reason to believe that while we are first class allies, we are, in trade, second class friends. Trade issues must not be allowed to fester, or to erode our wider friendship or alliance".

On the trade issue, as with other issues, the Government recognises the complex range of pressures with which United States policy makers in the Administration and the Congress must contend. But Australians also expect that their ally will take account of their deeply felt concerns. It is an inevitable feature of the politics - and the psychology - of scale that all aspects of the alliance tend to loom much larger in the Australian consciousness than in the American consciousness. This means that careful management by both sides is essential if we are to prevent these different perspectives from becoming divergent perspectives.

There is an obligation on Australian policy makers to ensure that American actions are seen by the Australian community in their proper perspective. But there is also an obligation on United States policy makers to avoid actions taken in terms of their global policies which harm, however inadvertently, Australian interests. We understand that the United States must look out for its own interests. But it does the United States no good - and its alliances no good - if, in pursuing its global concerns, the United States is seen as giving little or no weight to the welfare of its smaller friends and allies.

In summary, the relationship between Australia and the United States is today as relevant to the international agenda and to the interests of each side as it was when the ANZUS alliance was first concluded nearly forty years ago.

It remains relevant because it has been flexible enough to adapt to changing circumstances. In particular, it has adapted to the geo-strategic demands of a nuclear world. It has adapted, after some trial and error, to profound changes in the regional environment. And it is adapting now to the demands of the economic agenda, as evidenced in the fact that since 1986 trade and economic issues have been an established part of the annual Australia-United States Ministerial talks.

The relationship has not only adapted, it has matured. Both sides of Australian politics have now had experience of government and the temptation to exploit the alliance as a political issue is no longer as attractive. Bilaterally, each partner has today a sharper and a deeper understanding of the benefits of the alliance and of each other. The establishment of the joint facilities and other developments in the years since ANZUS was signed have heightened the perception that the alliance relationship is a strong one and, importantly, that it is a balanced one.

Australia regards a strong United States in global and regional affairs as a fundamental ingredient of a peaceful and prosperous world, a peaceful and prosperous region, and a peaceful and prosperous Australia.

We hold this view, not as a sentimental impulse, but as a response to the realities of world politics. A more multipolar world is developing. In our region this diversity will be especially marked, with Japan, China, and India already playing distinctive roles.

The Hawke Government does not shrink from this freeing up of a bipolar world. We welcome it. We are confident that Australia has the policies now, especially in defence, foreign affairs and trade, to make a contribution to peace and prosperity in this emerging world.

But whether we are speaking of the central strategic balance in a global sense, or of the regional equipoise that is taking shape in our part of the world, we see a United States

presence - and a vigorous one at that - as essential.

American power, whether it is economic or military, cannot be withdrawn in any substantial sense without creating uncertainty and anxiety. American influence, whether political or cultural, cannot be withdrawn without a sense of loss. So far as I am aware, there is no desire in the Asia-Pacific region for a diminished American presence. There is, on the contrary, general support for the maintenance of an active and nuanced United States engagement in the region.

We seek to continue our alliance with the United States because it is in Australia's interest to do so. We will also do our utmost to encourage the United States to remain a powerful presence in our part of the world and a powerful influence on world affairs generally.

We do this because the United States, despite its occasional lapses into nationalism and protectionism, is still the leading influence in an increasingly interdependent modern world. We do it because the United States, whatever its shortcomings, remains the single most potent force in the world for those values that have provided the democratic core of the Australian experience so far, and that remain at the core of our aspirations for the future.

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