



AUSTRALIAN
AMERICAN
LEADERSHIP
DIALOGUE

AUSTRALIAN AMERICAN LEADERSHIP DIALOGUE

TRIBUTE TO GEORGE PRATT SHULTZ

George Shultz served in four Cabinet posts in the finest American public service tradition. As Secretary of State he was one of the more significant US statesmen of the 20th century during a life span which lasted into the third decade of the 21st century. Possessing a strong and healthy ego very much under control, his was a commanding presence in any domestic or international company.

As a student at Oxford, I was privileged to attend a series of small gatherings at Wolfson College hosted, indeed conducted by Sir Isaiah Berlin. Among many declared imperatives was that relationships really matter so long as they are built on trust. In his memoirs “Turmoil and Triumph” Secretary Shultz invokes Sir Isaiah as follows:

- “At crucial moments, at turning points, when factors appear more or less equally balanced, chance, individuals and their decisions and acts, themselves not necessarily predictable – indeed, seldom so – can determine the course of history.”

For the Australian American Leadership Dialogue, George Shultz played an instrumental role in stimulating engagement in the West Coast Leadership Dialogue at Stanford University. Meeting Secretary Shultz was facilitated through President Reagan’s Ambassador to Australia Hon Bill Lane and Hon Kim Beazley who, on behalf of the Hawke Government, interacted often with leaders of the Reagan Administration including Secretary of State Shultz.

In his recent elegant tribute to George Shultz, Kim Beazley stated that the deepest relationship between an American President and Australian Prime Minister he has witnessed in politics was between George W Bush and John Howard. In Beazley’s own time in government, the ‘pairing’ which stood out was between Prime Minister Bob Hawke and George Shultz. This was a deeply personal relationship, as Shultz recalled their initial meeting:

- I first met Bob Hawke who became Prime Minister of Australia in 1983, when he was head of the Australian labor movement and I (as a senior executive of Bechtel) was concerned with major construction jobs in that country. In those years I gained a practical and operational angle of vision on foreign countries different from that accessible to a government official”.

George Shultz wore many hats—US marine, four-time US Cabinet official, global enterprise executive, economist, academic, diplomat and patriot. For Australia it was significant that Hawke trusted Shultz, and that Reagan trusted Shultz. Bill Lane, who like Shultz served in the Pacific during World War II, told me that as US Ambassador in Canberra he often observed the significant level of trust between Prime Minister Hawke and Minister Beazley.

The deep mutual trust and respect between President Reagan and Secretary Shultz serves as a model for subsequent Administrations. Shultz is often quoted with the observation that “trust is the coin of the realm”. He attributed this to Bryce Harlow – “The best Congressional strategist ever to hit Washington”-- who told him:

- “Never agree to do something unless you know you can do it. If you give your word, then you better deliver. That way you develop trust. Trust is the coin of the realm”.



AUSTRALIAN
AMERICAN
LEADERSHIP
DIALOGUE

When briefing Secretary Shultz about the origins of the Australian American Leadership Dialogue, including the January 1, 1992 conversation with President George HW Bush and the President's emphasis upon the importance of trust in building relationships, Mr Shultz declared: "Trust is absolutely the key!" He applauded our:

- non-careerist approach in compiling US and Australian delegations;
- definition of leadership as "creating new space in the service of others";
- insistence on civil discourse; and our
- closed door policy.

Reference to Bob Hawke immediately attracted Secretary Shultz's attention when discussing the idea for a west coast version of the Leadership Dialogue, the dynamic changes in the US and Australian economies, tectonic geo-strategic shifts, digital transformation, trade and investment, innovation, cutting edge research and the social compact. Our Stanford team--- Ambassador Bill Lane, David M Kennedy, Bob Joss, George Foster---had considered a two-tiered approach:

- First, Australia and the United States are Pacific neighbours who share the challenge of becoming model societies—great social experiments where cultural diversity is embraced along with our democratic values and a market based economy; the economic, political, social and security health of our Indo Pacific neighbourhood, and the relationship each of our counties has with the Indo Pacific and with each other, are of paramount importance to our future, as well as to the principal players across the Indo Pacific. Secretary Shultz reinforced the importance of the Pacific Coast of the Americas—" if Australia wants to understand your primary strategic and economic partner the United States, you need to address the entire Pacific Coast of the Americas and, in particular, study and inform yourselves about the underlying socio-demographic trends of my country";
- Second, sustained high community performance through 2050 and beyond is a precondition to remaining a first-tier nation; the bipartisan Leadership Dialogue must place a premium on identifying the essential planks in platforms for sustained high community performance; for example, innovation and digital transformation would form a primary focus of our west coast Leadership Dialogue agenda.

The imprimatur of George Shultz galvanised other leaders across Stanford campus to support the inaugural West Coast Leadership Dialogue, both as participants and in accessing additional best in class thought leaders. Our co-host of the WCLD Bob Joss, Dean of the Stanford Graduate School of Business, impressed Shultz with a stellar business panel—Dave O'Reilly (Chevron Chairman), George Roberts (KKR), John Donahoe (eBay CEO) and Doug Mackenzie of Kleiner Perkins.

Secretary Shultz was briefed on the full inaugural West Coast Leadership Dialogue program, including thought leaders organised by our second co-host Chip Blacker of the Freeman-Spogli Institute for International Studies, and accepted our invitation as dinner speaker.

- Question: "what do you want me to talk about?"
- Answer: "if you were in the Oval Office with the US President and the Prime Minister of Australia, what would your advice be to them?"



A U S T R A L I A N
A M E R I C A N
L E A D E R S H I P
D I A L O G U E

At the inaugural West Coast Leadership Dialogue dinner, Secretary Shultz spoke of his affection for Australia, and his love of Perth. He described the timing of our meeting (January 2007) as a golden moment in history, and his suggested agenda for Australia and the United States included:

- **STUDY ISLAM**---our understanding of Islam was primitive as was the West's understanding of the Soviet Union during the Cold War. Indonesia and SE Asia are our neighbors. The USA looks to Australia to invest in understanding Islam in Indonesia, and comprehensively engaging our great neighbor.
- **Weapons of mass destruction**---Secretary Shultz laid out a strategy for developing protocols to manage WMD worldwide; this was a project he undertook with Henry Kissinger, Sam Nunn and fellow dinner guest, Stanford's Mike Armacost.
- **OPEN TRADE**---we cannot forget the 1930s, where restrictive trade practices contributed to the depression. Open trade leads to prosperity and peace.
- **ENVIRONMENT**---Australia and the USA should address the causes of global warming, not the fact. The world needs to become more oil independent. Practical steps are essential. New technologies must be embraced and developed to chart a different future. He invited us to take a leaf out of his own experience with the Montreal Protocol, of which he remained immensely proud. "The process should begin with countries studying the issue together. Keep the broad vision constantly in mind and work it piece by piece. Do what you can, not what you'd like to but can't".

Some further Shultz themes:

- Allowing Washington DC to dominate Australian policy thinking is a huge mistake; the future lies in the Indo Pacific, so focus more on our shared neighborhood.
- Californian attitudes towards Asia, notably China, are business driven with less emphasis on the geo-strategic.
- What will China do with their greater capacity?
- Big issues for China include water and land management.

In our early conversations Secretary Shultz was fully aware of the long and varied history between Australia and Stanford University, including Thomas Welton Stanford's 1860 arrival in Melbourne, where he resided for the next 58 years and became a major benefactor of the institution named after his nephew Leland Stanford Jr. Secretary Shultz brought a detailed knowledge and understanding of the Pacific, dating from his service with the US marines during World War II which, avoiding detail, clearly left its indelible mark. He regarded our shared democratic values very seriously, avoiding empty talking points. Freedom was his mantra, a deep commitment he brought to his dealings around the world, including defeating apartheid in South Africa, releasing Soviet Jews to Israel, and so much more. A wise and prescient man, he understood that power and diplomacy must work together: "political pressures in Washington tend to push toward one extreme or the other; operating both at the same time would require great care and skill."

In August 2020 he wrote: "I reluctantly accept that today's China is different from the one I once worked with constructively. But as we deal with the present, we should also consider future relations with a country that faces significant emerging internal structural problems."

To quote Kim Beazley: "For him, it was always about America, the globe and the safety and prosperity of humanity. We will struggle to see his like again".

Phil Scanlan, FOUNDER Feb 15, 2021