CHAPTER TWO

BACKGROUND OF AUSTRALIAN FOREIGN POLICY

2.1 Foreign policy

Foreign policy operates both in environment of a state and outside. It is the product of a political process in which certain positions and views are chosen out of competing views. It provides the most vivid example of acts of state, and of the character of the state as an international person with rights, agency, responsibility and answerability as well as power. National attitudes, beliefs, doctrines impart a sense of purpose and direction to the foreign policy content. Socio-political structures, psychological orientation of the decision makers, availability of resources that can be channeled into the pursuit of foreign policy objectives, ideological perceptions, intellectual framework and domestic environment including the internal political structures influence the making and shaping of foreign policy. Commercial, financial, industrial and farming interests are also entwined in its formation. The interactions of these factors with external factors shape the contents and direction of foreign policy.

Foreign policy is a complex subject. It is fraught with uncertainties. Some anticipation has to be made about the current of changes that lie outside its exclusive jurisdiction. Geo-political, economic and trade and security interests, and attitudes of international community are considered in anticipating the course of changes. Foreign policy sometimes becomes only reactive. It hardly gets changed with the change of government. Changes are only incremental, not radical or sweeping.

There have been tremendous transformations of the world resulting in the directions of foreign policy. Australia’s engagement with the region was being interpreted as its being a ‘part of the region.’ Foreign Minister Bill Hayden argued that ‘Australia is

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2 Bill Hayden, Speech at the graduation ceremony at the School of Modern Asian Studies, Griffith University, on 13 April, 1985, *Australian Foreign Affairs Record*, Vol 56, No.4, p.293.
not some kind of artificial arm or leg grafted on to the region. Our sharing in regional affairs cannot be turned on and off whenever convenience dictates. Australia is not going to go away from here. This is our home. Our being here is an inescapable physical fact. From this fact our foreign policies flow. Enmeshment was a case of change or be left behind, with our living standards declining, our economy and way of life stagnant, our citizens envious and, in the long term, left to become the poor white trash of Asia.

The debate of history vs. geography continues in Australia. There are leaders in Australia who want to see the continuity of Australia being a European nation and balance in migration intake and there are also leaders who talk of finding a true place in Asia and among Asians. Moreover, the growth of economy, Australian consciousness of Asia, absorption of migrants, increase on interest in Asian studies and Asian languages, has made it to see a sensible alternative to a policy of patience, forbearance, and modest assistance to Indo-china countries.

Cooperation, engagements, building a web of linkages with the region have come to constitute elements of Australia’s foreign policy over the years. Australian foreign policy has at times been deferred to American pressures, British pressures, and Japanese pressures – also to Third World attitudes and pressures of the Association of Southeast Asian Nations (ASEAN). Attitudes of ASEAN, Russia, Japan, China and US influence its intentions, aspirations, priorities, contents and perceptions. The objectives of Australian foreign policy as enumerated in government publications are as follows:

Strategic: to maintain and promote Australia’s territorial sovereignty, national security and political independence through creation of a strategic environment involving

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3 Ibid.,


the maintenance of political, intelligence, and defense cooperation with countries in the Asia-Pacific region.

Economic: to ensure and promote Australia's economic and social welfare through fostering trade and economic growth, creating an efficient and competitive economy, and promoting an open, cooperative, just and progressive international economic order.

Social: to promote the cause of humanity by raising international standards of political, social and economic justice, and to work towards a global consensus for the improvement of the human condition.  

Australia has followed trade, aid, development and defense strategies to preserve and promote these interests. It has strategic cooperation with major powers and regional countries. It has worked successfully with different cultures, ideologies and nations on issues ranging from domestic to regional to global covering economic, political, social, security needs. Australia's non-threatening profile is its greatest asset in dealing with Southeast Asia. Its no record of imperialism or aggression, abandonment of discriminatory policies against Asian and its humanitarian support for refugees from conflict-ridden areas have been instrumental in promoting ASEAN regional cooperation.

Prime Minister Hawke declared at the National Press Club in Washington that Australia's 'aim was to pursue an independent and self respecting foreign policy, based on a cool and objective assessment- hard headed if you like- of Australia's genuine national interest, would be realistic and relevant. Australia, as noted by Gareth Evans, conducts its foreign policy with a wholly realistic appreciation of the scope and limits of its influence, realistically selective in character, entirely effective in achieving results,

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8 Bob Hawke, n.4, p. 216.
building a new image of Australia as a diplomatically active country, conducting foreign policy with imagination and energy.9

2.1.1 Priorities in Australian Foreign policy

Australia 'has awarded the highest possible priority to expanding and consolidating arrangements for political, cultural and importantly economic cooperation with countries in the region. It has supported the policy of seeking regional solution to regional problems, as distinct from nostrums brought in or imposed from outside.' 10 The protection and advancement of national interests, capacity to advance them and refining the priorities for effective political management of foreign affairs constitute the framework for foreign policy decision making. The following four fold policy priorities have been identified11

- Maintaining a positive strategic and security environment in our region – through constructive commitment, partnership and communication,
- Pursuing trade, investment and economic cooperation – Foreign policy is trade policy. Trade concerns into the mainstream of foreign policy.
- Contributing to global security- Australia has been actively contributing to multilateral disarmament process, regional security issues.
- Contributing to the cause of good international citizenship.

2.2 Foreign Policy: Historical Perspectives

The transition from a dependent and subservient to independent foreign policy has been a long walk for Australia. It clung to British view for a long time, looked to it for protection and advice in foreign and defense affairs. Australia remained far from Britain but was unable to see an alternative to being Britain. Asia was a dominant fear in its mind

11 Gareth Evans, no.9, Vol.55, no.13, p.31.
and feared to be overwhelmed by *Asiatic hordes.* Australia relied heavily on the US after the gradual decline of British power. The following paragraphs present in brief an evolution of Australian foreign policy and transformation of the contents over the years.

**2.2.1 From settlement (1788) to Federation (1901)**

Australia was tied to mother England’s apron for long. Its diplomacy remained overwhelmingly dependent on the British Foreign Office. Its concerns remained achieving better lines of communication with London. London remained the primary source of Australia’s official information, and therefore was a source of authority, influence and direction. Until cleared from London, even critical issues or questions were allowed to lie dormant.

Australia looked to Britain for heritage, power, wealth, fame, influence, trade, markets, investment, education, security and even passports. Until the passing of Australia Act on March 3, 1986 by the House of Commons, Colonial Law validity Act of 1865 had a significant impact on the conduct of Australian Foreign policy. Sir Henry Parkes argued for federation and cited economic and political development as the basis for nationhood. He wanted colonies to speak with a single voice in 1883 and wanted Australia to remain a ‘mistress of the Southern seas.’ However, as the British Empire was at its zenith, he preferred Australia’s future within an enlarged empire that would carry ‘our language, our laws, our social habits, our literature, our great stores of science, to all parts of the habitable globe.’

**2.2.2 From Federation to World War –II**

The Colonial Laws Validity Act remained of ‘great importance’ in the conduct of foreign policy. From mid-19th century to 1939, foreign policy was based on appeasement. British domination was pervasive in the conduct of foreign policy. Sensitive to sea power,

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Australia devoted its money and manpower in support of British Empire. Its economy was enmeshed with Britain, foreign policy tied to British, and even domestic issues were linked to Britain. These slogans clearly demonstrated a serious lack of independent thought and reflect Australia's true dependent status.\textsuperscript{13} Power concluding treaties and agreements with foreign powers were with Britain. British Parliament had the power to make laws for Australia. Australia did not even care to use the power given to it. Gareth Evans calls this 'a mark of Australia's relaxed attitude to foreign policy.'\textsuperscript{14} Department of External Affairs was dismantled in 1916, to be reestablished in 1921 on a very small scale, operating as, in effect, a branch of the Prime Minister's Department.

Only in 1923, Australia gained the right to appoint its own diplomatic representatives and to negotiate treaties with foreign powers. Australia established missions in London, Washington, Tokyo and Ottawa. Trade initiatives were taken with China, Japan, and Canada. Australia's trade skills and perseverance were used to help British. The conduct of foreign policy was always within the framework of attachment and dependence, and always in an effort to influence Imperial or British policy rather than to create an Australian foreign policy. Dependency was so much that it did not even have any influences in the Pacific. The leadership was blamed for showing no assertion in the conduct of diplomacy. As has been observed by Robert Menzies, "I am one of those old fashioned Australian politicians who think that our nation's foreign policy should not be aimed at demonstration or assertion."\textsuperscript{15} Though colonies showed considerable apprehension over activities of European powers in the Pacific, the protection from foreign invader was sought behind the shield of British sea power.\textsuperscript{16}

\textsuperscript{13} John McCarthy (Ed) *Essays in the History of Australian Defense and Foreign Policy, Defense Studies Publication no. 1*, (The University of New South Wale: no date of publication is mentioned), p.2.


\textsuperscript{16} John McCarthy (Ed), n.13, p.3.
Before 1942, when Australia formally adopted the Statute of Westminster, its constitutional capacity to enter into international commitments was circumscribed. It was only after the war that Australia has a professional diplomatic service. And it was only in late 1941 – when Curtin made his celebrated appeal to the United States - that Australia for the first time showed itself capable of addressing a fundamental issue about its place in the world other than reflexively, instinctively and dependently as a member of the British Empire.\(^\text{17}\)

Menzies who first served as the Prime Minister from 1939 to 1941 and again from 1949 to January 1966 demonstrated his spiritual belief of British Crown and the Commonwealth. Considered being anglophile, the last of the Queen’s men, unrepentant monarchist, he showed excessive commitment to the ties with Britain. British crown was a unifying thread for him, commonwealth was something in blood (which) connoted a common allegiance, and a great brotherhood. His statement on the evening of September 1939 that there was ‘unity in the Empire ranks – one King, one flag, one cause, we stand with Britain’ shows how deeply Australia was committed and attached to London. He loved to term Australian currency unit the Royal. This created an impression that Australia should not have a foreign policy distinct from Britain, as such conduct was considered suicidal\(^\text{18}\).

Nationalistic feelings grew. Trade Union movement emerged. Voices emerged within Australia to “manage Australia effectively and be able to rely upon itself in an emergency.” There appeared less enthusiasm on sending troops to fight for Britain. There was an Australian sensitivity about being- or rather, about not being –consulted by the

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\(^\text{17}\) Gareth Evans, Keynote address to *The Labor Tradition in Australian Foreign Policy Symposium*, Australian National University, (Canberra: 5 December 1994).

\(^\text{18}\) See for details, Robert Menzies, n.13
British. Australia prepared to differ with the British, but in an effort to influence imperial or British policy, not to create an Australian foreign policy.

The Curtin-Evatt team 'ventured independently into world diplomacy.' Australia evolved its own policy toward Soviet Russia and developed a framework of its own for relationship with Great Britain and the rest of the Empire. Curtin made demands upon Prime Minister Churchill and President Roosevelt and declared that Australia refused "to accept the dictum that the Pacific struggle is a subordinate segment of the general conflict." Australia regarded the conflict as an indivisible struggle, and demanded for Australia a voice in general strategic planning for the Pacific Area. During a debate in Parliament in November of 1936, he said, "Our dependence upon the competence, let alone the readiness, of British statesman to send forces to our aid is too dangerous a hazard upon which to found Australia's defense policy." The Australian government regarded the Pacific struggle as primarily one in which the United States and Australia must have the fullest say in the direction of the fighting plan. This team expressed itself against the appeasement and favored an alliance with the Soviet Russia and "a firm and unbroken alliance" between all the countries of the British empire, the United States, and Russia. They demanded a footing of absolute equality with the United Kingdom.

In 1919, a Pacific branch was established within the Prime Minister's Department. In April 1939 shortly after becoming Prime Minister Menzies expressed clearly, "In the Pacific. we have primary responsibilities and primary risks...... What Great Britain calls the Far East is to us the near North." This statement outlines the importance of the

20 Gareth Evans and Bruce Grant, Australia's Foreign Relations: In the World of the 1990s. (Melbourne University Press, Melbourne:1995),p.21
22 Ibid. p. 188
Pacific to Australia and requirement of developing an independent foreign policy on the basis of separate diplomatic contacts and independent sources of information.

In 1941, Churchill removed British responsibility to defend Australia and entered into the common market. Australian felt undermined and hurt. Prime Minister Harold Holt believed that if Australia was to play a role in Asia, it would have to come to terms not only with Asian cultures and patterns of thought, but with a kind of intrigue, corruption, rapaciousness and talk of institutional restraint most Australia would find disorientating at best and probably distasteful in the extreme.

2.2.3 From World War II to 1972

The war was a half turn in Australian foreign policy.\(^\text{24}\) Australia's attitude and thinking of defence from Europe changed to Southeast Asia. Asian fears came to its doors. The fall of Singapore, bombing of Darwin, withdrawal from the Suez Canal and failure of Britain to come to the rescue of Australia gave a crippling blow to its greatest markets and greatest supplies. Rescue came not from Mother England, but from a republican America. John Curtin declared on 27 December 1941, 'Without any inhibitions of any kind, I make it quite clear that Australia looks to America free of any pangs as to our traditional links or kinship with the United Kingdom. We know the problems that the United Kingdom faces...But we know, too, that Australia can go and Britain can still hold on. We are, therefore, determined that Australia shall not go'.\(^\text{25}\) Australia either fought for America or Britain, not for themselves in many foreign theatres of war. It saw the value of great and powerful friends in fighting communist challenge -- from abroad for that forward defense.

Colombo Plan, the Asian version of the Marshall Plan, emerged to contain communism. Security alliances were concluded. The security agreement between

\(^{24}\) Gareth Evans and Bruce Grant, n.14, p.22.

Australia, New Zealand and the United States (ANZUS) became a corner stone of Australian security.

The presence of Robert Menzies and Dr. Herbet Vere Evatt in the governments was dominant in the conduct of Australian foreign policy. If Menzies relied on 'great and powerful friends' and saw for Australia a role of 'bridge in the Asia-Pacific region between two Atlantic powers', Evatt declared Australia's loyalty to the United Nations, placed great faith in it as an agent of social and economic reform, and guarantor of international peace. Loyalty to the United Nations became the first principle of Australian foreign policy. He attacked the big three – British, Americans, and Russians for not inviting Australia to the Postdam Conference and expressed disappointment on limiting the use of veto powers in the Security Council.

Menzies's second term in 1949 witnessed the ascendancy of the USA as a major pacific power. Security was on achieving an alliance with the US. Dependency on London came to be divided between the United Kingdom and the United States. The dual dependence was described by Arthur Calwell in the following words, "He (R.G.Casey) used to listen in to Whitehall on Mondays, Wednesdays and Fridays and to Washington on Thursdays and Saturdays, and then write Australia's foreign policy on Sundays".

Fearing threats from the vast population of China, India, Indonesia and Japan, Australia looked to great and powerful friends. Prime Minister Robert Menzies said, "Situated as we are in the world, washed on our western and northern shores by potentially hostile seas, and numerically incapable – despite intense defense preparation – of defending ourselves for long against all-out attack by a great power ... if... a war comes, the business of foreign Policy is to see that we enter it with great and powerful friends." 26

As the longest serving Prime Minister, Menzies had significant impact on development and execution of foreign policy. He is portrayed to have considered London the proper

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26 Robert Menzies, n.15, p. 17.
place to discuss matters with Asians including Southeast Asian affairs.\textsuperscript{27} The near North and Australia’s proximity to it was not given proper attention. Asian philosophy and religions were closed books for them. Little attempts were made to understand neighbors’ attitudes. Australia under Menzies also appeared to be at loggerheads with Nehru’s India over the place of Asia in world affairs and the nature of the Commonwealth. Sir Percy Joske mentioned three tenets of the Menzies foreign policy as friendship with Great Britain, friendship with the USA, not inconsistent with the deep affection for the mother country and sister nations, and mutual understanding between the US and the commonwealth countries.\textsuperscript{28} Since the establishment of first American base at North West Cape in 1962, the American influence was understood to have heavily infiltrated the making of Australia’s foreign policy.

The emergence of a right wing regime in Indonesia and the possibility of Jakarta-Peking axis, outbreak of communist supported insurgencies throughout Southeast Asia, the establishment of Chinese’s satellites, growing economic and military might of China, expansion of Soviet naval presence, growth of Indian naval power, apprehensions about Japan’s military ambitions were considered to be posing threats to the security of Australia. The strategy of forward defense and support to these threats was adopted to keep away from Australia’s shores as possible, by \textit{fighting there rather than here, and now rather than later, and being dead rather than red}. Thus a strong stable region free from external pressures was considered a fundamental interest of Australia.

The 1960s was a decade of change for Australia’s defense and foreign policy. It witnessed the British retreat from Southeast Asia. American influence became paramount.


\textsuperscript{28} Percy Joske, Robert Menzies, quoted in John McCarthy, ed., \textit{Essays in the History of Australian Defense and Foreign Policy}, Defense Studies Publication no.1 (The University of New South Wales, no date of publication is mentioned), p.41.
in Australian policy. Troops were committed to Vietnam under the American command. This was also a decade Australia committed troops to Southeast Asia outside the protective umbrella of a 'great and powerful friends.' It was seen as the beginning of Australia’s move to follow independent foreign policy in successive period. Australia steered a course somewhere between the United Kingdom and the United States on the Suez crisis and China; somewhere between the United Kingdom and Indonesia on Malaysia; and somewhere between the Dutch and the Americans on West Irian.\textsuperscript{29}

2.2.4 From 1972-1993

The advent of the Labor party in 1972 was termed a \textit{watershed} in Australian foreign and defense policy. Prime Minister Gough Whitlam on his swearing day declared, 'The change of government provides a new opportunity for us to reassess the whole range of Australian foreign policies and attitudes.... Our thinking is towards a more independent Australian stance in international affairs, an Australia which will enjoy a growing standing as a distinctive, tolerant, cooperative and well regarded nation, not only in the Asia and Pacific region, but in the world at large.'\textsuperscript{30}

A new era of confidence free from past dogmatism began in 1970s. Foreign policy came to be considered a tool of striking a wise, proper and prudent balance between commitment and power. Accordingly, the method, style and direction of the policy underwent changes. An element of independence and flexibility from past fear and distrust of neighbors got injected into the process. It recognized the value of growing interdependence to match the mood and needs of the time on matters of national security; a secure, united and friendly environment; maintaining closer relations with nearest and largest neighbor, Indonesia; and promoting the peace and prosperity of our

\textsuperscript{29} Gareth Evans and Bruce Grant, n.14, p.23.  
\textsuperscript{30} Ibid., p.26.
neighborhood.\textsuperscript{31} Government statements and policies started reflecting its own interests based on its own assessments. Alliance with the United States was interpreted as not being subservience.

Prime Minister Whitlam’s statement suggested a departure toward independent and proactive foreign policy. It supported ASEAN, and opposed racism in South Africa. Its recognition of China was considered an inescapable Asian reality. He stressed that ‘the hopes of the region rest (ed) upon not only a better understanding with China but a better understanding of China’.\textsuperscript{32} He said:

\begin{quote}
We do not want to look on Southeast Asia as a front line in the terms of the old cliche of forward defence. We do not see Southeast Asia as frontier where we might fight nameless Asian enemies as far to the north of our shores as possible – in other peoples’ backyards. Regional cooperation will be one of the keystones of Australia’s foreign policy ... directed towards a new regional community geared to the realities of the 1970s.\textsuperscript{33}
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The 70s remained a period of exceptionally rapid change in the region. The changes of 1970s are best described by Hugh Smith when he says “The change of government at the end of 1975 might have been expected to bring in its wake marked changes in Australia’s view of the world… in the event the new administration found little difficulty in adapting and adopting the defence and foreign policies which it inherited. The period of Labour government had by and large served to bring Australia abreast of changes in the international environment.”\textsuperscript{34} Cooperation, self-reliance and self-confidence replaced old patterns of relationship. However, an arc of crisis of great geographical crescent ran from South Western Asia (Afghanistan) through the Persian Gulf area, the Arab peninsula and the red sea to the Horn of Africa and further South

\begin{footnotes}
\item[Ibid. pp.25-26.]
\item[JA Camilleri, An Introduction to Australian Foreign Policy (Melbourne: Jacaranda Press Pty. Ltd. 1975), p.84.]
\item[Australian Foreign Affairs Record, formerly Current Notes on International Affairs, Department of Foreign Affairs, Canberra, Vol.44, no.1, (1972), pp.30-34.]
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magnified the impact of these changes. Australia was no exception. Its desire was to have a secure, free and prosperous future, and be a stable, peaceful, staunch and reliable friend for the countries in the region.

The period of Fraser Government was characterized by the combination of a strident anti-communism and a combative personal style. The formulation of foreign policy was "too greatly influenced by his personal passions and whims to develop in any rational and comprehensive way." His government initiated the building up of relations with China, the constructive activity in the UN and the association with the Third World. It acknowledged the importance of Asia Pacific. The frequency of interactions witnessed its ascendancy. Fraser's reported suggestion of a four-power treaty China, United States, Japan and Australia against Soviet Union, put forward during his visit to China, was cold shouldered. His administration was characterized by a period of turmoil developments including influx of boat people, conclusion of Soviet –Vietnam Treaty with geo-strategic implications for the region, Vietnamese invasion of Cambodia, overthrow of Shah of Iran, war between Iran and Iraq, and Soviet invasion of Afghanistan etc. He viewed the Soviet Union with utmost distrusts and suspicions and termed the Afghanistan crisis as the most dangerous international crisis since World War II.

Trade and contacts grew during this period with Asia. Development assistance to Asia went up. Australia appeared more sympathetic towards Third World countries. It attended NAM summit as an observer. Australian market was opened to foreign goods. Close relations were advocated with Indonesia. Multicultural Australia appeared as a unifying strand.

Prime Minister Bob Hawke thought of Australia’s past policy not having any real understanding of its place in the world or of the opportunities which change in our region was offering.' He talked of ‘laying the foundation for a stable and prosperous Australia on

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the bases of reconciliation, recovery and reconstruction of Australia. Hawke-Hayden team redefined and shaped foreign policy agenda, and transformed perceptions of the alliance to a mature relationship between sovereign partners. The Defense White Paper of 1987 introduced by Kim Beazley was a watershed in foreign policy, spelling out for the first time a coherent policy of defense self reliance. It mapped out the road and injected a new confidence in the country’s defense capability. Hawke Government liberated foreign policy from the past, though alliance with the US remained a fundamental pillar of defense and foreign policy during the 1980s. He accorded ‘highest priorities to our relations with our neighbors of the Asia and Pacific region, and to the major industrialized countries with which we share significant relationships, especially the United States and Japan’. Foreign Minister Bill Hayden reiterated the stand before the Parliament on 7 December 1983 ‘that we no longer feel the need to borrow our foreign policy perceptions, that we make up our own mind, read the evidence ourselves, and listen carefully to perceptions which have evolved in our own community.’ Hayden talked of Gough Whitlam’s transformation of labor culture in 1965 and his setting down enduring foundation, which Andrew Peacock later reinforced, thus creating a welcome bipartisanship to Australia’s foreign policies which sustains itself to this day. Foreign policy thus, came to be guided by nationalism, internationalism and activism.

The Hawke Government stood against apartheid, expressed strong support to the United Nations launched major initiatives to end the deadlock in Indo-china. The administration was equally strong, active and vocal on arms control, nuclear disarmament. The economic dynamism of the region and interdependence of nations on Asia Pacific was

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36 Bob Hawke, n.4, pp.143-255.
38 Bill Hayden’s statement to Parliament on 7 December 1983, Australian Foreign Affairs Record, Vol.54, No.12, p.803.
an attraction for the promotion of Australia’s interests. However, despite Australia’s efforts to get closely engaged with Asia, it was rebuffed, which Fedor Mediansky wrote ‘resulted in Australia’s diminished regional standing.’ Hawke government took initial steps towards building the regional institutions like APEC. A series of decisions were made to project the Australian economy truly competitive internationally from an isolated economic fortress, inward looking and slumbering. Prime Minister Hawke talked of enmeshment with the region and wanted policy to be driven by a commitment to the most intimate and irreversible tying of Australia into Asia and the Pacific. Foreign Minister Gareth Evans proposed to create a counterpart of Conference for Security and Cooperation in Europe (CSCE) for Asia. Though this was not liked by ASEAN in the beginning to go beyond the region, however at the post ministerial conference of ASEAN, a decision was taken to transform the idea into ASEAN Regional Forum (ARF). ARF later was to act as confidence building and preventive measure.

Australia was mentioned to have acted as a conduit for China to those countries with which it wished to develop more constructive relationships. Those countries included Indonesia, Japan, Singapore, South Korea, Israel and the Jewish community and other countries that were important given a change in China’s economic philosophy. Despite an alliance with the United States, Hawke Government was described to have ‘an independent and positive stance towards the countries of the region and beyond which were going to be importance to China, it embarked on its policy of opening to the rest of the world.’ In any disputes of economic nature involving the interests of the Asia-Pacific communities and Europe, Prime Minister expressed his siding with the Asia-Pacific. Thus Australia augmented international understanding about China, by conveying the message

40 F.A. Mediansky, Superpower Competition and Australia’s Strategic Environment, Australian Quarterly, 56:4 (Summer 1984), p.27.
42 Quoted in Hawke Memoirs, n.4, p.341.
to Washington not to fear a hidden agenda on rapprochement between China and the Soviet Union.

What brought Australia closer to Asia during the 1980s were also the factors like - immigration, provider of investment, model for requisite transformation of Australian economy and partner in the creation of regional security. During 1970s and even 1980s, American influence was in abundance, Russia's relatively ineffective, and China's merely potential. However China loomed large in the background as a vague fear. These trends influenced the course of changes in economic, political, strategic and cultural sectors. Australia invested considerable diplomatic capital in strengthening its relations with ASEAN as a regional organization. Canberra, more than in 1960s and 1970s, thought that there is a real congruence of Southeast Asian and Australian security and economic interests and increasingly argued that it must become involved in the Asia Pacific region.

The invasion of Kuwait by Iraq on August 2, 1990 was taken as being profoundly inimical to Australia's future interests, by the Hawke administration. Prime Minister made a statement in support of the United Nations. He said, 'The world has changed a lot since 1945, but I think the lessons of the 1930s, which underpin the UN charter, still hold true today: that international disputes must not be settled by force; that national borders must be respected; and that those who use force must not be permitted to prevail. These lessons establish principles, which engage our real, tangible interests, not just our sense of right and wrong. The security and prosperity of Australia will depend on the years ahead on the strength of these principles. The strength of those principles in the years ahead absolutely on the support we give them today.' Australia's sending of troops to Gulf War to fight

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45 Bob Hawke, n.4, p.513-14.
along the side of the Alliance Forces was interpreted in the context of punishing the aggressor, which were considered the continuation of what Australia’s Foreign Minister Dr. Evatt had said in 1945, “It must be made crystal clear that the nations seeking representation in the world organization must be prepared to contribute their share of physical force to restrain the action of the aggressor.”

A genuinely independent foreign policy has been thus a recent phenomenon. The 1987 Defense White paper spelled out a coherent and achievable policy of defense self-reliance. This led to the remarks that Australian Foreign Ministers “are freer to think about their responsibilities more systematically and more intricately, than ever before.” Prime Minister Keating linked success in Asia to successes elsewhere. He favoured close personal links with regional leaders. It was his initiative to call APEC Leaders’ Meeting which culminated in President Clinton’s convening the first summit meeting in Seattle. The year 1993 was described as ‘a full hand of Australian foreign policy successes.’ The active participation in GATT, initiatives for Indo-china peace, Chemical Weapons Convention, launching of ASEAN Regional Forum, continuation of economic enmeshment with the region were the hallmarks of this period.

The period also witnessed profound and dramatic changes in international affairs shaking the world and putting governments’ policy to test. The challenge before Australia was to study these changes as well as issues and problems, manage them in a peaceful and equitable manner. Foreign policy, thus, had to be geared to work in with national, regional and global actors and be able to carve an appropriate role for itself.

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46 Ibid., p.519.
47 Gareth Evans and Bruce Grant, n.14, p.29.
2.3 Australia and the Asia Pacific

Asia and the Pacific is a vast, diverse, and dynamic region. The region has been the geopolitical center of the struggle for world power. It is where American, Russian and Chinese interests intersect. Their competition for economic advantage and economic security fuels conflicts in the region. It is a region where nuclear weapon programs of Japan, North Korea, India, Pakistan and high tech arms race have compounded the fears of regional security. Several flash points have further added fuels to the theater of great power rivalry.

Australian touch is found in all aspects of the drive towards development and economic progress throughout Asian region. Australia was confronted with the question of whether attempts to build linkages with countries of different cultural tradition are misconceived? Foreign Minister Gareth Evans turns to Huntington’s theory and pictures Australia’s future in Asia as similar in concept to Huntington’s description of Japan’s relationship with the West. He defined Australia’s identity as an ‘Asia-Pacific’ rather than an Asian power, ‘...there are always going to be some limitations on the extent to which Australia is, or can be, part of Asia. Geographically—or geomorphologically – we are not so much in Asia, but alongside it. What we are unequivocally part of is the Asia Pacific region – embracing East Asia, Oceania, North America (and in some accounts at least, the Pacific coast of Latin America as well) 49

Developments in Asia were of great concerns to Australia. Australia interpreted Chinese suppression of the Tibetan uprising of 1959, the Sino-Indian military confrontation of 1962, the Laotian crisis of 1961-62 and the outbreak of insurgency in South Vietnam under Ngo Dinh Diem as part of new aggressive phase in Chinese foreign policy coupled with the increasingly pro Chinese policy of the Sukarno government as the dangerous expansions of Chinese influence in Southeast Asia. The rising power of China and its power projection capabilities were considered major hazards to peace and stability.

Fearing the encirclement by the Chinese expansion, Australia participated in Korea, Malay, North Borneo and Vietnam militarily. ANZUS was seen as the corner stone of Australia’s defence policy.

The report of President Nixon to the Congress in February 1970 inspired a change in America’s relations with China. The report said, “The success of our Asian policy depends … on our relations with mainland China and the Soviet Union… We will seek to promote understandings (with China) which can establish a new pattern of mutually beneficial actions.” However, Australia continued to regard China as a central obstacle to peace, stability and progress throughout Asia. The Nixon announcement and subsequent Australian acquiescence to it can be seen as the price of Australia’s excessive dependence on great and powerful friends, and her trailing behind America’s major diplomatic initiatives.

The Vietnamese move into Cambodia and the Russian invasion of Afghanistan led Australian government to strengthen its alliance with America. Russian inroads into Afghanistan were seen as a drive to control the Persian Gulf region through which some forty percent of the Western Alliance’s oil flowed. This was interpreted as Australia not being beyond the limit of Russia’s appetite for conquest. Australia gave porting facilities to the USA defense related facilities at Western Australia to counter the growing power of Moscow.

However the end of Cold War necessitated the redefinition of Australia’s relationship with the region. The pursuit of cultivating Asian linkages that started in 1970s, were renewed and widened by the Hawke and Keating administrations. This team was convinced that increased economic cooperation with Asia was the best prospect for securing the future standard of living of all Australians. Australia’s geopolitical and economic predicament, Guam Doctrine and necessity to plan own’s defense,

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internationalization of production and globalising market logic, the dynamism of the heightened interdependence further took Australia into the roads of comprehensive engagement with the region.

Australia’s links with the region dominated the foreign relations. There were questions like, ‘Are we to be for ever seen as a European post, a kind of cultural misfit trapped by geography in an alien environment? Or are we to recognize that Australia’s future lies inevitably in the Asia-Pacific region – that this is where we live and must survive strategically and economically, and where we must find a place and role if we are to develop our full potential as a nation.’

Australia’s future lies, inevitably, in its ‘becoming more and more closely integrated into the region of which we are geographically so inescapably a part.’

Prime Minister Paul Keating showed his personal commitment ‘to linking Australia’s destiny even more comprehensively with that of the Asia-Pacific region in which we live.’ The engagement with Asia became an election issue in 1993 and Keating cautioned voters that coalitions would have difficulty in relations with Asian leaders. With the engagement in the region, he said, “Australia will be taken more seriously as a player in regional affairs if we are clear about our identity and demonstrate that we really mean to stand on our own feet practically and psychologically. These things will help us succeed.”

Keating further called for Australians to come to grips with the realization that “our economic future (and) our destiny as a nation” require us to become engaged more fully in the affairs of the Asia-Pacific region rather than of Britain, Europe and USA.

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53 Gareth Evans and Bruce Grant, n.14, p.31.


The Evans factor energized the foreign policy establishment. Gareth Evans became the first Foreign Minister to publish a book under his own name, introducing a phase of activism in Australia’s foreign policy. Several high profile leads were initiated under his direction. PM’s launching of APEC, Evans’s proposing a counterpart of CSCE for Asia, preparing a Red Book for Cambodian Settlement, reiteration of faith in the United Nations as the repository of international hope and enlarging its role can be taken as a series of steps taken as dominant features of the Australian initiatives. It was during this period that Australia’s projection as good international citizen also emerged.

2.4 Australia and Southeast Asia

2.4.1 Southeast Asia

Southeast Asia is an area of great strategic importance. It is a region enriched with oil and natural resources and several navigable straits linking the Indian and Pacific Oceans. Malacca strait – a major thoroughfare looking the Indian Ocean with the South China Sea is an international strait. The region has always been in the attention of great and regional powers and as a cockpit for great power rivalries and interventions. The regional power, Vietnam considered to be ‘the Prussia of Southeast Asia’, once conceived of the concept of Indochina federation and also control of the whole of Southeast Asia.

The stability of Southeast Asia came to depend on “the jealous watchfulness maintained by the great powers as a whole on the equilibrium maintained among them.”

The importance of the region to Australia was highlighted, thus,

“Southeast Asia and the Southwest Pacific are important to us not primarily in connection with the objective of security, or with that of prosperity but in connection with our need to recognize purposes beyond ourselves. The countries of this area are our neighbors, and through contact with them we can enlarge our understanding of the human condition. They provide our easiest point of contact with the aspirations of the Third World for justice and change, which have to be accommodated within global order on whose continuance all our objectives depend. We should be interested in these countries, we should be generous towards them, and within the very narrow limits of our knowledge of what is good.

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for them, we should try to help them. But in strategic terms we should try to minimize our involvement.\footnote{Ibid., p.148.}

William Bundy has remarked the region of Southeast Asia as naturally neutral region bringing USA, China, or any other great power that regards its interests as vital. Lee Kuan Yew believed that the best safeguard for the region was to bring about a high degree of political and economic involvement of all great and middle powers so as to prevent any one of them establishing predominant influence over any government in the region. He believed that American disengagement would have dangerously unsettling effects in Asia, that might well pave an automatic increment of Russian or Chinese or Japanese powers and accordingly orient the Southeast Asian regimes.

Factors that shaped Australia's policies towards Southeast Asia included the rise of communist movements, manifestation of social unrest in the region, in 1950s and 1960s and then American withdrawal form the Vietnam war and her rapprochement with China, end of Indo-china conflict, emergence of Guam Doctrine, rise of Japan as major economic force, and end of the Cold War. The context of major powers balance and triangular relationship between China, Japan and the United States were also the factors. Closer cooperation between USA and Japan were viewed to the advantage of Australia politically, economically and strategically.

Paul Keating once said of Southeast Asia, "They are the places you fly over on your way to Europe." These flyover places now present potentials for a peaceful and cooperative neighborhood.

The conflicting border disputes, minority problems and regional dissidence in the Southeast Asian region were magnets to attract greater international contest for power, prestige and ideology. Australia could not remain unaffected by this precarious situation. Any chaos, unrest, was bound to bar economic progress in the region and frustrate the peaceful change and pressures for domestic reforms. As is evident in the ministerial
statement of March 1972 that, "Destiny places us in a part of the world where a very large proportion of mankind is subject to deep seated causes of instability, social conflict, slow economic growth, and recurring pressures directed from outside to capture power for ideological or nationalist reasons."

The region, thus becomes the nerve center of Australian foreign policy. Australia feared from the 'domino theory' for Southeast Asia after the victory of communism in China. Australia involved itself in the region for the containment of communism. Its relations with Indonesia were maintained even if it was engaging in the defense of Malaysia against Indonesian aggression. Sukarno's Indonesia was seen appeasing China. Despite all odds, Australia demonstrated firmness in resisting aggression in Southeast Asia, without any permanent impairment of its relationships with Indonesia. In this context, the glaring inequalities and injustices generating chronic instability in the region were Australia's priorities for containing their advancement.

Across the Arafura, Timor and coral seas said Richard Woolcott, lie the lands with which Australia will live for the rest of time – Indonesia, Papua New Guinea, Malaysia, Singapore, the Philippines, Thailand, the countries of the Southwest Pacific and, beyond, the countries of Indo-China and North Asia. Southeast Asia was seen into Southern tip (ASEAN) and Northern tip (Indochina). Sukarno's Indonesia was trying to assert a hegemonic authority over the Southern tier of Southeast Asia. Many believed those troubles of Southeast Asia were due to primarily outside intervention. So arising rise to the slogans of "Asian solutions to Asian problems."

Japan's military occupation of Indo-China gave rise to fears for both China and Southeast Asia. Australia sought greater security and increased protection. Lennox A. Mills' highlighted the importance of strategic framework of Southeast Asia "whoever controls Southeast Asia", it has been aptly said, "can grant or withhold passage over the

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58 Quoted in JA Camillerii, n.50, p.79.
global routes and sealanes. Indonesian sealanes are essential to the survival of Singapore and Malaysia, to the foreign trade of Australia. British commander in chief in the Far East Sir Robert Brooke Popham on Burma, Thailand, the Dutch Indies and Australia in May 1941 said, 'You cannot separate any of their territories. If anything happens to any of them, it will affect the rest. If one is attacked, the others must come in. Malaya, Sumatra, the smaller Indies islands, Borneo, and Australia must be considered strategically as one unit.'

2.4.2 Indo-china

Indo-china, was a turbulent region, with the highest casualties in human history. There was an intense hostility between democratic and communist world. In one of the worst scenarios, it was also taken as the base for Japan to act as a stepping stone into Southeast Asia and then to Australia. Once even the construction of federating Indo-china under the Soviet umbrella emerged. Australian involvement in Indo-China, seen more as a part of relations with the United States, was considered as to fight communism abroad rather than at home. Australian role was not to the exclusion of the feelings and views of ASEAN countries, as is reflected in the remarks of Bill Hayden, 'we will consult. We have consulted and will continue to consult them'.

There were two regional powers in exercising hegemony - Vietnam over Indo-China, and China over a wider area. Vietnam entered into a security pact with the USSR, embraced Soviet military and civilian aid, offering in return limited use of former American bases at Da Nang and Cam Ranh Bay, a site for a Soviet communications facility. In Indo-china - more particularly, Vietnam- occupied the center of the

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63 Australian Foreign Affairs Record, Vol..54, No.6 (June 1983), p.295.
international stage. Its struggle against France, then civil war and later magnified by American intervention made this country a focal point of international politics. Australian policy towards Indo-China was to bring Vietnam from isolationism into the mainstream of the region.

Australia believed in no gain by ostracizing, ignoring or setting out to alienate governments in Indo-China. It saw no sensible alternative to a policy of patience, forbearance and modest assistance to the Indo-china countries. This policy finally led to moderation, cooperation and concentration on internal development.

Australia’s foreign policy at a time has been the story of Indo-china. It became a major foreign policy preoccupation of the Government in Canberra. Cambodia remained a high profile on the agenda of policy makers. The developments in Cambodia, Laos and Vietnam provided consistent challenges for Australia to engage. It always stood for a peaceful settlement in Cambodia. It wished to see Cambodia as sovereign and independent, which does not threaten and is not threatened by others – a country in which the Khmer people can live in peace and security, free from outside interference, and of course, free from the presence of foreign forces in their own land. It also worked for Cambodia’s access to multilateral aid by contributing to the ICORC process and by participating in the consortium of donors enabling it to restore membership in the Internal Monetary Fund (IMF) and the World Bank (WB).

Australia was also elected President of the meeting on humanitarian assistance and relief to the people of Cambodia. Australia was one of the countries, as has been expressed by Norodom Sihanouk that Cambodia looked to for light and guidance. Australian officer served as a military commander of the 16000-strong United Nations

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Transitional Authority in Cambodia (UNTAC) force, to which Australia has contributed 500 troops to serve the cause of peace. 67

2.4.3 South Pacific

Once termed as distant outposts of Australia’s empire, they are of considerable significance for Australia because they have maritime resources zones. The South Pacific extends from the Equator to the Antarctic and from Australia to South America and covers one eighth of the earth’s surface. 68 Australia has close and cooperative relationship with the countries there. It follows a policy of constructive commitment. Its presence looks pervasive in South Pacific with dominating influence on the region’s trade, aid, commerce, banking, media, tourism and security. The region constitutes the most important factor in Australia’s strategic and political environment. It has sought to promote the concept of a nuclear free zone for the Southwest Pacific.

Australia is also a member of South Pacific Forum and South Pacific Commission. It has significant strategic, political and economic interests in the Pacific. It opposed French nuclear testing in the South Pacific. The sensitivity of the region is great. It is a source of aid, investment and tourism. Australia is better placed than the US to help fashion policies in the region that will deny others access to new and potentially important areas of influence.

Australia’s main interests in the island states involve security considerations. It considers itself as a major power and thinks of intervention a la Indian in Sri Lanka and Maldives. Australia thinks it has the capacity to deny potential adversaries’ access to bases. It supports the South Pacific Forum, other forms of sub-regional collaboration and encourage a sense of collective identity among these small countries.


There exists a wide-ranging diplomatic, economic, social and cultural relation with the region, combined with the fact of close geographical proximity. There is the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA) to promote trade and provide assistance. There are also private sector links. South Pacific Forum is also associated with the Commonwealth.

Pacific Islands Affairs and Development Assistance was separated from the Foreign Minister and put under a junior Minister after March 1993 elections. South Pacific affairs have also engaged the attention of the Prime Minister from time to time. In contrast to the policy of constructive commitment with the South Pacific of the late 1980s, the new Coalition government indicated that it would seek to distance Australia from what was termed 'the role of pious lecturer' and would focus on 'the needs of individual countries rather than attempting to collectively assess the general needs of a region which is fundamentally diverse. 69

2.4.4 South Asia

South Asia is a vast and diverse region. The overwhelming strategic significance of India's in the sub-continent, its influence in the Third World forums and the commonwealth of nations, its size and rising population and growing economy and n-tests by arch rivals India and Pakistan demand Australia’s attention. Its interests in the region include issues of nuclear non-proliferation, arms race, and political developments. It expresses concerns on Kashmir, terrorism, Tamil separatists. Australia views with concerns the growing power projection capabilities of India and its impressive military capacity, fourth largest standing army, fifth largest airforce and eighth largest navy.

Australia showed grave concern at the Soviet occupation of Afghanistan. It condemned the invasion, gave unequivocal support to the UN resolution and extended full

69 Insight, Department of Foreign Affairs and Trade, 5:3, (March 1996) p.19.
support to its efforts, imposed a series of measures to curtail its relations with the Soviet Union and also provided assistance for the massive outflow of refugees from Afghanistan.

Australia has commonwealth connections with India, Sri Lanka, Pakistan and Bangladesh in South Asia. Australian aid to South Asia goes through Colombo Plan, Commonwealth Fund for Technical Cooperation. There is yet another link through Commonwealth Parliamentary Association. Democracy and parliamentary tradition bind them together. North-South debate also brings them closer. In July 1990, the Senate Standing Committee on Foreign Affairs, Defence and Trade made a number of recommendations for the development of closer ties with India. There are Joint Ministerial Commission, the Joint Trade Committee, and the Joint Business Council with India. There exists special arrangements on cooperation in Science and Technology signed in April 1991, Joint Working Group on Coal and Double Taxation Agreement. Australia also supported Nepal, Bangladesh during democracy restoration. It also provides aid, humanitarian assistance to them.

Australia has two main objectives in South Asia: to continue to develop a more substantial relationship with India and to devise policy responses to the rapidly changing political, economical and strategic regional situation. Australia reacted strongly and unreservedly condemned the nuclear tests by India and Pakistan in May 1998, which it believes fuelled arms race and mutual suspicions. It called their decisions to conduct tests as absolute folly. Australia summoned ambassadors of India and Pakistan to Department of Foreign Affairs and Trade and expressed its strong views and recalled its Ambassadors in New Delhi and Islamabad for consultations.

2.5 Australia's relations with countries in the region: A brief survey

Few relationships are as different and multi-dimensional, in terms of history, culture, demography, language, and political and social traditions as Australia and the Southeast Asian region. Australia wants the region to be politically stable, secure and peaceful region in which there is widespread and dynamic economic and social development; where great powers don't intrude; and where problems are settled by
diplomatic means, not by force of arms.70 The following paragraphs make an attempt to present a brief survey of relations between Australia and the countries in the region.

2.5.1 Bilateral Relations

As unusual neighbors to quote the words of Desmond Ball and Helen Wilson. Australia and Indonesia are destined to live in geographic proximity.71 ‘No other country is more important to Australia than Indonesia’ said Prime Minister P. Keating speaking on the need for a strategic partnership with Indonesia.72 Australia’s relations with Indonesia are ‘one of the most important threads in the complex web of Australia’s foreign policy.’73 Canberra supported Indonesia’s independence movement. Later it fought an undeclared war in Borneo during its confrontation with Malaysia. In 1960s and 1970s Indonesia was perceived as a possible threat, in 1980s, a threat second to the Soviet Union and later again as the most likely possible threat to Australia’s security. In 1975, Prime Minister had reportedly written to President Soeharto thinking that Indonesian takeover of East Timor would be satisfactory means of removing a potentially destabilizing factor from the region. Evidence of Australian-Indonesian collusion in such a matter would be extremely damaging to the Third World relations.74

Ties with Indonesia are significant on grounds of its geographical proximity, strategic position, its large population, its vast, though as yet largely un-exploited resources. So a high priority goes to the development and maintenance of good relations with Indonesia. They have a varied and widespread nature with a substance, which ‘only a very large storm would seriously disturb it’. A weak, unstable and economically struggling

70 Tony Street, Australian Foreign Affairs Record, Vol.52, No.11 (November 1981), p.570.
74 Tony Street, n.70, p.570.
Indonesia affects strength, stability and prosperity of the region as a whole. The only realistic approach is to maintain a degree of cordiality in their relationships – based on a long standing reservoir of goodwill and a realization of mutual interests. Australia seeks to promote sound and friendly relations with Indonesia “without sacrificing its vital interests”. When communist volunteers from abroad particularly from North Korea joined Indonesia’s volunteers to crush Malaysia, Indonesian Ambassador to Canberra advised Australia not to “interfere” in Malaysia, which he described as “an Asian problem to be solved by Asians in an Asian atmosphere and in an Asian way.”

There is a Joint Committee on Foreign Affairs, Defense and Trade. The cooperative arrangements in various sectors have helped resolve even thorny issues. Present trend indicates that a disintegrating Indonesia might present rich opportunities for great power exploitation and interventions, and challenges to Australia. It has landed the laboriously cultivated Indonesia-Australia relations at its lowest ebb. A wounded and Indonesia is bound to exhibit anti-Western and anti-Australian feelings.

Timor Gap Zone of Cooperation Treaty was concluded in December 1989 after nine years of negotiations. It had now been renegotiated with new regime in Dilli. It successfully demarcated the maritime border. The exploration and joint exploitation of gas oil and gas reserves, which lie beneath the Timor Sea, was arranged under the treaty agreement. There is also a High Level Group on Energy and Mineral Resources Consultations and Technical Cooperation. Australia was influential in the creation of an aid consortium for Indonesia – the Inter-governmental Group on Indonesia (IGGI).

The Australia-Indonesia Institute established in April 1989 has proved a most effective vehicle for stimulating people to people contacts through organizing and funding visits, sports and youth exchanges, conferences and cultural events. The Institute organizes meetings bringing together people of various fields. There is also an Australian Language

Center in Jakarta. APEC binds Australia and Indonesia together. Australia and Indonesia worked closely in Cambodian settlement, cooperated in APEC, disarmament, people to people links and cultural contacts cultural contacts.

Australia has long standing, extensive and substantial relations with Malaysia, encompassing trade, aid, defense cooperation, student training, tourism, refugees settlement and broad ranging cooperation and consultation on regional and wider issues. Australia was involved militarily in Malaysia during the Second World War, the communist insurgency and later during the Indonesia confrontation. Five Power Defense Arrangements (FPDA) and defense cooperation programs are there between Malaysia and Australia. Education is one of the most successful and influential links between them. A large number of Malaysian politicians happens to be educated in Australia. Commonwealth and APEC bring them together in international forums. However, Malaysia is skeptical of Australia’s place in Asia – largely attributed to the attitudinal and cultural differences. Its exclusion of Australia from ASEAN-EU dialogue in March 1996 was said to have come at the insistence of Malaysia. EAEC was another forum where Malaysia tried to avoid Australia whose claims for attendance were described as equivalent to those of Arabs. This came following Paul Keating’s characterization of Mahathir’s absence as recalcitrant for his refusal to attend Seattle Summit of APEC in 1993. They all point out to the irritants between Australia and Malaysia. Despite these irritants, Prime Minister Mahathir has remarked, ‘Australia’s role to play in Asia is something that would have to be determined both by Australia and the Asian countries.’

Australia stood against the isolation of Vietnam on Cambodian issue. He thought it would be hazardous to push Vietnam into a position where her only good ties would be with Russia. Foreign Minister Bill Hayden said that:

I don’t accept any policy of isolation and punishment of Vietnam. This substitutes a policy of frustration for one of positive action. Furthermore, punishing Vietnam simply does not work. We are all victims of the misconceived practices, which

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77 The Australian, 17 January 1996.
have marked the West’s dealings with Vietnam from 1945 until now. The Vietnamese, as a proud and resilient people want to be treated with dignity and will only deal on that basis. 78

Australia sought to ‘reduce regional polarization over Vietnam’. However Hayden cautioned that Australia’s relations with Vietnam “… does not mean approval for all of its actions such as its policy on human rights. But the broader interest the Government must look to is in maintaining and indeed widening contact with Vietnam so that its Government is susceptible to outside opinion including respect to for feelings of former Vietnamese citizens and their desire to have their families united in their new homelands.” This policy of Australia grew out of the simple fact that Australia is a part of the region, “Things that happen in the region can affect us and can have profound consequences for our children. We have children for future generations too.” 79

Australian stance contributed to the positive atmosphere and emphasized at regionally solving the Vietnamese problem. Australia favored peaceful coexistence between Vietnam and the other countries in the region. This was hoped to give Vietnam access to foreign investment, aid, finance and technology and, resulting in Vietnam’s reduced military expenditures.

There were Joint Trade and Economic Cooperation Committees of 1990, Investment Protection Agreement signed in March 1991, and Avoidance of Double Taxation Agreement, cultural exchanges and exchanges between academic institutions. Trade and investment were given a significant boost. Exchange of visits at various levels generated networks of economic and commercial links. MOU on development cooperation covering a number of sectors like education, health and population, water supply, infrastructure and transport, environmental management, rural development and infrastructure has further widened relations.

79 Quoted in Ibid., p.589.
Australia’s relations with Laos are being broadened through an expansion of economic, political and cultural contacts, dialogues on human rights, narcotics control, treatment of refugees and the settlement of Cambodian conflict. Construction of a bridge across the Mekong River linking Laos, Thailand- is the main element of relationship. Its interests in Laos include mining, energy, and banking and telecommunication sectors. Bilateral program assistance covered border control facilities (control and immigration) construction, educational assistance, together with community development and health activities. There is also Investment Promotion and Protection Agreement. Economic liberalization and political reform in Laos have attracted Australia.

Australia has strong, steadfast and enduring links with Singapore. These ties cover a wide variety of commercial, political, economic, defense, tourism, and educational and personal association. Singapore was the base for Australia’s first diplomatic representation in Southeast Asia. It was the prime link and entrepot for the region. The long standing and extensive nature of this association has contributed to mutual understanding and goodwill. Trade and investment is growing. Defense cooperation has brought them closer to each other.

Australia’s interests in Brunei include infrastructure development plans. APEC, GATT, and other matters of mutual interests bring the two countries together. They have educational links, narcotics control and business migration.

Philippines provides a substantial market for Australian exports. Aid is the lynch pin. Australia aids projects in the Philippines. It extends aid to NGOs, aimed at rural sector and especially within the sector of the poorer sections of the community. Aid is aimed at bridging gap between rich and poor. There is also an extradition treaty between them. Australia monitored closely the negotiations between the Philippines and USA on the future of the US bases. Australia—Philippines Joint Commission facilitates discussions on tariff and non-tariff barriers reduction. Trade and investment Promotion Program binds them in commerce and trade. There is also a cooperation in education and training, natural resource management and environmental protection, water supply sanitation, healthy
community assistance and energy management. Australia and Philippines are both English speaking population with relatively a high level of education and technology.

There are large and expanding network of contacts covering an enormous diversity of issues of importance bilaterally, regionally and globally between Australia and Thailand. Close cooperation and consultation on international, regional and bilateral issues exists between them. Their firm resolve to resist Soviet expansion designs, interference, and resolve to strengthening bonds of regional cooperation are well known. They have been working together in arms control, conference on Indochina etc. Economic links are there. APEC is strongest of them. There is also Australia Thailand Joint Trade Committee and Business Council. All these links are promoting understanding, friendship and mutual tolerance between them. Other areas of cooperation cover a wide range of interests including trade, development assistance, defense cooperation, narcotic suppression and a variety of political issues of common interest.

Energy, education, training, agriculture, rural development, natural resource management, transport and construction sectors also provide links. The Mekong River Friendship Bridge built at the cost of 442 million dollars is a symbol of friendship and link between Australia, Thailand and Laos. These links are yielding significant economic benefits to Laos and Thailand.

There seems a significant coincidence of perceptions of Australia and Thailand. Thai Prime Minister regarded Australia as belonging to Asia-Pacific region. He is on record to have said, ' We value you as a member of the family- a family member especially close to Thailand, ASEAN and the UN. The future of peace and stability of Southeast Asia therefore rests also on Australia’s contributions.' 80 Australia took the suggestions of Thailand to get AFTA connected with the Closer Economic Cooperation

(CER) between Australia and New Zealand as yet another route to enmesh into Southeast Asia. However, Malaysia opposed saying ‘geographically, Australia is excluded’.

Australia is concerned with developments in Myanmar and the damage they were inflicting on Southeast Asia’s international image. It wanted to ensure the accountability of military and transparent and democratic means of electing a President. It initiated international conference, provided humanitarian support to Burmese students and refugees. It suspended bilateral assistance to Myanmar and funded students for studies. Australia showed concerns with the human rights infringements there and sought to alleviate their human sufferings. It encouraged Myanmar to hold free and fair multiparty elections and called upon to transfer power. It also lent support to multilateral initiatives in the UN forums to improve the human rights situation there.

Australia and South Korea have close and expanding relations based on a dynamic trading relationship. Australia-Korea Forum has proved to be an effective vehicle for developing and broadening the relationship on political, strategic issues, diversifying the economic relationship. It brings together a group of prominent creative thinkers. APEC links them together. Australia-Republic of Korea (ROK) have Air Services Agreement concluded in 1990. There are academic and cultural links. Joint Trade committee is also there.

In 1973 when Prime Minister Whitalm was visiting China, he remarked, ‘China is our close neighbor. In China today we see a great modernizing force, capable of exerting profound influence in the world. Close cooperation and association between our two peoples is both natural and beneficial.’

Since then Australia has been pursuing a policy of preserving long-term commercial interests and maintaining channels of communication with China. Australia-China Joint Ministerial Economic Commission coordinates bilateral economic relationships. Involvements in Cambodia and APEC brought them together. There are

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81 Australian Foreign Affairs Record, Vol.46, No.6 (June 1975), p.331.
joint working groups on iron and steel, on wool, transport and communication, machinery and electric equipment and electronics and no-ferrous metals. There is MOU on aerospace cooperation. Australia encourages China on liberalization. But they differ on human rights issues. Australia showed concerns at 1989 Tiannamen crackdown and adopted certain restrictions. To many in the region, China presents the gravest long-term threat. The regional fear is that Beijing’s ultimate objective is to bring Southeast Asia under its fold. And therefore it considers a potential disruptive element in the regional order because of its tremendous economic potential, its assertiveness on issues of global importance, its stronger assertion of its territorial claims in the South China Sea, its defense modernization and build up and its continued presence on neighboring countries.

However, relations with China have been the most difficult and challenging. This has been a crucial test of its energy, initiative and unique identity. China has emerged as a dominant economic and military power and also commercial and financial powerhouse. China is an incipient superpower with the fastest growing economy and fastest growing military budget. It pursues both geo-economic and non-economic strategies in its relations with other countries. Australia’s productive relationship with China has proved to be one of the assets in its Asia Pacific diplomacy, more so for Australia’s growing diplomacy in the market place in late 1980s and 1990s.

Australia and Japan have good relations. An official journal of the Ministry of Foreign Affairs of Japan in December 1992, mentioned Australia as a country that could fill the role of Japan’s real partner in an Asia-Pacific regional alliance: their similar democratic values, market economies and approach to free trade, and common interests in security and political matters, gave the two countries a firm basis for a continuing and closer partnership.82 Gareth Evans termed Australia as a natural ally of Japan.83 Australia

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remains a ‘strategic sheet anchor’ in Japan’s raw materials procurements. Japan and Australia have been of great use to each other. Because of its past suspicious role, there are several issues Japan cannot directly deal with many countries in the region. Australia could fill the role of Japan’s real partner in the Asian–Pacific regional alliance. Japan also has been at the center of Australia’s push into Asia strategy. Australia’s launching of APEC as a vehicle for enhancing regional cooperation was seen with the working and solid backing of Japan. Australia and Japan have a Basic Treaty of Friendship and Cooperation dating back to 1976. The Joint Declaration on the Australia–Japan Partnership of May 1995 is considered a remarkable document which laid the foundation for an enduring and steadfast partnership. This document expresses determination to work together ‘with other countries in the region in promoting prosperity, reducing tensions and enhancing political cooperation’. Their similar democratic values, market economies and approach to free trade and common interests in security and political matters provide them a firm basis for a continuing and closer partnership.

2.5.2 Australia and ASEAN

ASEAN grouping has been central to Australia’s closer engagement with the region. Australia considered ‘ASEAN’ as an example of the best sort of practical regional self-help and cooperation. Foreign Minister Andrew Peacock in September 1978 in an address to the Australian Institute of International Affairs considered cooperation with ASEAN, which has become increasingly cohesive and self-confident, “a central part of our regional policy.” Australians see ASEAN as an outstanding example of the strength and stability that can be achieved through regional cooperation. Close cooperation with ASEAN, is, has been and will contribute to be at the core of Australia’s foreign policy.”

84 Andrew Peacock, Statement on Foreign Policy: A Year of Change and Challenge, n.73, p.234.
This role of Australia in the region can be both independent and consonant with the views of regional countries.

The report “Australia-ASEAN: Challenges and Opportunities”
86 tabled by the Parliamentary Joint Foreign Affairs and Defence Committee on 9 October 1989 underlined the importance of the interactions between political and economic policies in Australia-ASEAN relationships. It puts a broad framework and mentions, ‘if Australia is able to develop its services industries involvement in the ASEAN region, the degree to which such involvement is likely to be welcomed will be influenced by the degree to which Australia is seen as politically interested in, and sympathetic towards ASEAN interests.’ The Report underlined that “no other part of the world promises to be of more consistent importance to Australia than the region of East and Southeast Asia, and that the member countries of the Association of Southeast Asian Nations form a significant part of this most economically dynamic region”.
87 The Committee identified quite comprehensively the range of national interests—political, defense and strategic, economic, immigration and cultural. These constitute an intricate web of interlocking interests and concerns that link Australia and ASEAN. None of them can be viewed in isolation. The combination of Australia’s European heritage with its geographic place in the world, which Bill Hayden said, ‘presents us with both opportunities and challenges.’

Australia’s determination to play a vigorous role in the spirit of give and take in assisting economic cooperation and development in the region is reflected in a statement of Foreign Minister Bill Hayden when he said, “We are involved from the ground up in the drive towards greater development and dynamic growth in the Asian area....Because this is our home too.... The policy of the Government of Australia is that what energy and talents and sense of cooperativeness we have should be harnessed and continue to be a

87 Quoted in Ibid., p.347.
factor in the prosperity and stability of all our region.”89 The growth of knowledge and understanding, commonality of purpose and concerted endeavours, friendship, innovative and outward looking approach can help overcome the challenges of differences in history, ethnography and culture. Sound, effective and productive relations with ASEAN are, therefore, considered prerequisites to the Government’s continuing efforts to develop relations both individually and collectively with the countries in the region and promote regional stability and economic development. Political and security considerations form integral road signs in this journey of economic interdependence and cooperation.

Australia was the first country in 1974 to become a dialogue partner of ASEAN. Since then, it has acted as a sympathetic, and cooperative regional associate. A wide range of economic, political and security issues are centered in ASEAN-Australian relations, besides a number of close political and defense links at the bilateral level. Its immigration and refugee policies have widened and deepened these existing political and economic links. Australia has been involved in human and political problem of critical concerns of the ASEAN states. Trade, aid, and economic cooperation mark their relationship.

A standing Inter-Departmental Committee on ASEAN (IDC-ASEAN), formed in 1977, centers Australia’s relations with the region. There is an ASEAN Canberra Committee comprising the heads of ASEAN diplomatic missions. It has counterparts in other dialogue country capitals e.g. ASEAN Washington Committee.

ASEAN – Australia Economic Cooperation Program (AAECP) is the comprehensive umbrella and most concrete expression of Australia’s relations with ASEAN. It encompasses a wide range of trade and commercial relations, development and investment promotion program, joint research and energy cooperation program, transfer of technology, people to people contacts. The framework calls for stronger focus on these issues. It also has ASEAN – Australia Lecture series to promote interest and understanding.

89 Australian Foreign Affairs Record, Volume 55, No.8 (August 1984) p.777.
of ASEAN and Australia in each other’s places. Both Australia and ASEAN remain committed to Asian Studies Council (ASC).

Australia’s participation in the ASEAN Post Ministerial Conference (PMC) of Foreign Ministers enables it to interact with Pacific dialogue partners and discuss with them a wide range of regional and global issues at the multilateral forum and also bilateral relations on the sidelines of these meetings.

Australian Senate Committee conducted an enquiry into relationship (1979-80), links between the Australian Parliament and the ASEAN- Inter Parliamentary Organization (AIPO). Australia has an observer status in the AIPO, that brings parliamentarians together and make them exchange ideas, opinions and experiences. There also exists ASEAN-Australia Forum, which holds annual meeting of senior officials, reviewing its relationship with ASEAN. Other web of networks between Australia and ASEAN include ASEAN-Australian Consultative Meeting (AACM) – established in 1978, ASEAN –Australia Business Council of 1980, cultural agreements with each of the ASEAN members, ASEAN Australia Research Project, organizing of ASEAN Australia Trade Fair, Trade Investment Promotion Program, ASEAN- Australia Consultative Meeting Working Group on trade, Joint Technical Cooperation Programs, networking between Academic and other institutions conducting seminars and investigations of the relationship. There are working groups on trade and investment, telecommunications, education and training, industry and technology, environment, and culture and information. The directory of professional organizations and skills and recognition process help these bodies to come together and share experiences. The possibility of establishing linkages between the ASEAN Free Trade Area and (AFTA) and New Zealand through the Australia New Zealand Closer Economic Relations Trade Agreements (ANZCERTA) also figure in relations.

ASEAN–Australian Joint Research Project works for the development of a long-term economic relationship between ASEAN and Australia. The Industry and Technology Working Group identifies opportunities for industry collaboration, initially concentrating
on transportation, communication/information technology and microelectronics and biotechnology. There is also a Human Resources Development Cooperation Program that aims at using existing facilities and institutions, promote development in the economic and sociological fields and, in addition to development assistance goals, promote awareness of belonging to the Asia Pacific region.

For Southeast Asian countries also, Australia is equally important as a source of foreign investment, potential as a market, strategic situation, substantial base facilities, political stability, and site for international conferences. Australia has been spoken of by some Southeast Asian leaders as 'a base of our hope and salvation during war'. The prosperity of Australia and ASEAN is inextricably linked. There are cooperative arrangements between customs administration, health cooperation and collaboration, trade, industry, investment promotion and protection and copyrights, and maritime boundary issues. The linkages between trade and development, trade and aid, foreign policy and trade policy, foreign policy and development assistance policy are mutually reenforcev. Not to be seen in isolation, they have helped to develop a cohesive and coherent Asia framework of Australian foreign policy to work for the comprehensive engagement.

2.6 Building Linkages with Southeast Asia

Australia has developed a web of networks in political, strategic, economic, cultural and social aspects with the countries in the region. A number of actors are involved in building bridges from Australia to the region. Governments to governments contacts have been complemented by private individuals, public institutions and groups. Their leads are visible in many sectors. Increasing cooperation has been crucial to establishing and widening of close linkages.

Australian government launched a package entitled ‘Australia in Asia’ which includes measures designed to boost the integration of Australia’s economy with the region. The package was designed to disseminate the opportunities in Asia, increase business information about Asian economies, expanding business networks in Asia;
broadening Australia’s image in Asia; and further improving the level of knowledge about Asia in Australia. The initiatives were aimed at increasing business information about Asia which included the establishment of:

*Increasing Business Information about Asia* which included the establishment of:

- Asia Economic Center- to provide high quality structural analysis of national economies, business systems and sectors, and business information sources. This was expected to establish strong linkages with similar institutes in the Asian region.

- Annual Asian Trade and Economic Outlook Conference to generate private sector privation, create awareness, and disseminate analytical findings.

*Expanding Business Networks in Asia* including initiatives like:

- A Special Business Visits Program for Asia to bring to Australia Asian opinion makers, business leaders, senior economic editors, and commentators to contribute to or influence Australia’s expanding trade and investment links with the region.

- An Australia Alumni Network to assist Australian businesses to expand their links with Asia by creating a central directory for an Australian alumni network in Asia.

- Asian Entrepreneurs Scheme to promote exports to and business with Asia by tapping the language, market and cultural expertise of Australians of Asian region.

- Expansion of Australian Industry, Science and Technology Counsellor Network (ASTOCN) to promote greater awareness in Asia of Australia’s industrial, scientific and technological capabilities and forge closer commercial links with ASEAN countries.

- Establishment of the Australian International Management Exchange Plan (AIMEP) to create networks of influential business managers between Australia and Asia.

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91 *Australia in Asia: Background Information*, Produced by Overseas Information Branch, Department of Foreign Affairs and Trade, Canberra, August 1993, pp.8-25. Also see n.90.
Research and Development Internships to promote closer collaboration between Australian research scholars and industrial researchers in Asia, and to assist Australian research institutions to commercialize and internationalize their research.

Environmental Cooperation with Asia to strengthen commercial relationships between Australia and countries in the region by enhancing Asian awareness of Australian environmental technology and expertise and identifying areas for mutually beneficial cooperation.

Legal Cooperation with Indo-China to promote Australia’s growing commercial links with Indo-China through a program of cooperation, managed at government to government level, with participation from private law firms, law schools, dispute resolution centers and legal professional bodies.

Broadening Australia’s image in Asia: the highlights of which included-

A projecting Australia fund to offer in the scientific, economic and cultural fields by underwriting with Australia Abroad Council’s targeted promotions in Japan and Indonesia.

A task force to build Australia’s sporting expertise and experience as a way of building relations with Asia, and advise the government on enhancing and recreational links – both commercial and cultural.

Seed funding to support greater institutional linkages between academic and research institutes, between the Australian government and Australian institutes.

Additional funding for the University Mobility in Asia-Pacific Program, through increased mobility of higher education students and staff throughout the Asia-Pacific region.

An Australia-Asia Officials Exchange Program to foster closer economic, political and cultural relations with Asian partners at the working level by an officials exchange program with Asian countries across a range of ministries.

Fostering better understanding of Australia in Asia was aimed at building knowledge of Asia by increasing the number of Australians with Asian language skills.
familiarity with Asian cultures, market knowledge and awareness of how to do business with Asia. The package included:

A Prime Minister's Asia Lecture Series to raise the level of debate on Asia in Australia and to promote greater awareness of Asia's economic, political and strategic relevance to Australia.

An Asia Fellowships Program to enable Australians from wide range of professional and occupational backgrounds to undertake short-term professional development exchange, study or travel in Asia.

An Asian Language and Asian Studies Teachers In-Country Scholarship Program to assist Australian teachers of Asian languages and/or Asian studies to undertake short-term study/training in Asian countries.

The Australia in Asia package launched by the Australian Government was a major step forward. In view of the cultural and social problems of perceptions about Australia's involvement in the region, Australia has developed a number of institutions and worked persistently to bring the public opinion to focus on the Southeast Asian region as a point of economic convergence and Australia's future in the region. The region has been of great interest, challenge and opportunity. Accordingly Australia under Hawke and Keating governments sought to reorient all governments activities towards Asia-diplomacy, defence, trade and investment promotion, cultural relations and aid relations. It encouraged business community to shift its activities to Asia and implemented non-discriminatory immigration policy.92

2.6.1 Economic Linkages

For most of the time, Australia sought development in comparative isolation-isolation based not only on distance from markets, but also perhaps paradoxically, on the bounty of the country which reduced pressures to search for overseas markets for anything

92 Nancy Vivani, Australia and Southeast Asia, in James Cotton and John Ravenhill, n.82, p.166-167.
other than agricultural and mineral markets. However, changes were visible since 1970s in foreign policy, immigration policy, internationalization of Australian economic policy, and increasing enmeshment with the economic of the region. In course of time, Australia achieved economic competitiveness and gained legitimate confidence to play a role across the spectrum of economic activity. APEC was Canberra’s tool for economic diplomacy. It gave strong regional support to international trade liberalization and lock Australia into the regional economic dynamism. Cooperation in trade, investment, human resources development and specific sectors such as energy and tourism bind all actors for cooperative purposes. APEC’s work is being built upon the foundation of the number of trade organizations, meshing with academics, business and governments. As a member of the Cairns group, Australia voices strong support for the liberalization of agricultural trade.

The management of the national economy is inextricably linked to the effectiveness of foreign policy. Trade and investment policy remains interwoven in foreign policy and vice versa. There has been a radical shift in the geographical pattern of Australia’s relations from Europe towards the Asia-Pacific region.

Australia’s external economic relations are subject to three developments namely the growth of mineral and energy exports and associated activities, sharp growth of Australian economic interdependence with countries around the Pacific and East, and Southeast Asia and the cluster of social, economic and industrial changes occurring within Australia. Australia’s resources make it a major force in world trade energy. In words of Sir John Crawford, “Australia will become a major factor in the resource and energy procurement strategies not just of the steel mills and power stations of Japan, but also the steel mills and power stations of Korea, Taiwan, Thailand, the Philippines and other


countries as well. Australia will, therefore, have the potential to play a vital role in resource development coordination in the region..."  

Economic engagement with Asia has brought Australia into the Asia-Pacific orbit. An official report termed the North East Asia as crucial to Australia’s future economic performance. A conference of the Chiefs of East Asian Australian Missions concurred with the “needs to move beyond comprehensive engagement to a new plane of partnership and integration with East Asian countries.” Economic interactions provide a base and encouragement to a stable and more cohesive political environment. They help develop common position and ensure greater cooperation and coordination of economic activities and policies.

The interconnectedness between foreign policy and domestic policy brought the actors together in education, defense, industry, agriculture, sport, and tourism. The Garnaut Report mentioned Australia as a nation of substantial but limited weight, that “has relevance to international discussions affecting our future, but not the capacity to secure objectives through the exercise of national power. As a middle power we must rely on persuading other countries, influential groups within these countries, that it is in their own interest to move in directions that are consistent with our own interests.” The Hawke Government broadened investment, commercial and political ties with the countries in the region. To him, free trade, was a precondition to ensuring a more peaceful world. A world sunk in protectionism and economic autarky is a world considered much closer to war. So within the region and more widely, the major role Australia played in shaping the issues and processes likely to lead to a freer trading environment was integral to wider foreign


policy objectives. Australian foreign policy in 1990s was guided more by the principle of “econopolitik rather than realpolitik”. Prime Minister Paul Keating’s linking everything else done in ‘this country dependent on our success as a trading nation’ highlighted the primacy of economics in its conduct of diplomacy.

Co-production, participation with-in bilateral development programs, use of complementaries, relocation of some of the industries where labor is cheaply available, flow of investment, educational achievements are some of the forces that have acted as magnets to attract each other. Second track bodies have injected intellectual drive into the process. The process has contributed to the interactions of leaders on burning issues. APEC as a cooperative economic regime brought trade and economic issues from across the region and ASEAN Regional Forum (ARF) the diverse countries to discuss security problems and approaches. Both of these forums facilitated frequent interactions, providing opportunities to establish personal rapport, discuss bilateral matters and express views on matters of bilateral, regional and global importance. Regional Trade Liberalization Group (RTLG) provides forum for dialogue on trade policy issues. This group is at the core of Australian motives.

2.6.1.1 Australian Aid to Southeast Asia

Australia conducts aid programs generously. Aid giving has been described as a three-legged stool and is justified by political advantage, commercial benefit, and humanitarian or development consideration. Overseas aid as a component of the foreign policy is seen as being most consistent factor. Review of the Australian International Aid Program 1987-88 mentioned that aid program served overall national interests, by ensuring the stability of the region at the proximity of Australia's geographical location.

99 Bob Hawke, n.4, p.233.

100 Nancy Vivani, n.82, p. 121-129.
Aid program complements strategic, economic and foreign policy interests. Australian International Development Assistance Bureau (AIDAB) conducts official aid programs and non-government organizations run private programs. These activities help, open up markets overseas and win friends, and create goodwill, which in turn enhance Australia’s economic and commercial integration with the Southeast Asian region.

Aid goals include economic modernization, equitable social development to macroeconomic and humanitarian needs, human resources development, economic and trade related activities, energy, rural industry and transport. For the least developed countries, the focus has been on foreign exchange problem, agriculture, irrigation and telecommunications.

The priority sectors for Australian aid to Southeast-Asia vary from country to country. ASEAN-Australian Economic Cooperation Program (AAECP) is a comprehensive umbrella that includes areas of cooperation spreading over several sectors of national life. These varieties of programs undoubtedly create linkages between Australia and the recipient countries. Australia seeks to promote political stability, physical security, enabling environment for private sector led growth. It is interested in sustainable, and equitable development, to create stable political framework, administrative capability, and skilled human resources to attract private investment.

2.6.1.2 Australian trade with Southeast Asia

Trade remains an important factor in strengthening economic links with Southeast Asia. The economic expansion and contraction in East Asia and Southeast Asia affect Australia’s manufacturing and services sectors. Australia's trade underwent decisive restructuring in post Cold War period. APEC was one such vehicle to “discuss openly the further liberalization of trade in Asia and the Pacific and explore new areas for cooperation given complementaries and degree of integration which already exist.”

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101 Bob Hawke, Challenges for Korea, Australia, Monthly Record, Vol.40, No4, (Canberra: Department of Foreign Affairs and Trade April 1989), pp.5-6.
The early 1950s had Australia's exports and imports with the United Kingdom were 40% and 50% respectively. By 1980, Australia's exports to Britain were less than 5%. In 1955 Japan bought only 9% of Australia's exports and in 1977 it was 34%. Almost 60% of Australian exports go to East Asia and 40% of its imports come from there. The East and Southeast Asia have emerged as the most important market for about two fifths of exports from Australia. Eight East or Southeast Asian markets are among its top 12, as are six of Australia's 12 largest import suppliers. 'Asia is the major source of business immigrants, tourism, investment and the most important market for our education exports'.\(^{102}\)

In June 1992, Australia noticed a trading surplus, which was considered, its best trading performance for 20 years. Exports of high tech manufacturers have been growing at an annual rate of over 20% over the last three years, i.e. 1990-1993.\(^{103}\)

Focus on Asia is going to be there for the foreseeable future. China is growing in a big way. About 350 million Chinese people live in the coastal areas, which are growing at sixteen percent or more. Midway through the next century, China could well be producing more of the world’s income than any other country. This is a huge and expanding market for Australian goods and services.\(^{104}\)

Thus the economic importance of the region to Australia is distinct.

ASEAN countries’ absorption of Australian exports is growing. The regional share of Australian exports may even go up. With the launching of ASEAN Free Trade Area (AFTA) and APEC's trade liberalization measures, the region will open up substantial opportunities for Australian exporters. It is expected to rise from the present 13.2 percent of merchandise exports to 18.2 per cent in the year 2005/06.\(^{105}\)

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\(^{102}\) Gareth Evans, Speech on 'Doing Business with Asia' at the Launch of the Asia Business Connection Parramatta (August 5, 1992).

\(^{103}\) Paul Keating, Speech by the Prime Minister at the Australia, Trade and Asia, A Fair Day's Trade Conference on 8 February 1993 (Sydney Institute:1993).

\(^{104}\) Peter Cook, Speech by the Trade Minister at the CEDA Conference (Brisbane: 23 July 1993).

\(^{105}\) See for details n.96.
2.6.1.3 **Australian Investment in Southeast Asia**

In a series of interviews in late 1993, with more than 30 multinational corporations, Business International Australia found that the majority of companies regard Asia as their major investment priority in 1990s.\(^{106}\) Growth in trade did not seem to be accompanied by corresponding growth in investment. Australian direct investment abroad as of 30 June 1992 preferred UK (37.3%) followed by the United States (23.5%), New Zealand (14.8%), ASEAN (4.6%) and others (19.8%). For 1991, it was UK (30%), USA (23%) and New Zealand (15%). In the early 1980s, however, 39% of Australian FDI had gone to ASEAN.\(^{107}\) Trade and investment figures show that Australians prefer to invest in English speaking regions of the world. Thus the relatively small amount of FDI in Southeast Asia resulted in producing limited linkages backward and forward.

APEC as an instrument of trade, aid and investment facilitation in producing linkages with the countries in the region will be examined in chapter four.

2.6.2 **POLITICAL LINKAGES**

The Gorbachev reforms in the Soviet Union had their spill over effects in the region. Vietnam’s withdrawal from Cambodia and its entry into ASEAN, Cambodian peace plan backed by P-5 in Paris and working together of the competing powers in the Cambodian peace process helped Southeast Asia emerge as a functioning regional community in the 1990s. This was considered by some analysts as a possible counterweight to the rise of China. However Burma appeared to be a political problem between ASEAN and Australia. Australia differed with ASEAN nations and sided with the Western coalition to put pressure on Rangoon to restore the democratic process. This difference pointed out to the limits of Australia–ASEAN cooperation on political and social issues particularly on democratization and human rights - what they called the Asian

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\(^{107}\) Ibid., pp 5-10.
way of thinking over the Asian political and social values. These issues have had their implications for Australia’s relations with Southeast Asia. The Burma massacre in 1990, handling of demonstrators for democracy in Thailand in 1991, the Dili massacre of demonstrators in 1991, Indonesian appointment of General Mantiri as its Ambassador to Australia - given his military role in East Timor, the closure of the Indonesian news magazines, the treatment given to the East Timorese boat people, and the difficulties attached to the exchange of visits with the countries in the region, were cited as examples of differences between Australia and the regional countries.

Australia’s comment on the human rights situation in the region was resented on the ground that it was not ‘Asian’. Owing to the sensitivities of the countries in the region, Prime Minister Keating was reported to have suggested that US take a softer line on human rights in the region.\(^{108}\) Despite that, East Timor remained much more than ‘the pebble in the shoe’ issue in Australia relations with Indonesia.

Australia interacted with Southeast Asia in a number of ways through its efforts to resolve regional issues like conflict in Cambodia, Korean peninsula, multilateral and bilateral aid initiative, initiative to prevent conflict in South China Sea and initiating political dialogue and confidence building measures to promote greater ease and regularity of consultations. Bilateral, regional and multilateral forums have helped in building a structure of cooperative contacts. ASEAN’s traditional reluctance to seeing China exercise power in the region at a time when Vietnam was on the lap of Soviet Union was also seen as a ground for Australian inroads in the region.

Australia’s critical role in the settlement of Cambodian problem has been a unique contribution. The processes of finding a comprehensive settlement to the problem made it work with a number of actors in the regional power balance. Paris Peace Agreements were based in very large part on general principles and quite detailed proposals devised and

developed by Australia. The efforts and resources of Australia that have gone to seeking the solution of the problem have earned a very high appreciation from the international community and also helped Australia to carve a respectable position for itself in the regional community.

2.6.3 STRATEGIC LINKAGES

Located in a geographical setting long regarded as alien and threatening, the search for security has been a dominant theme in the evolution of Australia’s foreign policy. Australia always faced an argument whether dangers to its national interests arise from regional frictions or ambitions or changing relationships of central balance of powers.

From 1949 to 1972, Australia’s security remained under the protective mantle of great and powerful friends. The concept was forward defense that protected Australia from distance. Its axiom was read as better to be dead than red, and that it was preferable to fight them there rather than here. It was thought that the battle against Communism to become effective must be as far north of Australia as possible. The strategic thinking was that “if there is to be a war for our existence, it should be carried on as far from our shore as possible. It would be a sorry day for the security of Australia if we were driven to defend ourselves on our own soil; for that would connote the most disastrous defeats abroad and the most incredible difficulties for our friends and allies desiring to help us.” Australia’s military participation beyond its shores has a long history. Over 20,000 Australians fought the Boers in South Africa, Australian force helped to suppress the

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110 John McCarthy (ed), Essays in the History of Australian Defense and Foreign Policy, Defense Studies Publication no.1 (The University of New South Wales, no date of publication is mentioned), p.1.

111 Current Notes, XXVI, 278-80, Quoted in Amry and Mary Belle Vandenbosch, Australia Faces Southeast Asia: The Emergence of a Foreign Policy (Lexington: 1967, University of Kentucky Press), p.83.
Boxer Rebellion. The supreme test arose in 1914. Over 329,000 Australians had served overseas by 1918, more than 60,000 had been killed in action or died later. This all happened due to excessive dependency. Australia had no hand in the policy, which led to this disaster.\(^{112}\)

The result of the dependency pushed Australia at war when Britain declared war against Germany in September 1939. Australia’s fights in the Middle East, Mediterranean, Korea, Malaya and Borneo and later under American auspices in Vietnam were a part of this policy. They were aimed at halting communism and in case of threat to Australia, the assistance of great and powerful friends was to be relied upon.

The policy of comprehensive engagement with Southeast Asia shaped its strategic thinking in 1980s and 1990s. Defense cooperation and regional security dialogue came to form the basis of deeper sense of security in the region. The much-feared Asia came to be regarded to a part of its strategic thinking. The Dibb Review designated the Southeast Asia (and the Pacific) as the areas of Australia’s core strategic interests. Starting from the Strategic Basis Papers of 1970s to the 1986 Paul Dibb Report to be followed by Defence White Paper of 1987, Australia has covered a long distance in evolving a defence policy of self-reliance. They advocated a greater sense of self-reliance within Australia’s immediate environment to the defense of Australia, rather than the forward defense. The concept was considered to be logical follow up to the American theme of burden sharing incorporated in the Guam Doctrine. Prime Minister Paul Keating believed that “Australia will be taken more seriously as a player in regional affairs if we are clear about our identity and demonstrate that we really mean to stand on our own feet practically and psychologically.”\(^{113}\)

\(^{112}\) John McCarthy (ed), Essays in the History of Australian Defense and Foreign Policy, Defense Studies Publication no.1, (The University of New South Wales: no date of publication is mentioned), p.3.

Another landmark in the evolution of self-reliance defence policy was the Regional Security Statement of the 1989 by the Foreign Minister Mr. Gareth Evans, which advanced the policy of defense with the region, not against it. It also outlined a strategy, in concert with others, to construct a cooperative security environment, and sharpened focus on the new meaning of security and extended it to the concept to non-military threats, the environments, drugs, illegal migration, and health problems such as AIDS. He floated the idea for a Conference for Security Cooperation in Asia (CSCA) at the ASEAN post Ministerial Conference. It was out of his idea that ASEAN Regional Forum (ARF) came into existence as a consultative body that included major security players – Japan, China and the United States as well as major regional military powers.

Australia’s conclusion of Security Agreement with Indonesia on December 15, 1995 was seen as part of its seeking the security with the region. The treaty enlarged the web of Australian networks binding it with the region. It gave Australia a new and powerful credential as a state of Southeast Asia. The growing power of China was considered a major factor in the conclusion of this treaty. However the agreement was abrogated in the peak hours of the Timor crisis.

Australia considered the Indian Ocean as of considerable political and strategic importance. It opposed to the Indian Ocean becoming a ground for competitive confrontation between great powers. Because of its lack of resources military and naval- it has not been able to act as policeman of the Indian Ocean – South China Sea region by itself. Nevertheless it believes that its military influence is basic to our strategic activity which is very significant in the regional terms.

Australian journey from Imperial defense to alliance relationships to self reliance in seeking security in the region, not against it, is being conducted through bilateral

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114 Gareth Evans, and Bruce, Grant, n.14, p.150.
115 Nancy Viviani, Australia and Southeast Asia, in James Cotton and John Ravenhill,n.82, p.155.
defense cooperation, comprehensive engagement, regional security dialogues and ASEAN Regional Forum (ARF) and other regional security arrangements. They are examined in details in chapter five.

2.7 Image problem in Asia

Australia wishes that Asian nations see it as one of ‘a stable, democratic, multicultural, technologically advanced society displaying excellence and innovation across the broad spectrum of artistic and intellectual activity.’\(^\text{117}\) In many quarters, as has been noted by Gareth Evans, Australia is being seen ‘as being of declining relative importance, tainted with racism, with an inefficient lagging economy, and major industrial relations problems.’\(^\text{118}\)

Though the transition of Australian image in Asian minds began in 1970s and 1980s, journey towards an Asia Pacific incarnation has not been without obstacles. Its image varied and still varies from country to country in the region. In the eyes of Singapore Prime Minister Goh Chok Tong as told to Australian Business Asia, October 20, 1993, Australia was talking too much and doing too little. Still adverse comments came from the Press Secretary of Lee Kwan Yew, who commented that, “To go for a more relaxed lifestyle, like that of Australians, is the road to ruin for Singapore.”\(^\text{119}\) Lee’s view of Australia was as the slow country of the region, sitting on all those resources and is seen as asset rich, slow and commercially naïve. Vietnamese in 1991 described the Australians as having a ‘primitive way of doing business.’ Media too has not been very appreciative of each other.

In February 1993, when Paul Keating called for much more tightly immersed economic integration in Asia through APEC, it was greeted across Asia not as a statement


\(^{119}\) *Straits Times*, January 1993.
of regional visionary, but somewhat with derision. Many leading business and political figures saw Australia separate and non-player. Mahathir’s proposal of Asians’ only East Asia Economic Caucus (EAEC) was seen as being in competition with the APEC. Thailand saw it as one ring of the onion, bigger outer ring being Canberra’s APEC. Keating describing the absence of Prime Minister Mahathir at the 1993 Seattle APEC summit as recalcitrant created a furore in Australia-Malaysia relations. This even prompted the leading Thai newspapers *The Nation* to editorialize that Keating has mistakenly given Mahathir ‘the golden chance to portray Canberra as a difficult outsider with a colonial view of the world.\(^\text{120}\)

### 2.7.1 Dilemmas continue

These are some of the paradoxes involved in understanding problem between Australia and Southeast Asia. The phrases like, Australia feels superior, their humanistic and legalistic approaches, slow country of the region sitting on all those resources, all reflect the image problem of Australia in the region. Likewise, Australia’s images of thinking too greatly in the short term (Japan), Australian economy being dominated by sectionalized interests (Japan), Australia being too moralistic (Indonesia), Australia’s feeling of superiority (Malaysia), Australia, an untamed land of riotous freedom ignorantly attempting to humble Asian countries (Indonesia), Australia being racist (Hong Kong) etc. draw Australia in a type of most serious East-West image-warfare games. All these conflicts seem to strike at the center of Australia’s Western systems of belief.

The media coverage in Southeast Asia and Australia speak volumes of the problems of image and understanding between Australia and the countries in the region. The warfare seemed to have been politically directed. Malaysia’s depiction of Australian racial hatred, discrimination against Asians and Australian Aborigines. negative reports on politics, immigration and students were considered a part of tireless and painstaking

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efforts to denigrate and defame Australia. Australia was being reported for its bluntness, arrogance, and brashness.

Gareth Evans admits in his regional security statement of December 1989 that 'this image impinges on many of our interests in the region.' Australia has marshaled resources, diplomatic skills and persuasion as a part of public diplomacy to mould this image. Its essence, he says, 'is the shaping of attitudes in other countries in a way which is favorable to our national interests.' 121 Australia has used its three components: information, education and cultural relations vigorously. The activities under these categories helped image projection and promotion of mutual understanding between people in different countries. They contributed to the conduct of foreign and defense policy. Cultural programs have opened avenues for trade and commerce. Australia has now incorporated these elements as a part of its foreign policy. They are being managed through bilateral foundation, councils and foundations designed to help build strong people to people and institutional links between the countries. These programs cover exchange of visits by eminent people in arts, culture, education and communication. They seek to bridge the differences in cultures, language, religions, and political, legal and social systems.

121 Address by the Foreign Minister Gareth Evans on 'Australia and Asia: Role of Public Diplomacy' at the Australia-Asian Association, Melbourne on 15 March 1990.