

**CENTRE for ASIAN PACIFIC SOCIAL TRANSFORMATION
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SUMMER RESEARCH SCHOLARSHIP REPORT – 2003/2004

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The CAPSTRANS Summer Research Scholarship has proven immensely beneficial in commencing my Honours year. It has allowed me to take time from working to complete my undergraduate degree over summer and to begin research on my Honours thesis, centres around gaining an understanding of the history of foreign policy in Australia and in particular its focus on Asia up until the period ending with the Prime Ministership of Bob Hawke. All my research at this stage has been secondary research, however this has included texts from former diplomats who have had extensive involvement in foreign policy making. Much of my time during the summer has been spent in locating literature of relevance to my topic. To this end I have detailed at the end of this report a list of articles and books that I have utilised in my research. This list is not exhaustive and at this stage does not detail relevant policy documents and other official foreign policy papers that I will need to peruse.

The scholarship has also allowed me time to meet with my supervisors and begin gaining direction for further research. In this regard I have now developed a thesis plan that may be altered as further research is undertaken.

This report forms four parts. The first part is a summary of the research to date, detailing a history of Australia's foreign policy. The second part is my draft thesis plan. The third part is a bibliography of selected texts that have provided the data for this summary, and the last part is a list of articles and books identified during the past few months that I now intend to read.

PART ONE – SUMMARY OF RESEARCH

Australian foreign policy has undergone considerable change over the last century that has resulted in a new foreign policy focus. Up until the Second World War Australia's foreign policy rarely deviated from that of Great Britain. Our identity as a nation was first and foremost seen in terms of the British Empire and we sought to serve the international desires of the British Empire. If any deviation from the imperial policy took place this was generated from a feeling of vulnerability and security, particularly in relation to Japan. Dalrymple argues that the basis of Australia's foreign policy up until the end of the Second World War can be understood by the notion of vulnerability.¹

Post Second World War to 1949

Following the end of the Second World War Australia's foreign policy changed to become much more independent of the British Empire. What was of most significance was that foreign policy makers began to theorise Australia's importance in terms of its geographic proximity to the region of East and South East Asia. Herbert Evatt, the Foreign Minister from 1942 to 1949 saw the need to develop two important strands of foreign policy. One was to develop an international organisational and legal framework for small and medium states to have a voice against the superpowers, and in this he saw the need to strengthen the powers of the newly emerging United Nations.

¹ Dalrymple, Rawdon, Continental Drift: Australia's Search for a Regional Identity, Ashgate, Hampshire, England, 2003, p. 4

The second focus was to develop a strategy of regionalism with neighbouring states. As Meg Curry notes, Evatt saw the need to develop arrangements that would strengthen Australia's relationship with neighbouring states, while at the same time maintain its commitment to the British Empire and forge a continuing and stronger relationship with the United States.²

Up until the end of the Second World War Australia's foreign policy could be classified as dependent with a strong imperial focus and based around a theoretical framework of realism, the notion that the international environment is anarchic and therefore states act to protect their interests, utilising whatever tools are available to them. During 1942-49 with Evatt as Foreign Minister notions of idealism and liberal internationalism came to bear on Australia's foreign policy, particularly with the development of a more independent approach to foreign policy and the beginnings of a regional focus rather than an imperial focus. Labor also supported the post war demands of many of Australia's regional neighbours for independence and specifically supported Indonesia's independence from the Netherlands in 1949.

Evatt's regionalism was the first time that an Australian Foreign Minister had developed an independent approach to foreign policy. He focussed attention to developing a multilateral approach within the region where we both live and work. This provided the intellectual foundations for the strong regional approach taken by Keating and Evans in the 1990s. This regional focus has however not been a linear progression. Rather it has been unsystematic as

² Curry, Meg, "Identifying Australia's 'Region': From Evatt to Evans", in Australian Journal of International Affairs, Vol. 49, No. 1, May 1995, p. 17

governments since 1949 have sought to find Australia's identity within the region while at the same time meeting their commitments to more powerful international friends.³

1949-1972

Following the defeat of the Labor government in 1949 Australia's foreign policy under Menzies was less independent, with the main focus being to strengthen Australia's relationship with the United Kingdom and the United States of America. Up until 1972 the coalition governments were once again concerned with security, particularly in light of the Cold War, and therefore more concerned with alliance building with the US and other western allies. Alongside this the fear of communism spreading through South East Asia added to this sense of vulnerability. The regional direction taken by Evatt was virtually ignored in the fight against communism, which Menzies saw as Australia's most important foreign policy goal. This is not to say that institutional arrangements were not created with neighbouring states at this time, however developing regional relations was only of interest to Menzies if regional neighbours were committed to the West's struggle against Chinese and Soviet communism. Menzies also had a completely different notion of region to the previous Labor government in that he believed that Australia's region was defined in terms of its blood and kinship, through the emotional and sentimental ties to Britain and Ireland. He could not imagine a

³ ibid.

partnership where these common bonds were not part of that partnership.⁴ This period can be described as a complete turnaround to viewing our foreign policy direction only in terms of a realist approach, where national interests dominated, particularly in terms of security controlled foreign policy. This resulted in the adoption of alliance-diplomacy to ensure that powerful allies would come to our aid in times of trouble.

1972-1975

In 1972 with the election of the Whitlam Labor government, foreign policy direction sought to develop new avenues for integration with Australia's close neighbours. Whitlam sought an independent foreign policy direction that would result in the development of a broad range of relationships with other states, particularly those in our immediate region. While Whitlam was not anti-American, he saw the need to develop other alliances while at the same time maintaining Australia's close relations with the US. As Dalrymple notes in *Continental Drift*, a speech by Whitlam at the National Press Club in 1973 reinforces this approach:

My government wants to move away from the narrow view that the ANZUS Treaty is the only significant factor in our relations with the United States and the equally narrow view that our relations with the

⁴ ibid., p. 21

United States are the only significant factor in Australia's foreign relations.⁵

While there was no desire to place Australia's relationship with the US in jeopardy, Whitlam certainly wanted to make a distinct break with the past and promote wider relationships within the region. To this end he withdrew troops from Vietnam, eliminated conscription, recognised the Peoples Republic of China, established diplomatic relations with North Vietnam and opposed apartheid in the UN.⁶

With the final elimination of the White Australia Policy under Whitlam's Prime Ministership there was finally a sense within the region that Australia was not only seriously interested in the region but also wanted to become an active partner with its neighbours. What Whitlam recognised was the need for engagement not only because of our proximity to the region but also due to the development of trade with states within the region.⁷ Whitlam was determined to make major changes in Australia's foreign policy and in its relationships within the region in particular with China and Indonesia. He admired and trusted Suharto and wanted to understand the points of view of these countries' leaders, rather than just viewing them through a Western lens.

⁵ Dalrymple, op. cit., p. 64

⁶ Burchill, Scott, Cox, Dave and Smith, Gary, Australia in the World: An Introduction to Australian Foreign Policy, Oxford University Press, Oxford, 1996, p. 34

⁷ Dalrymple, op. cit., pgs. 64-67

1975-1983

In extraordinary circumstances the coalition government of Malcolm Fraser was elected in 1975 during a renewal of cold war tensions between the US and the USSR. Fraser was quite different from previous coalition Prime Ministers in that he believed in the necessity for Australia to set its own foreign policy agenda independently of the superpowers, while at the same time continuing close relationships with Australia's superpower friends. Fraser however, resorted to a realist notion of foreign policy that was in some ways in sharp contrast to that of Whitlam. As in a speech he said:

We must be prepared to face the world as it is, and not as we would like it to be. Only in that way can we hope to perceive accurately possible problems for Australia and seek to overcome them. Only in that way can we effectively advance our objectives of peace and security. To point to possible problems and dangers is not to be gloomy or pessimistic. It is an essential step in the development of realistic and appropriate policies. It is an essential step in enabling us to avoid problems and dangers which may arise.⁸

Security became of strategic importance again during this time and Australia supported the US worldview without question. Fraser, like Evatt, believed in the need for small and medium powers to act together, however he did not really continue Whitlam's notion of regionalism to any great extent. The

⁸ ibid., pgs. 67-68

1970s saw a new concept in our foreign policy objectives with 'alliance diplomacy' giving way to 'middle power' diplomacy.

1983-1991

The notion of a regional perspective really gained significance in Australia's foreign policy direction following the Hawke Labor government's election in 1983. Bob Hawke saw that Australia had a central role to play in the region described as the Asia-Pacific. As before, a significant shift was to take place in terms of our foreign policy direction, which would have significant ramifications for the move to regionalism, as we saw multi-lateral diplomacy take over from the middle power diplomacy of the past. The Hawke government saw that Australia's future was in the relationships it developed within the region and, as Meg Curry notes, "Australia's move from being close to the region to being part of the region began under the Hawke government."⁹ Three major position papers released at the end of the 1980s stated the new security boundaries within the region. They were the "Dibb Report of 1986; the White paper on defence of 1987; and the Minister for Foreign Affairs and Trade's document on security, released in 1989".¹⁰ The establishment of the Asia-Pacific Economic Cooperation (APEC) grouping in 1989 added an economic perspective.

While Hawke saw Australia's future within East Asia he also continued Fraser's commitment to the US as he was convinced that Australia's interest

⁹ Curry, *op. cit.*, p. 28

¹⁰ *ibid.*

was maintaining the close relationships with the West, particularly during the Cold War. So for Hawke it was very important to continue the solid relationship with the US while advancing regional relationships. As Dalrymple notes:

His whole world outlook for Australia involved working closely with the United States in multilateral trade liberalization, in Asia-Pacific regionalism and in encouraging the inclusion of a changing China in these constructive endeavours. Moreover all Australian Prime Ministers since at least World War Two have known that visibly close relations with the United States are something which a majority of the Australian electorate finds reassuring and expects its government to foster.¹¹

While preserving the US relationship Hawke prepared Australia for closer contact with East Asia. This was important given the trade opportunities that were to be gained through the economic growth many of the states in the region were experiencing. Even by the time Hawke gained power in 1983 East Asia was Australia's largest export market with more than 50 percent of Australia's exports going to East Asia. Hawke commissioned Ross Garnaut to prepare a report on these opportunities and this report issued in 1989 (known as the Garnaut Report) titled "Australia and the Northeast Asian Ascendancy" revealed that it was crucial that Australia learn to understand North East Asia in terms of language, culture and politics to enable Australia

¹¹Dalrymple, *op. cit.*, p. 76

to be able to take the opportunities that were possible in the region.¹² This led to a priority focus on 'engagement' with East Asia within Australia's foreign policy.

This historical framework provides the background information I need to explore a more comprehensive understanding of Keating's engagement with Asia and his focus on Indonesia. It will assist in determining how and why Keating chose to engage with Asia and specifically the focus of that engagement on Indonesia.

¹²ibid., p. 80

PART TWO: THESIS PLAN - The formulation of Australia's foreign policy with Indonesia during Paul Keating's years as Prime Minister

Introduction

- Framework of thesis
- Focus of Australia's foreign policy during Paul Keating years 1991-96
- Australia as part of the "Asian Community"
- Issues related to the push for becoming part of the region without considering the diversity of the region and Australia's part in that diversity.

Chapter One – Background of Australia's Foreign Policy since World War Two

- Major periods of change
- Changes in world affairs influencing foreign policy direction
- International Relations approaches to Australian foreign policy – Realism, Liberalism, Liberal internationalist, Regionalism
- Within this theoretical approach will be discussed the involvement of the United Nations in foreign policy making, alliances and multilateralism.
- Security and perceived vulnerability
- Defence policy
- Alliance diplomacy, middle power politics and multilateral diplomacy

Chapter Two – The History of Australia's Relations with Indonesia since World War Two

- Perceived threat of Indonesia
- Defence policy in relation to Indonesia
- Trade
- Security
- Changing nature of the relationships with Indonesia
- Timor Gap Treaty

Chapter Three – Foreign Policy direction during the Keating years 1991-96

- Dominant theme of foreign policy direction
- International relations approach to foreign policy
- Regionalism and traditional alliances
- Australia's role in APEC
- Development of and Australia's role in ASEAN Regional Forum
- Multilateral diplomacy
- The domestic influence on foreign policy direction

Chapter Four – Foreign policy direction with Indonesia during the Keating years 1991-96

- Dominant theme of foreign policy direction
- Relationships between the key foreign policy making players
- Economic drivers – trade and the extent to which this drove policy formulation
- Security – including Security Treaty of 1995
- Role of East Timor in directing overall foreign policy direction with Indonesia
- The role of the Australia-Indonesia Ministerial Forum
- Impact of Australian domestic issues in influencing foreign policy direction
- Influence from business, bureaucracy and pressure groups
- The impact of the Indonesian political situation in formulating foreign policy

Conclusion

- Theoretical framework of Australia's engagement with Indonesia during the period in discussion
- Summary of the key drivers of foreign policy direction
- Comparison of advances made under Keating with the present position of Australia's relationship with Indonesia

PART THREE – ANNOTATED BIBLIOGRAPHY

Burchill, Scott, Cox, Dave and Smith, Gary, Australia in the World: An Introduction to Australian Foreign Policy, Oxford University Press, Oxford, 1996

Burchill, Cox and Smith give the reader an introduction to Australia's foreign policy in terms of its theoretical foundations, key issues when formulating policy and the players involved in foreign policy making. It considers the key concepts when formulating foreign policy to be those of national interest, security and power both in terms of hard and soft power. In formulating foreign policy one needs to consider not only the external environment but also the internal environment which considers the domestic pressures that actively seek to influence either directly or indirectly foreign policy decision making. They have detailed domestic determinants as being Australian values, ideologies and beliefs, Australian business groups, parties, elections and other pressure groups. They provide a comprehensive history of Australian foreign policy from party tradition and summarise both Labor and Liberal traditions in foreign policy while in office. This summary gives an account of foreign policy leading from dependence to independence, from an imperial focus to a regional focus, and traditions of hard power versus soft power diplomacy between the two different party traditions.

Cotton, James and Ravenhill, John (eds), Seeking Asian Engagement: Australia in World Affairs, 1991-95, Oxford University Press, Melbourne, 2000)

This text relates to Australia's foreign policy reorientation towards Asia during 1991-95 and the changes in world affairs that impacted on this relationship. While important to the question of my thesis it did not give much information on the historical approach of our foreign policy.

Curry, Meg, "Identifying Australia's 'Region': From Evatt to Evans" in Australian Journal of International Affairs, Vol. 49, No. 1, May 1995, pgs. 17-31

Meg Curry's article highlights the constant thread in the history of Australian foreign policy since the 1940s in understanding Australia's relevance and its place in the region in which it lives and works. She draws on the parallels between Evatt and Evans and their commitment to multilateralism and regionalism. Curry details the importance that all administrations have seen in securing Australia's future to alliance building and multilateralism in terms of our security and prosperity. Curry particularly argues that Australia's foreign policy approach to the region has been a haphazard approach as Australia tries to find a way to both work and live within the region and maintain its commitments to our alliance partners, specifically the United Kingdom and the United States. Meg Curry raises important considerations in

understanding our place in the region from a historical perspective and how this may help us in understanding our role for the future. She raises for me an important question of whether Australia can be part of the region given that our values, culture and politics are so different to those of our neighbours.

Dalrymple, Rawdon, Continental Drift: Australia's Search for a Regional Identity, Ashgate, Hampshire, England, 2003

Rawdon Dalrymple combines his expert knowledge within the Australian Foreign Service with an intellectual understanding of the subject of Australian foreign policy. This book provides excellent understanding and knowledge of the historical formations of Australian foreign policy both in terms of Australian identity in the world and in particular its identity within the region where it is located. In some respects he places a different emphasis on the role played by the Hawke government to other writers in that he emphasises the solid commitment of Hawke to sustaining the relationship with the US. Dalrymple enables us to understand that Hawke, while seeing Australia's future prosperity within East Asia also believes strongly that our security and cultural roots belong to the West. He reveals the ambiguity of forging what may be seen as quite opposite relationships and the complexities involved in doing so.

PART FOUR – BOOK/ARTICLES TO READ

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