

Conclusion

The 36 years between the apparent settlement of Asia-Pacific peace and the assertion of US power in the region at the 1921–22 Washington Naval Conference and Australia's economic and military reorientation to the US order in 1957 wrought immense change in the Australian government's approach to regional and great-power relations. Yet, nowhere in the existing literature is there a comprehensive study of Australia's policy response. Instead, classic works and more recent contributions alike have tended to dismiss the proposition that Australia had a foreign policy before 1941. To the extent that a distinct Australian perspective has been identified, it has been compartmentalised or merely gestured to. This book offers a reassessment of Australia's foreign policy origins and maturation in the twentieth century. It identifies a marked continuity in how Australia's political elite approached foreign policy over the period 1921–57. Policymakers were attentive to the nation's strategic position, the changing international context and the forces of trade, diplomacy and defence. The policy that emerged in response was an integrated one that sought—with varying levels of success—to build a system that balanced geography with dependency on great powers. The integrated aspects of this policy extended to the theoretical level, with Australian actors demonstrating a keen appreciation of the interrelation between trade, diplomacy and defence when forming policy. This book successfully demonstrates that it was pragmatism, rather than naive loyalty or toadying to Britain and the US, that drove Australia's Asia-Pacific policy in this period.

First among its two aims, this book set out to examine the development of a distinct Australian approach to foreign policy. In so doing, the absolute importance of the interwar years has been established. Many thought the interwar years were a period of relative complacency as Australia relied uncritically on the imperial connection and new international arrangements to provide for its material security. By contrast, this study holds that it was the combined effect of economic crisis, regional

instability, US isolationism and, most critically, the shortcomings of the imperial connection during the period 1921–31 that forced on Australian policymakers the need to reassess relations with regional and great powers alike and to seek greater influence in Asia-Pacific affairs.

In focusing on how Australia navigated great-power relations and the systems through which they interacted with the world, this study challenges the ideas espoused by Hugh White and others that Australia has historically taken great-power protection and representation for granted.¹ Australia's relations with Britain and the US over the period 1921–57 are marked by an acknowledgement among policymakers and intellectuals that the difference of Australia's economic and geopolitical considerations from those of Britain and the US meant neither of these nations could necessarily be relied on to provide for Australia's national interest. In response, policymakers attempted to draw attention to the importance of Australia's region and tie its unique interests and material needs to those of the great powers.

As a small power with limited influence in international decision-making, Australia was required to carefully assess methods for projecting its influence. For instance, in the 1934 AEM and the Pacific pact proposals of 1935 and 1937, Latham and Prime Minister Joseph Lyons characterised Australian and British interests in the Asia-Pacific as entangled and harmonious. The hope—although not realised—was that the imperial framework could be employed to deliver regional security outcomes. Richard Casey's activities in Washington are a particularly pertinent example of Australia's pragmatic—indeed, opportunistic—approach to great-power relations. Cognisant of Australia's limited influence in high-level strategic planning, Casey employed alternative measures to promote common Australian–US interests. He sought to use the United States' economic policy towards Japan and US–Japanese negotiations to underscore the Australian government's commitment to a coordinated response to war in the Pacific and to prolong relative peace, providing vital time in which to secure a US military guarantee. Herein are examples of the maturation of Australia's policy apparatus, as policymakers experimented with channels through which to voice their

1 White, *The China Choice*, 12.

opinion and exert influence. This study has accordingly highlighted an intuitive and explicitly pragmatic approach to foreign policy that has not previously been identified.

There was also a pragmatism in Australia's contracting and expanding relationships with the US and Britain as the government carefully assessed which partnership would best serve its national interest. In the years immediately preceding the Pacific War, Australia was increasingly willing to challenge Britain when it was seen to threaten relations with Japan, including proposed economic sanctions following the outbreak of the Second Sino-Japanese War and a partial trade embargo targeting neutral countries in the early months of World War II. In these instances, the Australian government can be seen to have made pragmatic appraisals of the benefits of the imperial connection and Britain's questionable diplomatic approach as it related to the deteriorating situation in the Far East. Concurrently, the Australian government turned its attention to the US for defence assurances beyond the Empire. This heralded a period of intense Australian-US collaboration and, on Australia's part, strategic dependence. However, as the crisis years of the Pacific War passed, the Curtin government acknowledged the US could not be relied on to build a postwar order in the Asia-Pacific that was conducive to the national interest. The ANZAC Agreement and the Fourth Empire proposal signified a return to Britain and the Commonwealth connection as the foundational framework through which Australia would interact with the world in the immediate future. By 1957, the centre of gravity in Australian foreign policy and future planning had shifted decisively to the US, as the Menzies government made a series of frank assessments about the material value of the Commonwealth connection and Britain's fading resolve and capacity to provide for its economic and defensive security.

In examining the opportunistic and pragmatic nature of Australia's interactions with Britain and the US, it becomes apparent that the nation has not been a passive player, nor has it taken for granted that the great powers would provide for its security. Australia gradually developed and experimented with tools to project its influence in international affairs and carefully assessed the strategies and capabilities of the great powers, considering which relationship best served its trade, defence and diplomatic interests.

The second aim of this book has been to highlight the absolute importance of trade in Australia's foreign policy conceptualisations and approaches. In integrating the themes of trade, diplomacy and defence throughout, this book has highlighted the value of trade as a tool of diplomacy and its effect on strategic decision-making. This methodology augments existing studies, such as Neville Meaney's landmark 1976 volume of *A History of Australian Defence and Foreign Policy 1901–23*, subtitled *The Search for Security in the Pacific*, which challenged the orthodoxy that Australia was without a distinct foreign policy outlook or approach yet dismissed entirely trade and economic policy as they related to national security. The effect has been to expand the historical understanding of how Australian actors approached foreign policy in the twentieth century.

Amid the economic and strategic uncertainty of the 1930s, regional trade relations provided the basis for a policy designed to expand Australia's regional presence, strategically engage Japan in a bid to reduce the likelihood of hostilities and meet the urgent need for new export markets brought on by the Great Depression. This astute appreciation of the varied and complementary benefits to be had in increased regional trade is quite remarkable given the view that Australia had 'few ideas and policies of its own' and had not 'shuffled its way into a foreign policy' until 1941–42.² This book establishes that the comprehensive and integrated understanding of foreign policy that was institutionalised for Australia in 1987 was, in fact, a feature of the way Australian actors had been approaching policymaking from as early as the 1930s.

Australia's postwar plans for the Asia-Pacific region drew together threads from interwar and wartime policy thinking. In 1943, William D. Forsyth of the DEA Pacific Division called attention to the need for a self-subsisting system that would foster political and economic stability in South-East Asia and the South Pacific. These economic development plans were in concert with Australia's desire to see the arc of islands to its north developed as a defence perimeter. This regional concept went on to inform policymaking in the period 1946–50 as the Chifley and Menzies governments supported economic development in South-East Asia and the South Pacific. As in the 1930s, regional economic development had the manifold goal of expanding Australia's strategic, economic and diplomatic capabilities. In Australia's process of increased

2 Andrews, *Isolationism and Appeasement in Australia*, 25; Gyngell, *Fear of Abandonment*, 18.

regional economic engagement, there was a tacit acknowledgement that the British market was not without its limits and an extensive economic adjustment was at hand. This situation was acknowledged as early as 1931, when the Great Depression forced on Australian policymakers the reality that there were limited opportunities for growth in the British market. Herbert Gepp subsequently explored regional opportunities on behalf of the Prime Minister's Department. Two years later, the Advisory Committee on Eastern Trade was established, with trade commissioner appointments throughout the region following soon after. In 1947, with the British economy in crisis, economist and director-general of the Department of Post-War Reconstruction, H.C. Coombs, recommended the Australian government begin to cushion the effects of Britain's waning economic capabilities—the principal cushion being the markets in Australia's immediate region. A decade later, the Ottawa Agreements were renegotiated to allow foreign countries greater access to the Australian market—signalling that Britain, the natural market, could no longer meet Australia's development needs—and the Australia–Japan Commerce Agreement was signed.

The period 1921–57, then, is part of a longer history of the multifaceted role of trade relations in Australian foreign policy and the nation's economic disengagement from the British world and integration into its regional markets—a process that continued in Bob Hawke's North-East Asian ascendancy and 'enmeshment' with Asia, the Rudd–Gillard governments' rhetoric of the Asian Century and, most recently, the 'stepping-up' of Australia's engagement in the Pacific.³

Granted, Australia's efforts were not without significant challenges and failures.

As global powers, the strategic outlooks of Britain and the US have predominated. Australia's status as a junior and strategically dependent partner contributed to an expectation of commitment to the great powers' world view. A tension ultimately exists when Australia's geographical considerations are not served by the strategic outlooks of its security

3 Ross Garnaut, *Australia and the Northeast Asian Ascendancy: Report to the Prime Minister and the Minister of Foreign Affairs and Trade* (Canberra: AGPS, 1989); Department of the Prime Minister and Cabinet, *Australia in the Asian Century: White Paper* (Canberra: Commonwealth of Australia, 2012); Department of Foreign Affairs and Trade, 'Stepping-Up Australia's Engagement with Our Pacific Family', *Pacific Step-Up* (Canberra: DFAT, n.d.), available from: dfat.gov.au/geo/pacific/engagement/Pages/stepping-up-australias-pacific-engagement.aspx.

partners. Australia did not exclusively kowtow to the directives of the great powers. Indeed, as this study has established, often the inadequacies of US and British policy were what led Australia to assume a more assertive posture, doggedly refusing to engage in activities it saw as threatening its economic and regional security. Nevertheless, there were points at which Australia was forced to make damaging or disappointing compromises—most readily observed in the Trade Diversion Policy and the US only allowing Australia partial insight into and a limited voice in ANZUS and SEATO decision-making. This brings into sharp focus one of the dominant themes of this study and, indeed, of Australia's foreign policy tradition more broadly: the liability of constructing a foreign policy within an asymmetrical relationship, particularly one centred on two different geopolitical outlooks and considerations.

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