

University of St.Petersburg
School of International Relations

Nina Slanevskaya

AUSTRALIA IN THE ASIA-PACIFIC REGION

LECTURE NOTES

St. Petersburg
2002

This introductory course is recommended for publishing
by the Department of World Politics of the School of International Relations
at University of St.Petersburg.

Nina Slanevskaya

PhD *St.Petersburg*, Senior Lecturer,
School of International Relations, University of St.Petersburg

AUSTRALIA IN THE ASIA-PACIFIC REGION

Edited by Prof. V.S. Yagya, DSc *St.Petersburg*

Lecture Notes

Reviewers:

Prof. V.V. Sokolov, DSc *St.Petersburg*

Prof. N.A. Vasilyeva, DSc *St.Petersburg*

Reviewed by Dr. Ian Collings, PhD *Melb.*,
Deakin University, Australia

English language consultant:

Charles Mapleston

Technical assistance:

Vladimir Krakovsky

Peter Krakovsky

This is an introductory course on Australia's policy in the Asia-Pacific region for students of politics, international relations, history and economics. Its scope ranges from the domestic interests and processes that shape foreign policy to the complex global, regional and bilateral issues of the late 1990s.

The purpose of this course is to acquaint students with the historical background of the development of relations between Australia and Asian countries and the situation in the Asia-Pacific region nowadays. Australia has redefined its economic and security interests and seeks to pursue its goals in close partnership with the neighbours in the Asia-Pacific region. Its proactive diplomacy has made a substantial contribution to the emerging regional order. The postwar interrelationships of the rim nations of the Pacific Basin are also addressed in this course.

ISBN 5-303-00067-2

© Nina Slanevskaya

Foreward

The course represents a balanced view of Australia's economic and political history in the Asia-Pacific region dating from the early 1900's to the present time.

It places an emphasis on and gives an unbiased account of Australia's foreign policy with respect to its Asia-Pacific neighbours during that period.

The materials have been obtained from reliable sources and are factually sound and contain a balanced interpretation of political and economic events related to Australia's role and relationship with its neighbours in the Asia-Pacific over the last century.

Dr. Ian Collings, PhD *Melb.*,

Deakin University, Australia.

Preface

This course of lectures '**Australia in the Asia-Pacific Region**' comprises 10 themes for 18 lectures (36 hours in total).

The author conceived the book to help students select literature on the themes of the course.

It uses a system of coherent introductory summaries to the basic literature assigned for students' reading and mentioned in the *Key References*.

The book should be regarded neither as a substitute for a complete introductory course nor a thorough analysis of all the literature mentioned in the bibliography.

Contents

Theme 1 11

Australia in brief

Australia's environment and history (climate, language, flag, religion, capital). The continent and unique environment. The ancient heritage. European contact and settlement. Nation-building. Australia in profile nowadays. Australia's relations with the world (merchandise trade, service trade, investment, immigration, overseas students, visitors, aid). Australia's system of government. Voting and elections.

Theme 2 18

Introductory survey of political history. Political parties.

Political history before 1901 and since the foundation of Federation. World War I. The 1920s. The depression years. World War II. Dominance of the Liberal-Country party. The Whitlam Years and after. The Labor decade and beyond. Recent history. Political parties.

Theme 3 24

Foreign policy. History and foreign policy. Politics of foreign policy. Bureaucratic politics and foreign policy.

History and foreign policy. *External and internal factors. The search for a collective security. Economy. Popular identity.*

Politics of Foreign Policy. *The executive government and foreign policy. Political parties and changes of government. Parliament and parliamentarians. Interest groups and ideological concerns. Public opinion and popular concerns. Information and the media. The changing context of foreign policy making. Treaties and international obligations. Human rights and national policy.*

Bureaucratic politics and foreign policy. *The policy-making environment. The evolution of the Department of Foreign Affairs and Trade. Amalgamation: structure and staffing.*

Theme 4 35

Asia Pacific Basin since 1941

History of the Asia Pacific Basin. Introduction.

1945 – 1960. *Reconstructing Japan. SCAP's reform established on Australian advice. The Cold War comes to East Asia. Colonial remnants in China: Macau and Hong Kong. China, the USA and Taiwan. Dividing Korea. Aus-*

tralia's refusal to participate in the observation of the elections in Korea. Struggle for independence in Indonesia. Australian occupying forces allow the Dutch to resume the control. The opposition in the UN led by Australia and India after the 'police action' by the Dutch. The Huk rebellion in the Philippines. Suppression of rebellion in the Philippines. Outbreak of insurrection in Malaya. Defeating insurgency in Malaya. Australian participation. The Korean War. Australian battalion sent to Korea. Repercussions of the Korean War. Australia's joining SEATO.

1961 - 1979. Confrontation and Cooperation in East and Southeast Asia (1961-1968). *American administrations and Vietnam. The Vietnam War. Allied forces from South Korea, Thailand, the Philippines, Australia and New Zealand.*

Indonesia and Irian Jaya. Australian government's unwillingness to join the Dutch in a war with Indoneasia without US or British support. Confrontation, a military campaign against Malaysia by Indonesia. Australian troops, along with British, Gurkha and Malaya go into action against Indonesian army units. Détente, disengagement and invasion in East and Southeast Asia (1969-1979). Indonesia's invasion of East Timor. Australia, its nearest neighbour, doesn't prevent Indonesia from annexing the territory.

Independence for some Pacific islands. 1945-1980.

Postwar reconstruction and islander aspirations to 1949. Australian mandated territory of New Guinea. 'Cargo cults'. Slow Polynesian roads to independence. Nauruans against heavily paternalistic Australian rule. The monopolistic Australia in Fiji. Pushing independence for Papua New Guinea. Post-war opposition to returning Australians on the island of Buka. Independence for the Solomon islands and Vanuatu. The Australian-based Presbyterian mission's predominant influence over the islanders in Vanuatu. The Pacific Forum. Independent Pacific Island States. Papua New Guinea, Fiji, Tonga, Samoa, Nauru. Australian aid to the Pacific Islands.

Conflicts and coups in the islands since 1980.

Coups in Fiji and their consequences. Australian and New Zealand's negative reaction. Australian and New Zealand unions placing bans on ships travelling to Fiji. Papua New Guinea's facing its own violent problems during the 1980s. New Caledonia. Other Pacific nations and the French presence in the Pacific. Opposition to French nuclear tests. Australia's attitude towards the USA and New Zealand's conflict over the visit of nuclear-armed US ships to New Zealand. The ANZUS treaty. The US and the Pacific Islands. Australia, Indonesia and the islands. Canberra tries to retain good relations with its potentially powerful Southeast Asian neighbour, Indonesia, and re-

frains from any support for guerrillas in East Timor and Irian Jaya.

Theme 5 53

Asian economic expansion and strategic change in the 1980s

Japan's new economic order in the Pacific Basin. Japan's investment in Australia. Japan and the American defence network. The US, the USSR and the East Asian strategic balance. The Cambodian conflict. Australia's plan for a diplomatic solution of the Cambodian problem. The ASEAN states.

Theme 6 61

Australia. The impact of globalisation

Globalisation of finance. Ascendancy of neo-liberal ideology. Democracy and accountability. Political institutions. Dynamic concept of political culture. Independence ideal and citizenship. Economic liberalisation and new languages: the language of commerce and independence and the language of consumerism and identity.

Theme 7 67

Australia's objectives and implementation of foreign policy in the 1990s

Political objectives and implementation. *Historical background. Australia as a middle power. Australia as a 'good international citizen'. Political parties and personalities. Re-defining the nation's political identity. Asianisation of Australia. Asia-Literacy. Double vision: how Asia and Australia see each other. Pauline Hanson's One Nation party. Political and diplomatic relations.*

Security objectives and implementation. *Historical background. The era of Forward defence ends with the withdrawal from Vietnam. White Paper of 1976 presenting Self-reliance policy. Security relations in the 90s. The Defence White Paper 'Defence 2000'. Support for international peacekeeping.*

Economic objectives and implementation. *Historical background. Insulation and dependence. The British connection. Regionalism and multilateralism. An assessment of the 1980s initiatives. Economic relations in the 90s. An integrated multilateral, regional and bilateral approach to trade.*

Theme 8 85

Multilateral dimensions of foreign policy.

Environmental challenges. *Global responses. Cross-border problems. Re-*

gional approaches.

Human rights. *Historical background. Australia and international human rights in the post-Cold War world. Multilateral activities. Bilateral activities. Asylum seekers and immigration.*

Arms control. *Historical background. Nuclear testing. Nuclear-weapon-free zones. Chemical, biological and conventional weapons.*

Theme 9 93

Regional dimensions of foreign policy

Australia and Southeast Asia. *Historical background. Development of relations. Policy under the Coalition government.*

Australia and the Pacific islands. *The context of asymmetrical relations in the South Pacific. Origin and emergence of the current regional system. Australia's South Pacific policy in the post-Cold War order.*

The influence of Japan and China on Australia's regional policy.

Australia and Japan. *Historical background. The economic imperatives and political ties. APEC and regional cooperation. Security and defence issues in the bilateral relationship.*

Australia and China. *Historical background. Political and economic relations. Taiwan and Tibet in bilateral relations. The revival of the China threat theory.*

Educational, cultural and scientific relations in the 90s.

International organisations in the Asia Pacific Basin related to Australia. *Introduction. ARF, CSCAP, EAEC, ESCAP, FPDA, PBEC, PECC, SAARC, SPC, SPF, APEC. History, structure, activities, membership, aims.*

Theme 10 114

Australian and Asian bilateral relations in the 1990s

Asia-Australian bilateral relations in the 1990s. *Introduction.*

Bilateral relations. Thailand. Taiwan. Singapore. The Philippines. Malaysia. Korea. Japan. Vietnam. Cambodia. Indonesia. Hong Kong. Papua New Guinea.

Country profile. Historical background of bilateral relations. Political, diplomatic, economic and security relations in the 1990s.

Bibliography 159

Abbreviations

ABAC	Australian Business Association of Cambodia
ABC	Australian Broadcasting Corporation
ACIO	Australian Chamber of Industry Office
ACT	Australian Capital Territory
ACTU	Australian Council of Trade Unions
ADF	Australian Defence Force
AFTA	ASEAN Free Trade Area
AIPG	Amnesty International Parliamentary Group
ALP	Australian Labor Party
ANSTO	Australian Nuclear, Science and Technology Organisation
ANU	Australian National University
ANZAC	Australia and New Zealand Army Corps
ANZUS	Australia, New Zealand, United States Security Treaty
APEC	Asia-Pacific Economic Cooperation
ARF	ASEAN Regional Forum
ASEAN	Association of South East Asian Nations
ASEM	Asia-Europe Meeting
BRA	Bougainville Revolutionary Army
CEP	Centre d'Expérimentation du Pacifique
CER	Australia New Zealand Closer Economic Relations Trade Agreement
CPP	Cambodian People's Party
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DCP	Defence Cooperation Programme
DFAT	Department of Foreign Affairs and Trade
DIFF	Development Import Finance Facility
DPRK	Democratic People's Republic of Korea
DRV	Democratic Republic of Vietnam
DRVN	Democratic Republic of North Vietnam
DSTO	Defence Science and Technology Organisation
EAEC	East Asian Economic Caucus
EPG	Eminent Persons Group
ESCAP	Economic and Social Commission for Asia and the Pacific
FCCC	Framework Convention on Climate Change
FFA	South Pacific Forum Fisheries Agency
FPDA	Five Power Defence Arrangement
FRETILIN	Frente Revolucionara do Timor Leste Independente
GATT	General Agreement on Tarriffs and Trade

HREOC	Himan Rights and Equal Opportunity Commission
IADS	Integrated Air Defence System
ICCPR	International Covenant on Civil and Political Rights
ICESCR	International Covenant on Economic, Social and Cultural Rights
ILO	International Labour Organisation
IMF	International Monetary Fund
IPMT	International Peace Monitoring Team
JANGO	Joint Australian Non-Government Organisations Office
MRLA	Malayan Races Liberation Army
MTCR	Missile Technology Control Regime
NAM	Non-Aligned Movement
NEI	Netherlands East Indies
NIC	Newly Industrializing Countries
NLF	National Front for the Liberation of South Vietnam
NPT	Non-Proliferation Treaty
ODA	Overseas Development Asssistance
OECD	Organisation for Economic Cooperation and Development
OIC	Organisation of the Islamic Conference
OPM	Organisasi Papua Merdeka
PAP	People's Action Party
PBEC	Pacific Basin Economic Council
PECC	Pacific Economic Cooperation Council
PFL	Pacific Forum Line
PIC	Pacific Island Countries
PLA	Chinese People's Liberation Army
PMC	Post Ministerial Conference
PMG	Peace Monitoring Group
PNG	Papua New Guinea
PRC	People's Republic of China
RAAF	Royal Australian Air Force
ROK	Republic of South Korea
RVN	Republic of South Vietnam
SAARC	South Asian Association for Regional Cooperation
SCAP	Supreme Commander of the Allied Powers
SEAC	South East Asia Command
SEATO	South East Asia Treaty Organization
SME	Small and Medium Enterprises
SOPAC	South Pacific Applied Geo-Science Commission
SPC	South Pacific Commission
SPF	South Pacific Forum

SPREP	South Pacific Regional Environmental Programme
TCSP	Tourism Council of the South Pacific
UNCOK	United Nations Commission on Korea
UNTCOK	UN Temporary Commission on Korea
USP	University of the South Pacific
WEF	World Economic Forum
WTO	World Trade Organisation

Syllabus:

Australia in the Asia-Pacific region

Class Schedule and Readings

Theme 1

Australia in brief

Australia's environment and history (climate, language, flag, religion, capital). The continent and unique environment. The ancient heritage. European contact and settlement. Nation-building. Australia in profile nowadays. Australia's relations with the world (merchandise trade, service trade, investment, immigration, overseas students, visitors, aid). Australia's system of government. Voting and elections.

The official name - Commonwealth of Australia. The Date of Independence – 1 January 1901 (from Britain). The capital – Canberra (0.31 m people). The national flag is blue, with a representation of the United Kingdom flag in the upper hoist, a large seven-pointed white star in the lower hoist and five smaller white stars, in the form of the Southern Cross constellation, in the fly. Australian Coat of Arms consists of Badges of the six States of the Commonwealth arranged on a shield in two rows of three columns, enclosed by an ermine border. There is a crest, or a seven-pointed gold star on a blue and gold wreath. The supporters of the shield are native Australian animals: the red kangaroo and the emu. Usually the Arms is depicted on the background of sprays of golden wattle with a scroll beneath it containing the word 'Australia'. The coat of Arms was granted by King George V in 1912. Languages – English (official), 68 other languages spoken, primarily Italian, Greek, Cantonese, Arabic, German, Vietnamese and indigenous –170. Religions - Christian about 74%, other - Islam, Buddhism, Judaism, Hinduism. Area – total 7,686,850 sq. km, mainland – 7,617,930 sq. km.

In land area, Australia is the sixth largest nation after Russia, Canada, China, the United States of America and Brazil. It has, however, a relatively small population, currently about 19,7 million people, with a workforce of nearly 10 million. Australia is the only nation to govern an entire continent and its outlying islands. The mainland is the largest island and the smallest, flattest continent on Earth. The highest point on the mainland, Mount Kosciusko, is only 2,228 metres (New South Wales). The lowest point is 15 metres below sea level in South Australia. That is the dry bed of Lake Eyre. The Murray-Darling river system is 3,370 km

long. Apart from Antarctica, Australia is *the driest continent*, though it has well-watered fertile areas. In summer (November-February) there are tropical monsoons in the northern part of the continent, but winters are dry. In the southern part of the country, winter is the wet season. Temperatures over 50 degrees C are experienced during summer months over the arid interior. The hottest place is Cloncurry in Queensland (53 degrees C). The coldest place is Charlotte Pass in New South Wales (minus 23 C).

Australia has three time zones: NE/SE – GMT +10; Central – GMT +9; West – GMT +8.

Australian *plants and animals* evolved in isolation from other parts of the world. Over the past 45 million years, Australia has moved away from Antarctica towards the equator and become warmer and more arid. Today Australian eucalyptuses account for more than half of all eucalyptuses found throughout the world. There are also large ‘Antarctic’ tree ferns, cycad palms and marsupials, which suckle their young in a pouch.

The first kangaroo marsupials appeared about 15 million years ago. As the world climate warmed and glaciers melted, oceans gradually rose to their current level and the land bridges to New Guinea and Tasmania were cut. Corals colonised a flooded coastal plain and formed the Great Barrier Reef of Queensland.

The rock engravings near the border of the Northern Territory and Western Australia may be as much as 175,000 years old. Before the arrival of European settlers, *Aboriginal groups* inhabited most areas of the Australian continent, each speaking one or more of hundreds of separate languages, and developing distinct lifestyles and religious and cultural traditions in differing regions. The Australian continent had its first contact with Europeans when Portugal, Spain and Holland expanded their trade with Asia. Dutch East India ships and Spanish navigators reached Australian waters as early as 1606. But it was not until 1770 that *the Englishman, James Cook*, in Endeavour, during his scientific voyage to the South Pacific, claimed it for the British Crown. The First Fleet of eleven ships with 1,500 aboard, half of them convicts, arrived at Port Jackson, now known as Sydney Harbour, in 1788. *January 26*, the date of Governor Phillip’s landing in Sydney, is now celebrated as *Australia Day*.

Population – 19,7 million. 23.0% born overseas (in 140 countries). A quarter of the population has at least one parent who was born overseas.

Overseas-born population by region of birth (June 1999): North America – 2%, Central/South America – 2%, South Asia – 4%, NE Asia – 12%, SE Asia – 12%,

Oceania – 10%, Middle East and North Africa – 5%, other Africa – 3%, Britain – 26%, other Europe – 28%.

Merchandise trade. Merchandise exports were valued at \$110 billion in 2000. Australian exports of services totalled \$32 billion. Exports of goods and services have recorded an 8% average annual growth since 1990. They account for 22% of GDP. Principal exports - coal, non-monetary gold, wheat, wool/animal hair, iron ore, aluminium, bovine meat. Principal imports - passenger motorcars, computers, petroleum/crude oils, telecommunications equipment.

Australian overseas investment. Main destinations – US, UK, Japan; main Asian destinations - Japan, Hong Kong, Singapore. Overseas investment in Australia: main sources - US, UK, Japan, New Zealand, Hong Kong, Singapore.

Foreign investment in Australia totalled \$714 billion in June 2000.

Australian investments abroad totalled \$318 billion in June 2000.

Overseas Development Assistance (ODA). Major recipients – Papua New Guinea (PNG), Indonesia, the Philippines, Vietnam, China; Australia's Defence Cooperation Funding: main recipients - PNG, South Pacific, ASEAN countries.

Overseas students in Australia are mainly from Korea, Indonesia, Malaysia, Thailand, China, and the Philippines. Half of Australia's overseas visitors are Asian residents. Overseas visitors – 4.94 million (2000).

Tourism accounts for 12% of Australia's total export earnings and it is Australia's leading services export item.

Australia's Federal Government shares responsibilities with the governments of six states (Queensland, New South Wales, Victoria, Tasmania, South Australia, Western Australia) and two self-governing territories (Australian Capital Territory, Northern Territory). Australia's *Constitution* provides for the separation between the legislative, executive and judicial powers of the Commonwealth. Three bodies were established by the Constitution to carry out these powers: the Parliament (the legislative power to make laws); the Commonwealth Executive (the executive power to administer laws and carry out the business of government); and the Federal Judicature (the judicial power exercised by courts).

Executive power is vested in the British monarch and exercised by the monarch's appointed representative, the Governor-General, on the advice of the Prime minister. Legislative power is vested in the Federal Parliament. This consists of the monarch, represented by the Governor-General and two chambers (Senate and the House of Representatives) elected by universal adult suffrage (voting is compulsory over the age of 18, otherwise the fine is \$50). More than 90% of Austral-

ians vote. These three elements make Australia a constitutional monarchy, a federation and a parliamentary democracy.

Proposed laws (known as Bills) have to be passed by both Houses and be assented to by the Governor-General before they can become Acts of Parliament. With the exception of laws relating to revenue and taxation (which must be introduced in the House of Representatives), a proposed law can be introduced in either House. The Prime minister is appointed by the Governor-General, who by convention under the Constitution, must appoint the parliamentary leader of the party, or coalition of parties, which has a majority of seats in the House of Representatives. This majority party becomes the government and provides the ministers, all of whom must be members of Parliament. The Federal Executive Council (the Ministry led by the Prime minister) is responsible to Parliament.

The Executive Council, referred to in the Constitution, comprises all ministers, with the Governor-General presiding. Australia operates under a Cabinet system of government. The Cabinet, not mentioned in the Constitution, is the key decision-making body of the government and comprises senior Government Ministers. The decisions of the Cabinet are given legal effect by their formal ratification by the Executive Council.

Like the US and unlike Britain, Australia has a written constitution. Changes to the *Constitution* can only be made through a referendum. Before any referendum can be held, both Houses must agree on the proposed change, or if agreement cannot be reached, the Governor-General can present a proposal to the people. For a proposal to succeed, it must be favoured by the majority of people in a majority of the states, and by a majority of people overall.

The Australian Constitution defines the responsibilities of the Federal government, which include foreign relations and trade, defence and immigration. Governments of states and territories are responsible for all matters not assigned to the Commonwealth. Five of the six states have a bicameral legislature, the sixth (Queensland abolished in 1922) has unicameral.

The Australian Constitution sets out powers of the government in three separate branches: the legislature, the executive and the judiciary, but insists that members of the executive must also be members of the legislature. In practice, Parliament delegates wide regulatory powers to the executive. The executive appoints judges to conduct inquiries into controversial matters and recommends action that may result in legislation. Serving judges can also accept appointment to important administrative positions in the executive.

Minority parties often hold the balance of power in the Senate (the Upper House), which serves as a chamber of review for the decisions of the government of the day, which is the party or coalition with a majority in the House of Representatives (the Lower House).

Voting and elections

The House of Representatives and the Senate have different electoral means for registering electors' preferences.

The House of Representatives.

There are 150 members in the House of Representatives. Each member represents an electoral division. The boundaries of these electorates are adjusted from time to time so that they all contain approximately equal numbers of electors, because of the distribution of Australia's population they vary greatly in area (from a few square kilometres to over two million square kilometres). Members are elected by a system known as preferential voting, under which voters rank candidates in order of preference.

Each House of Representatives may continue for up to three years, after which general elections for a new House must be held. Elections are often held before the end of this period.

The main political parties represented in the House are the Australian Labor party, the Liberal party of Australia and the National party of Australia. In recent years there have also been a number of independent members and other parties.

Preferential voting for the House of Representatives is designed to secure the election of *one* candidate with a *majority* of votes. If no candidate receives more than 50 per cent of first preference votes, the next preferences of the voters for the least successful candidates are distributed until one candidate emerges with a majority of votes.

The Senate.

There are twelve senators from each of the six states and, since 1975, two from each of the Northern Territory and the Australian Capital Territory, making in all 76 senators.

Since 1949, when the first Senate election under proportional representation took place, elections have resulted in a Senate composed fairly evenly of government

and non-government supporters, with the party of government, as determined by a majority of seats in the House of Representatives, frequently without a Senate majority. Proportional representation has also enabled small parties and independents to gain representation in the Senate, providing a place in the Federal Parliament for a wider expression of community viewpoints.

Proportional representation voting, as used in the Senate, is designed to secure the election of *several* candidates in each state (twelve in the case of a double dissolution, six in the case of a regular half-Senate election), each of whom has obtained a number of votes equal to or exceeding a required *quota* (or proportion of votes) necessary for election. The quota is obtained by dividing the total number of formal votes by one more than the number of candidates to be elected, and adding one to the result. Thus, if the total of formal votes in a state at an election for six Senators is 700,000, the quota is 100,001. That is, a candidate will need to win at least 100,001 votes to be elected. In other words, $(700\ 000 : 6) + 1 = 100\ 001$. After a double dissolution with 12 Senate seats vacant, the quota would be $(700\ 000 : 12) + 1 = 58\ 347$.

Candidates receiving votes in excess of the quota, which is a *proportion* rather than a *majority* of the total vote, have their surplus votes distributed according to their electors' ranking of preferences. If all the positions have not then been filled by candidates obtaining quotas by this means, then the next preferences of the voters for the least successful candidates are distributed, until all vacancies are filled by candidates obtaining quotas. The end result is a constituency with several candidates elected, each representing a proportion or quota of the total vote.

Currently, the head of the state – Queen Elizabeth II; the Governor-General - Peter Hollingworth, a Liberal-National party coalition majority government. National elections were on the 10th November 2001 and the Prime Minister John Howard (Liberal party) was returned for another three years. Minister for Foreign Affairs – Alexander Downer, Minister for Trade – Mark Vaile, Minister for Defence – Robert Hill, Minister for Immigration and Multicultural and Indigenous Affairs – Philip Ruddock, Minister for Finance and Administration – Nick Minchin, and Attorney-General – Daryl Williams.

Key References:

- Our Heritage and Australia's Future*. Ed. Ramsay J. Melbourne. Schwartz & Wilkinson. 1991.
- Aitkin D. *Political History Since 1901*. // The Australian Encyclopaedia. Pp. 2448-2454.
- The Asia-Australia Survey. 1997-1998*. Eds. Bishop B. and McNamara D. Centre for the Study of Australia-Asia Relations. South Melbourne. Macmillan Education Australia PTY LTD. 1997.
- Clark M. *A History of Australia*. London. Pimlico. 1995.

Additional reading material on sites:

http://www.austudies.org	(academic associations)
http://www.dfat.gov.au	(Australian government)
http://www.dfat.gov.au/geo/australia	(country information, Aus in brief)
http://www.anu.edu.au/asianstudies/pubs.html	(Faculty of Asian studies, articles)
http://coombs.anu.edu.au	(Asian studies, virtual library)
http://www.dofa.gov.au	(Dep. of Finance and Administration)
http://www.vlib.org	(Virtual library)
http://www.bl.uk	(British library)
http://www.psr.keele.ac.uk/theory.htm	(articles on political theory)
http://www.cato.org	(Cato Institute)
http://www.eb.com	(Encyclopaedia Britannica)
http://lcweb.loc.gov	(Library of Congress, US)
http://lcweb2.loc.gov/frd/cs/cshome.html	(Library of Congress; countries)
http://www.acfoa.asn.au	(Aus.Council for Overseas Aid)
http://www.deet.gov.au	(Dep. of Education)
http://www.fed.go.au/KSP	(access to Aus.government information)

Current newspapers:

http://www.news.com.au	(Australian newspapers)
http://www.theaustralian.news.com.au	(The Australian)
http://www.guardian.co.uk	(world news, British)
http://www.bbc.co.uk	(world news, British)
http://www.bbcworld.com	(world news, countries profiles)
http://www.yahoo.com	(world news, American)

Further reading:

- Bean C. Attitudes Towards Divided Government and Ticket-splitting in Australia and the United States. //Australian Journal of Political Science. 1998. Vol. 33. No. 1. Pp. 25-36.
- Creating Australia: Changing Australian History. Eds Hudson W. and Bolton G. Sydney. Allen & Unwin. 1997.
- Dean M. and Hindess B. Governing Australia: Studies in Contemporary Rationalities of Government. Cambridge. Cambridge University Press. 1998.
- Goot M. Whose Mandate? Policy Promises. Strong Bicameralism and Political Opinion. // Australian Journal of Political Science. 1999. Vol. 34. No. 3. Pp. 327-352.
- Hancock W.K. Australia. Brisbane. Jacaranda Press. 1961.
- Horne D. The Lucky Country. Ringwood. Penguin. 1964.
- Powell J. A Historical Geography of Modern Australia: The Restive Fringe. Melbourne. Cambridge University Press. 1988.
- Sharman C. Representation of Small Parties and Independents in the Senate. //Australian Journal of Political Science. 1999. Vol. 34. No. 3. Pp. 353-361.
- Ward R. The Australian Legend. Melbourne. Oxford University Press. 1958.

Theme 2

Introductory survey of political history. Political parties.

Political history before 1901 and since the foundation of Federation. World War I. The 1920s. The depression years. World War II. Dominance of the Liberal-Country party. The Whitlam Years and after. The Labor decade and beyond. Recent history. Political parties.

Politics of the Australian colonies during the 19th century were set in a framework dictated by the Colonial Office in London. As the nature and extent of the power exercised from London declined, the colonists assumed greater control over their own affairs. At the same time there were considerable changes, both in the nature of political activity in the colonies and in the theory of colonial administration. So by the end of the 19th century what had begun as one of the most repressive administrations in the British system had become a working model of democratic participation. The Australian Colonies Government Act (1850) made allowance for further revision of the colonial constitutions, which took effect in 4 colonies. During the second half of the 19th century the constitutions of the 1850s were severely tested by considerable social and economic changes in the colonies and also by the shift of power from the governor to the parliament. Political parties began to emerge as well as political institutions to embody the evolution of democratic values. Plural voting, the last indicator of property as a measure of political worth, came under attack in most colonies and other measures to encourage participation in politics such as the secret ballot, payment of members and shorter parliamentary terms were adopted. The 1870s and 1880s saw extensive mass unionism, especially among miners and sheep shearers. The Labor party arose in the 1890s whose aim was to influence ministers. Federations tend not to be static structures: either they come back to their component parts in a process of fragmentation, or federal governments expand their role relative to that of component States to the point where federalism gives way to centralism. The Australian experience has been of the latter kind. The new entity 'Commonwealth of Australia' was proclaimed on January 1 in 1901, but in fact six internally self-governing colonies had merely co-operated to establish an internally self-governing colonial federation in which colonies, now called States, surrendered minimum, carefully defined powers to a Federal government located initially in one of their own capitals, Melbourne.

Australian Prime ministers of that period: Edmund Barton (1901-1903, Liberal), Alfred Deakin (1903-1904, Liberal), John Watson (1904-1904, Labor), George Reid (1904-1905, Free Trade), Alfred Deakin (1905-1908, Liberal), Andrew Fisher

(1908-1909, Labor), Alfred Deakin (1909-1910, Liberal), Andrew Fisher (1910-1913, Labor), Joseph Cook (1913-1914, Free Trade).

World War I. 1914-1919. During the war the Federal government had almost complete control over the country. Censorship was introduced, industrial and trading activities were brought under Federal control together with finances. The Federal authority increased. In 1915 the Prime minister A. Fisher resigned and his successor, W. M. Hughes, gave the war effort priority over Labor traditions and even Labor policy arranging two conscription referendums. The result of Australia's experience of war was greater discord within the Labor party. Some Radical Left of the Labor party joined the Communist party in the 1920s. The Centre and the Right became more pragmatic. Australian society was tired of extended blood-letting (60,000 Australians were killed in WWI) and was more divided on faith and class lines. The Australian Prime minister Hughes came to power first in 1915 as the leader of the Labor party and in 1917 as the leader of the Nationalist party. The National Labor and Liberal parties had merged behind Hughes.

Australian Prime ministers of that period: Andrew Fisher (1914-1915, Labor), William Hughes (1915-1917, Labor), William Hughes (1917-1923, National).

The 1920s.

In the 1920s a city-country division came into Australian politics, with the Labor party considered as a city workers' party and the Country party quickly emerging as an anti-labor element in politics (1923) representing agricultural sector. The Bruce-Page coalition government was dedicated to material growth showing pragmatic conservatism.

Australian Prime ministers of that period: Stanley Bruce (1923-1929, National), James Scullin (1929-1932, Labor).

The depression years. The new Labor government was led by J.H.Scullin, who had a hostile Senate dominated by Nationalists. Scullin and Theodore (treasurer) both recognised they could achieve little to fight the depression. The United Australia Party was formed uniting defected Lyons's Labor group and Nationalists. From 1933 the Lyons government embarked on a rearmament programme in response to Japanese expansionism and Italian and German fascism.

Australian Prime ministers of that period: Joseph Lyons (1932-1939, United Australia party), Earle Page (1939-1939, Country party).

World War II .1939-1945.

During the period 1939-1945, the government exercised virtually total control over the country, dictating production planning and directing civilian as well as military manpower. It established a monopoly over the collection of income tax. The Federal authority in Canberra now had the money, the power and whatever the party in office, it held on to it. The Labor Prime minister Curtin turned out to be an admirable war-time leader. He died and was succeeded by Chifley. Despite its successes, the Labor government of 1946-9 faced mounting electoral problems. The public and especially Press grew restive under continuing Government controls, serious strikes in 1948-9 hurt the Government, which had actually to resort to sending troops on to the New South Wales coalfields. And above all, Chifley's determination to get an electoral mandate for bank nationalisation, at a time of Cold War anxiety, frightened the electorate. Meanwhile Menzies was building up a better organised successor to the United Australia party the Liberal party (1944).

Australian Prime ministers of that period: Robert Menzies (1939-1941, United Australia party), Arthur Fadden (1941-1941, Country party), John Curtin (1941-1945, Labor), F.M.Forde (1945-1945, Labor), Joseph Chifley (1945-1949, Labor).

Dominance of the Liberal-Country party.

Under R.G. Menzies, the Liberal opposition rapidly gained cohesion and strength. The result was defeat for Labor in 1949 and the advent of Menzies at the head of a coalition that thrived under him until his retirement in 1966 and lingered on under less able successors until 1972. Full employment was maintained due to the Federal commitment to rapid industrialisation and in spite of demobilisation and a large quota of European refugees. The returning servicemen were rewarded with access to universities instead of poor farming land.

The 1950s and 1960s were decades of international trade boom and decades of prosperity for a trading nation like Australia. Wool, mineral deposits, gas and oil deposits helped the economy. With a population growing rapidly (almost doubled from 1945 to 13,500,000 by 1975) due to keen recruitment of British and European migrants, with full employment, the social mood was optimistic. The Coalition also placed great stress on the American alliance and during the Cold War years of the 1950s this proved to be electorally beneficial.

Australian Prime ministers of that period: Robert Menzies (1949-1966, Liberal), Harold Holt (1966-1967, Liberal), John McEwen (1967-1968, Liberal), John Gorton (1968-1971, Liberal), William McMahon (1971-1972, Liberal).

The Whitlam Years and after. The Labor decade. Gough Whitlam, a thoroughly professional middle-class politician helped the Labor party to modernise its image and policies and equip itself for the electoral triumph of 1972. Whitlam took a leading role in shifting Australia outwards to the rest of the world. He travelled to all of the major powers and retained a central role in foreign affairs throughout the term of his government. The Whitlam government, however, failed to gain a majority in the Senate and in October 1975 the Opposition in the Senate obstructed legislative approval of budget proposals. The Government was not willing to consent. But in November the Governor-General, Sir John Kerr, intervened and took the unprecedented step of dismissing the Government. A Caretaker Ministry was installed under Malcolm Fraser, the Liberal leader, who formed a Coalition government with the Country party. Fraser's Coalition government was defeated by the ALP at a general election in 1983. By 1983, the international economic environment had slumped, and Australian economic indices had moved into recession. Inflation was at a high level and threatening to worsen, productivity was static if not declining, unemployment was high, and these factors hardly provided Fraser with a sound environment for an election. The elevation of R.J.L. Hawke to the Labor leadership was the final problem for the Coalition - his populism, popular support, and his apparent commitment to consensus to replace the confrontation of the past decade were important factors in Labor's winning in 1983. The decade after 1983 was a period of Labor dominance - federally and in the states. There was a shift to the right ideologically in Labor policies combined with a new approach in its industrial wing through the Australian Council of Trade Unions (ACTU). The Government under Hawke, and after 1991 under Keating, were characterised by professionalism, pragmatism, and a rejection of every semblance of socialism. In 1990 the Government initiated a controversial programme of privatisation. It ended almost 100 years of the ALP's stance against private ownership. The proposed reforms were approved by all the states and territories concerning marketing, transport and taxation, with the aim of creating a single national economy from 1992.

Australian Prime ministers of that period: Gough Whitlam (1972-1975, Labor), Malcolm Fraser (1975-1983, Liberal), Robert Hawke (1983-1991, Labor), Paul Keating (1991-1996, Labor).

Recent history. Political parties.

The main political parties in Australia nowadays: Australian Labor Party (founded in 1891), Liberal Party of Australia (1944), National Party of Australia (1923), Australian Democrats (1977), Australian Greens (1992).

In May 1994, John Hewson was replaced as leader of the Liberal party by Alexander Downer, a supporter of the monarchy. Downer was expected to lead the campaign against Paul Keating's proposal that Australia should become a republic by the year 2001. In January 1995, however, Downer resigned. The party leadership was taken over by John Howard, also a monarchist. At the general election held on 2 March 1996 the Liberal-National coalition achieved a decisive victory, securing a total of 94 of the 148 seats in the House of Representatives. The ALP won only 49 seats. In the Senate the minor parties and independent members retained the balance of power. Paul Keating's 'grand visions', connected with the Asianisation of Australia, had clearly been rejected by an electorate more concerned with youth unemployment, a massive deficit, interest rates, health and other 'down to earth' issues. John Howard of the Liberal party became the Prime minister and immediately promised to give priority to the issues of industrial relations, the transfer to partial private ownership of the state telecommunications company, Telstra, and to expanding relations with Asia. The leader of the National party, Tim Fischer, was appointed Deputy Prime minister and minister for Trade. Paul Keating was replaced as leader of the ALP by Kim Beazley.

The Australian Prime minister John Howard won the third term (the first in 1996, the second in 1998) on November 10, 2001. Howard, head of the Liberal party and the Coalition government, won the majority, following his hardline approach to asylum seekers and his Government's commitment to the US-led war on terrorism after the 11 September attacks (the terrorist attacks on the World Trade Centre in New York and the Pentagon in Washington in 2001). He is considered to be an experienced political fighter and before the election of 2001 had taken an unpopular decision by asking Australians to accept a 10% goods and service tax (GST) – including a tax on food and children's clothes. He also had pushed through laws on gun control, aboriginal land ownership, compulsory trade unionism and welfare spending in the face of strong resistance, and was predicted to lose at the election in November. He was born in Sydney in 1939 and later he became a solicitor. He entered politics in 1974 when he ran for the Federal seat of Bennelong, a Sydney suburb, holding this seat ever since. He was the Liberal leader from 1985-1989, and was returned to the leadership in 1995.

The Labor leader Kim Beazley said that his views on asylum seekers did not differ greatly from the Government's, but he argued that the Coalition's failed diplomacy was the reason why so many people were arriving illegally on Australia's shores. Beazley fully supported the Government's decision to deploy 1,550 troops and military hardware in Afghanistan. After the election, Simon Crean replaced Kim Beazley as leader of the Labor party. Crean, like Hawke, is a former President of the ACTU.

Key References:

- Aitkin D. *Political History Since 1901*. //The Australian Encyclopaedia. Pp. 2448-2454.
- Cain F. *Menzies in War and Peace*. Sydney. Allen & Unwin. 1997.
- Capling A., Crozier M. and Considine M. *Australian Politics in the Global Era*. South Melbourne. Longman. 1998.
- Freudenberg G. *A Certain Grandeur: Gough Whitlam in Politics*. Ringwood. Penguin Books Australia Ltd. 1987.

Additional reading material on sites:

http://www.nationalparty.org	(National party)
http://www.alp.org.au	(Labor party)
http://www.democrats.org.au	(Democrats)
http://www.liberal.org.au	(Liberal party)
http://www.green.org.au	(the Greens)
http://www.onenation.com.au	(One Nation party)
http://www.cpa.org.au	(Communist party)

Further reading:

- Beilharz P. *Transforming Labour: Labour Tradition and the Labour Decade in Australia*. Melbourne. Cambridge University Press. 1994.
- Birrel R. *Immigration Control in Australia*. //The Annals of American Academy of Political and Social Science. Strategies for Immigration Control: an International Comparison. July 1994. Vol. 534. London. Pp. 106-117.
- Braithwaite V. and Blamey R. *Consensus, Stability and Meaning in Abstract Social Values*. //Australian Journal of Political Science. Vol. 33. No. 3. 1998. Pp. 363-380.
- Brown D. *The Politics of Reconstructing National Identity: A Corporatist Approach*. //Australian Journal of Political Science. Vol. 32. No. 2. 1997. Australiasian Political Studies association. Pp. 225-269.
- Carney S. *Australia in Accord: Politics and Industrial Relations Under the Hawke Government*. Melbourne. Macmillan. 1988.
- Department of Immigration, Local Government and Ethnic Affairs *Instruction Manual. Grant of Residence Status*. No. 10. 1988. Australia, Department of Immigration and Ethnic Affairs.
- Headey B. and Muller D. *Policy Agendas of the Poor, the Public and Elites: a Test of Bachrach and Baratz*. //Australian Journal of Political Science. Vol. 31. No.3. Pp. 347-367. 1996.
- Higgot R. and Nossal K. *The International Politics of Liminality: Relocating Australia in the Asia Pacific*. //Australian Journal of Political Science. 1997. Vol. 32. No. 2. Pp. 169-185.

Theme 3

Foreign policy. History and foreign policy. Politics of foreign policy. Bureaucratic politics and foreign policy.

History and foreign policy. *External and internal factors. The search for a collective security. Economy. Popular identity.*

Politics of Foreign Policy. *The executive government and foreign policy. Political parties and changes of government. Parliament and parliamentarians. Interest groups and ideological concerns. Public opinion and popular concerns. Information and the media. The changing context of foreign policy making. Treaties and international obligations. Human rights and national policy.*

Bureaucratic politics and foreign policy. *The policy-making environment. The evolution of the Department of Foreign Affairs and Trade. Amalgamation: structure and staffing.*

History and foreign policy.

External and internal factors. The end of the Cold War presented Australia with major challenges to its external interests.

The post-war hegemonic role of the United States in the Asia-Pacific was in relative decline and its future regional commitments remain uncertain. At the same time, the influence of the major East Asian states, China and Japan, was rising. These changes to the regional balance were potentially isolating for Australia.

The Australian economy of the 1980s was in relative decline facing the prospect of increasing marginalisation. The long-term decline of commodity prices was undermining the traditional foundation of Australia's prosperity, and this is still reflected in the value of the Australian dollar against other major world currencies. At the same time, global economic integration was intensifying international competition which, in turn, put greater pressure on highly protected domestic industries. In all, these external developments called for far-reaching domestic reforms to make the economy more open and export oriented. The emerging international order opened new opportunities to middle-sized powers such as Australia. It became less constrained by its traditional ties to the West but at the same time it became more threatened with the prospects of greater isolation. Australia adjusted to its new circumstances by becoming more diplomatically proactive and by building a more interdependent relationship with its Asian neighbours.

To consider Australian foreign policy one should take into account a combination of external and internal factors.

External factors include the structure and institutions of the international system as well as broad developments such as the end of the Cold War and the growth in international trade and communications.

Internal factors include geographical circumstances, historic experience, social values and political processes, the policies of the government, the role of ministers and their departments, the bureaucracy, the platforms of political parties, the workings of the parliament, the activities of interest groups and the media as well as public opinion.

The search for collective security. The association with Britain was far more than an alliance for security - it was Australia's assertion of identity. A powerful school of thought in Australian political life insisted that foreign policy was a matter for the British Empire (and later the British Commonwealth) as a single unit in international affairs. It was against adopting foreign policies of their own, by the Empire's component parts because it would create divisions and weaknesses of which the Empire's enemies could take advantage. With a unified foreign policy, the military and diplomatic strength of the whole British Empire would be available to defend Australia's interests. Besides, Australians could save themselves the expense of the infrastructure required to operate a foreign policy by using the institutions already created by the British government in London.

After the middle of the 20th century the British Empire ceased to be the dominant feature of the Australian foreign policy, but many of the old attitudes and habits persisted.

From the outbreak of the Korean War in 1950 to the end of the Vietnam War in 1975, Australia's main concern was the Cold War, with the perceived threat coming from Asian Communism. Australians identified themselves as part of the Western alliance, led by the USA. Many of these attitudes can be seen after the end of the Cold War in the way the Australian people and their political leaders approach foreign policy issues. But at the same time Australia began to regard itself as a part of a wider and looser grouping of democratic countries. This was most evident in the Gulf War of 1990-91, when Australia joined the coalition of nations that forced Iraq to abandon its attempt to take over Kuwait. The coalition was led by the US, but this time it acted under a UN mandate.

Australians took the view that as Australia was an isolated country, it couldn't afford isolationist attitudes. Most Australian governments have been instinctive supporters of the principle of collective security.

And as Australia has to contribute to the security demands of the collective, it

doesn't matter if it is the British Empire or the Western alliance led by the US or a coalition of democratic countries under the UN mandate.

As for political and military security, there has been a large degree of convergence between the major parties with apparent support from the electorate, that Australia must aim both to preserve traditional alliance relationships and to increase its capacity for self-reliance.

Economy. Australia's determination to identify itself with distant parts of the world rather than with its own region was reinforced by economic considerations. For most of its history, Australia was a part of the British Empire economically as well as politically. Australia exported its primary products – wheat, wool, meat and the rest – to Britain and other parts of the Empire, while importing manufactured goods from Britain. But in the mid-1960s, about 44% of private overseas investment in Australia came from the US and Canada which was equal to that from Britain. But the economic relationship with the USA didn't turn out to be as easy as that with Britain. In many commercial areas the USA and Australia were more competitors than natural partners.

Traditions of immigration and identity, of military security, of political and diplomatic association, and of trade and investment all reinforced a distinctive view of the world in which Australians saw themselves as an isolated nation in the Asia-Pacific region. But Australia's policy-makers understood the importance of Australia's involvement in the Asia-Pacific region and insisted that the British or American policy-makers should take into account the sensitive issues that the Asia-Pacific region posed for Australia.

In 1934 J.G. Latham, the Minister for External Affairs in a non-Labor government, led what was called the Australian Eastern Mission. With both trade and political objectives Latham visited Japan, Hong Kong and the Philippines. On becoming the Prime minister in 1939 Robert Menzies declared on his first day in office that the region Europeans called the Far East was to Australia the Near North. He also gave notice that Australia would for the first time send diplomatic missions to foreign capitals around the Pacific.

In 1957 Australia signed a trade treaty with Japan which opened the way for the growth of Australia's trade with Asia.

In the economic field, there is now bipartisan agreement that Australia's future prosperity is largely dependent upon engagement with the rapidly growing Asia-Pacific region. The Howard government has continued Bob Hawke's and Paul Keating's policy of placing an emphasis and faith in the Asia-Pacific Economic Cooperation organization (APEC).

Popular identity. Until well into the 20th century, Australians liked to proclaim that they were *98% British*. This was an exaggeration. Australia had always had significant non-British and even non-European minorities (Aboriginals were not counted in the official census before a constitutional change approved in 1967). But these non-British and non-European minorities had little impact on the majority's sense of identity. Australians were proud to present themselves as a British nation in the southern hemisphere. Institutions in many fields of Australian life were modelled on their British counterparts. The beginning of large-scale migration from continental Europe after World War II modified rather than changed this attitude. Australians began to think of themselves as a *European nation* but many traditional attitudes were reinforced. Substantial immigration from Asia is a recent phenomenon after the Vietnam War, and some Australians are reluctant to accept it.

The government policy of *multicultural identity* caused an argument in the Australian society. The articles appeared to prove that Australians had the British heritage and the future should be based upon it. A well-known historian, Professor Geoffrey Blainey, expressed the opinion opposite to the official policy of multiculturalism and increasing proportion of immigrants from Asia and countries of the Third world. He warned that Australia should be one nation and not a cluster of tribes and that a multicultural or multiracial society could be fine in theory but such societies were hazardous. His description of an Australian shows the shift from the British identity to the European identity.

In Samuel Huntington's (an American political scientist) terms, Australia is a torn country, because neither political nor public consensus exists in Australia for de-Westernisation, and because Asians will not accept a unilateral declaration from Australia of its Asianisation. He points out that there is a gap between Australia's Asian rhetoric and its Western reality.

Geert Hofstede analysing cultural differences of the countries claims that it is possible to predict the behaviour of the nation on different levels, politics included. All societies, modern or traditional, face the same basic problems; only the answers differ. How a society tries to solve the problems of inequality can be measured with the help of the *Power (authority) distance index*.

Hofstede gives indices to 50 countries in 3 regions. The highest belongs to Malaysia - 104, the lowest to Austria - 11. The USA - 40; the UK - 35; Australia - 36; the Philippines - 94; Indonesia - 78; Singapore - 74; Hong Kong - 68; Thailand - 64; South Korea - 60; Taiwan - 58; Japan - 54; New Zealand - 22.

The Individualism index shows the role of the individual versus the role of the group, relationship between the individual and the group. The higher the index the more individualistic the country is.

The USA - 91, Guatemala - 6, the UK - 89, Australia - 90, New Zealand - 79, Japan - 46, the Philippines - 32, Malaysia - 26, Hong Kong - 25, Singapore - 20, Thailand - 20, South Korea - 18, Taiwan - 17, Indonesia - 14.

Masculinity index is connected with the social implications of having been born as a boy or a girl (masculinity versus femininity) and shows if it is a masculine culture country striving for a performance society or a feminine country striving for a welfare society.

Japan - 95, Sweden - 5, The USA - 62, Great Britain - 66, Australia - 61, the Philippines - 64, New Zealand - 58, Hong Kong - 57, Malaysia - 50, Singapore - 48, Indonesia - 46, Taiwan - 45, South Korea - 39, Thailand - 34.

Uncertainty avoidance index helps to predict the ways of dealing with uncertainty, relating to the control of aggression and the expression of emotions.

Greece - 112, Singapore - 8, the USA - 46, the UK - 35, Australia - 51, Japan - 92, South Korea - 85, Taiwan - 69, Thailand - 64, New Zealand - 49, the Philippines - 44, Malaysia - 36, Hong Kong - 29.

Long-term orientation index is connected with Confucian dynamism. Countries with long-orientation have the following values: persistence (perseverance), thrift, ordering relationships by status and observing this order, having a sense of shame. China - 118, Pakistan - 0, the USA - 29, Great Britain - 25, Australia - 31, Hong Kong - 96, Taiwan - 87, Japan - 80, South Korea - 75, Thailand - 56, Singapore - 48, New Zealand - 30, the Philippines - 19.

The indices point out the western values of Australian society in comparison with Asian ones.

Politics of Foreign Policy.

Controversy over foreign policy has long been a feature of Australian politics. There was no Foreign Office and external policy was largely in the hands of London in 1901, when the Federation was formed, but vigorous debates took place about foreign policy in Australia. Free traders competed with protectionists. In World War I the nation became divided over conscription in two bitterly fought referendums. For decades 'imperialists' who sought security in the British Empire argued with 'nationalists' who believed Australia should take care of its own defence. After 1945 the scale and scope of immigration became a contentious

issue, as did Australia's participation in the Vietnam War. The value of the alliance with the USA was also questioned. Australians can agree on the protection of national territory and their political independence but will debate if this is best pursued by an alliance with powerful friends or by greater self-reliance in defence. Australia's foreign policy has never had a major impact on world events. In the domestic setting the Government is relatively powerful – it can tax its citizens and pass legislation that the courts and police must enforce. A nation like Australia with a small population, a middle-ranking economy and a modest military capacity can expect only limited results from its foreign policy. Like other middle-sized powers, Australia must for the most part work indirectly and cooperatively.

Political parties and changes of government. A party out of office finds it difficult to make informed criticism of external policy since it lacks access to confidential diplomatic negotiations and up to date information. A *fait accompli* in foreign policy is hard to criticise. For example, the security treaty with Indonesia was announced in December 1995 without prior public discussion. Besides, there is a tendency for the major parties to seek the middle ground, which helps to decrease their policy differences. In the 1996 election the foreign affairs and defence platforms of the Coalition didn't differ greatly from their rivals' platforms. The new minister for Foreign Affairs, Alexander Downer, has tried to do his best, promoting links with Asia and economic and security cooperation in the region. While putting more emphasis on bilateral relations with Asian states (including business and private links), as well as relations with North America and Europe, the new Government has, according to Mr. Downer, continued the previous Government's work. Defence policy, despite some differences of detail, likewise shows no sign of undergoing great change.

Parliament and parliamentarians. The Parliament is restricted in its opportunities for debate. Each year the House sits only 60-70 days on average and the Senate a week or two longer. From time to time ministers make statements on external policy, which may be followed by debate. Parliament may be recalled if it is necessary to take major decisions.

The Parliament is mainly busy with domestic concerns when passing legislation and taking every opportunity to score more points against the opposition. There are few matters relating to foreign affairs and defence that require legislation. If new laws are required, they don't cause controversy as a rule, because the changes are mainly of a technical nature. However, the Parliamentary debates can produce an indirect influence upon foreign policy. Question Time in Parliament is some-

times used to reveal information and stimulate discussion on external policy. It can be regarded as a form of debate. In particular, questions without notice, are used to criticise and in some cases embarrass ministers, by demonstrating their lack of mastery over their portfolio. The most important contribution for parliamentary consideration of external policy is made by the committee system. The most active committee is the Joint Standing Committee on Foreign Affairs, Defence and Trade, which has three subcommittees respectively.

Interest groups and ideological concerns. The most active interest groups in external policy belong to three main categories: economic, ethnic and ideological. The most influential are groups connected with industry and trade. Many businesses and producers are interested in such matters as the level of import duties, granting of export licences, export incentive scheme, airline operations and so on. They protest against foreign governments dumping goods in Australia, and against the invasion of Australia's traditional markets. They demand that the Government reduces export subsidies paid by other countries. But these questions take on a high political profile only when disputes break out with other countries.

Ethnically based groups usually promote the interests of their particular community. They may lobby the Government on such matters as double taxation, the transferability of pensions or migration. The most difficult groups for the Government to handle are groups that seek Government action to protect the interests of particular communities overseas such as the East Timorese or Bougainvilleans, who are said to be suffering at the hands of their own governments.

Ideological interest groups usually promote principles that have universal application such as human rights, civil and political rights, democracy, humanitarianism and environmentalism. These causes are formally supported by the Australian government. But it often has to explain to such groups how it can happen that while promoting these causes in general the Government is unable to demonstrate any tangible results.

In order to influence the Government, interest groups use a wide range of strategies. They develop contacts with ministers, bureaucrats and parliamentarians. They make formal submissions to the Government, advisory bodies, parliamentary committees and so on. Sometimes these groups, especially those representing economic interests, are well organised and well funded, and may employ professional lobbyists to develop good relations with ministers and the public service. But these interest groups' activities help the Government to become aware of new developments so it has a chance to influence public opinion. Other groups choose

to work through public opinion and the media, especially those promoting ideological causes.

Public opinion and popular concerns. It is estimated that only about 5-10 per cent of the adult population take a serious and sustained interest in foreign affairs, defence or trade matters. It is quite seldom, in peacetime, for public opinion to be so vociferous over external policy that governments are forced to take notice of it. For example, France's initiation of a series of nuclear tests in the South Pacific in 1995 was one such occasion. Though the Foreign minister at that time, Gareth Evans, expressed disapproval of the French tests, he tried to convince Australians to take the longer view, saying that once the series of tests was completed, France would support a comprehensive test ban. This approach was widely rejected by the community. Public opposition became widespread, and even sales of French wine decreased. The Government's policy had to shift to the opposition's viewpoint. This may have helped to persuade France to reduce the number of planned tests from eight to six. In general, public opinion hardly influences foreign policy, but sets outer limits beyond which a government will not venture if it wants to stay in office or remain popular. However, the limits are not necessarily fixed and unambiguous. For example, Australia entered the conflict in Vietnam with strong support but the failure of the war caused the bulk of opinion to turn against participation.

Information and the media. There are numerous sources of information for those who take an interest in external policy. Government departments provide much detailed information, most of which is factual rather than mere propaganda. Organizations such as the Australian Institute are responsible for providing most information about external affairs to the public at large. International Affairs and the United Nations Association publish journals and newsletters, hold conferences and public lectures, often assisted by the Government funding. Academics contribute to public discussion of external issues, as occasionally do retired diplomats and military officers from time to time. There are public libraries and the Internet in addition to post-graduate and undergraduate courses. But it is the mass media - television, radio and newsprint - which have the greatest influence.

The Australian media have expanded their coverage of overseas news in recent years. The ABC and Radio Australia specialise in foreign affairs. International economic issues receive more serious and sustained attention.

Some foreign policy initiatives can be sold by active persuasion on the part of the government, particularly if aided by the media.

The changing context of foreign policy making. Globalisation is well under way in fields as diverse as production and trade, science and communications, sport and tourism. It is difficult to follow the convenient distinction between internal and international politics nowadays. The states and international organisations began to espouse universal principles more vigorously in such matters as human rights, democracy and the environment. Exclusive control by governments of their own internal affairs is being challenged. Australia is subject to these trends as well, especially in such sensitive areas as the growing importance of international treaties and the campaign for human rights.

Treaties and international obligations. International treaties and conventions bring Australia into line with international values. But state governments have complained that federal use of the external affairs power for 'internal' purposes is unconstitutional. Any topic can potentially become the subject of an international treaty and thereby can fall within federal purview contrary to the intentions of the Constitution. States have also pointed out that they have not been consulted over new international treaty obligations. The power has also come under fire for its apparent undermining of Australian sovereignty. The nation, some argue, is steadily losing its power of independent decision as universal rules are applied to more and more activities within the country.

Human rights and national policy. The concern of numerous groups for human rights in Australia focuses not only on obvious cases of genocide and violent repression but on the rights of oppressed groups, political prisoners, employees and women in different countries. These groups are supported by ethnic groups and non-government organisations, by parliamentarians and ordinary citizens. Amnesty International, for example, is particularly active in keeping the fate of political prisoners in other countries in the forefront of public attention.

Active promotion of human rights has other policy consequences. The more Australia lectures other countries on human rights, the more others criticize it. Malaysia, for example, has always taken the opportunity to point out Australia's questionable treatment of the Aboriginal population.

Australia's immigration policy is also under scrutiny. Illegal migrants, supported by various groups in Australia, claim that their treatment has not always been in accord with international conventions on human rights.

The distinction between internal and international politics has diminished as they become more intertwined.

It is caused by three interrelated developments: the advancement of universal

values and standards, the creation of international and regional regimes to manage specific problems, and the emergence of political activity on a transnational basis.

Universal values and standards relating to human rights and democracy are widely proclaimed though not always observed. But governments that claim adherence to such principles open themselves to pressures from both within and from outside.

Global and regional regimes – sets of internationally agreed rules – are developing to deal with problems of common concern to governments. These range from the proliferation of weapons of mass destruction to the spread of AIDS, from protection of the world's environment to dealing with international criminal activities. Such problems cannot be dealt with by one state in isolation. In many cases regional action is more effective. Australia, for example, is employing its military and police forces more and more to handle problems such as illegal migration, piracy, drug running in cooperation with the forces of regional neighbours.

The consequence of these developments will be connected with the growth of political activity within Australia and with other countries. Groups interested in human rights are going to expand their cooperation across international borders trying to make use of relevant international regimes. The same will occur in respect of the environment and other global concerns.

Bureaucratic politics and foreign policy.

In Australia the formulation and implementation of foreign policy is under the influence of the political executive whose role and influence has long been supported and shaped by agencies of the Government, which collectively may be called Australia's foreign policy bureaucracy. For several decades after the Federation, the size of this bureaucracy was very small because of Australia's limited role in international affairs at that time. Australia had little need for either a foreign service or a large policy-making organization. Only in 1935 a permanent department of External Affairs was established to manage Australia's foreign relations. After World War II, as Australia's international identity began to develop, Canberra began to take a more active role in the international system. The Department of Foreign Affairs and Trade (DFAT) is now the most important agency in Australia's foreign policy bureaucracy. It continues to share its policy-making role with a large number of other agencies. The level of their influence changes depending on time and circumstances, but in recent years the important players, in addition to DFAT, have been the Departments of Defence, the Prime minister and Cabinet, the Departments of Immigration, Primary Industries, Treasury, Environment and Education, among others. Each of them has its own administrative man-

date and distinctive departmental culture and sometimes their interests have clashed, threatening both the coherence of the policy-making process and the quality of the decisions. That has been a major challenge for the Government.

Key References:

Australian Foreign Policy. Into the New Millennium. Ed. Mediansky F. South Melbourne. Macmillan Education Australia Pty Ltd. 1997.

Edwards R.G. Prime Ministers and Diplomats: The Making of Australian Foreign Policy 1901-1949. Melbourne. Oxford University Press. 1983.

Evans G., Grant B. Australia's Foreign Relations. Melbourne. Melbourne University Press. 1995.

Seeking Asia Engagement. Australia in World Affairs. 1991-1995. Eds. James Cotton and John Ravenhill. Melbourne. Oxford University Press. 1997.

Further reading:

Albinski H. Responding to Asia-Pacific Human Rights issues: Implications for Australian-American Relations. // *Australian Journal of International Affairs* 50 (1). April. 1996.

Australian Foreign Policy. Ed. Clark C. Melbourne. Cassel. 1973.

Bell C. *Dependent Ally: A Study in Australian Foreign Policy.* Melbourne. Oxford University Press. 1988.

Cheeseman G. *The Search for Self-Reliance: Australian Defence Since Vietnam.* Melbourne. Longman Cheshire. 1993.

Cumes J.W.C. *A Bunch of Amateurs, The Tragedy of Government and Administration in Australia.* Melbourne. Yarra Books. 1988.

Evans G. and Grant B. *Australia's Foreign Relations in the World of the 1990s.* Melbourne. Melbourne University Press. 1995.

Huntington S. The Clash of Civilizations? // *Foreign Affairs*, 73:3, Summer 1993. Pp. 42-5.

Hofstede G. *Culture and Organizations. Software of the Mind.* London. McGraw-Hill Company. 1992.

Keman H. Political Stability in Divided Societies. A Rational-Institutional Explanation. // *Australian Journal of Political Science.* Vol. 34. No. 2. 1999. Pp. 249-268.

Lijphart A. Australian Democracy: Modifying Majoritarianism. // *Australian Journal of Political Science.* 1997. Vol. 34. No.3. Pp. 313-326.

Leithner C. Electoral Nationalisation, Dealignment and Realignment: Australia and the US, 1900-88. // *Australian Journal of Political Science.* Vol. 32. No. 2. 1997. Pp. 205-222.

Matheson C. Rationality and Decision-making in Australian Federal Government. // *Australian Journal of Political Science.* 1998. Vol. 33. No.1. Pp. 57-72.

Mulgan R. The Australian Senate as the House of Review. // *Australian Journal of Political Science.* 1996. Vol. 31. No. 2. Pp. 191-204.

Theme 4

Asia Pacific Basin since 1941

History of the Asia Pacific Basin. Introduction.

1945 – 1960.

Reconstructing Japan. SCAP's reform established on Australian advice. The Cold War comes to East Asia. Colonial remnants in China: Macau and Hong Kong. China, the USA and Taiwan. Dividing Korea. Australia's refusal to participate in the observation of the elections in Korea. Struggle for independence in Indonesia. Australian occupying forces allow the Dutch to resume the control. The opposition in the UN led by Australia and India after the 'police action' by the Dutch. The Huk rebellion in the Philippines. Suppression of rebellion in the Philippines. Outbreak of insurrection in Malaya. Defeating insurgency in Malaya. Australian participation. The Korean War. Australian battalion sent to Korea. Repercussions of the Korean War. Australia's joining SEATO.

1961 - 1979.

Confrontation and Cooperation in East and Southeast Asia (1961-1968). American administrations and Vietnam. The Vietnam War. Allied forces from South Korea, Thailand, the Philippines, Australia and New Zealand. Indonesia and Irian Jaya. Australian government's unwillingness to join the Dutch in a war with Indonesia without US or British support. Confrontation, a military campaign against Malaysia by Indonesia. Australian troops, along with British, Gurkha and Malaya go into action against Indonesian army units. Détente, disengagement and invasion in East and Southeast Asia (1969-1979). Indonesia's invasion of East Timor. Australia, its nearest neighbour, doesn't prevent Indonesia from annexing the territory.

Independence for some Pacific islands. 1945-1980.

Postwar reconstruction and islander aspirations to 1949. Australian mandated territory of New Guinea. 'Cargo cults'. Slow Polynesian roads to independence. Nauruans against heavily paternalistic Australian rule. The monopolistic Australia in Fiji. Pushing independence for Papua New Guinea. Post-war opposition to returning Australians on the island of Buka. Independence for the Solomon islands and Vanuatu. The Australian-based Presbyterian mission's predominant influence over the islanders in Vanuatu. The Pacific Forum. Independent Pacific Island States. Papua New Guinea, Fiji, Tonga, Samoa, Nauru. Australian aid to the Pacific Islands.

Conflicts and coups in the islands since 1980.

Coups in Fiji and their consequences. Australian and New Zealand's negative reaction. Australian and New Zealand unions placing bans on ships travelling to Fiji.

Papua New Guinea's facing its own violent problems during the 1980s. New Caledonia. Other Pacific nations and the French presence in the Pacific. Opposition to French nuclear tests. Australia's attitude towards the USA and New Zealand's conflict over the visit of nuclear-armed US ships to New Zealand. The ANZUS treaty. The US and the Pacific Islands. Australia, Indonesia and the islands. Canberra tries to retain good relations with its potentially powerful Southeast Asian neighbour, Indonesia, and refrains from any support for guerrillas in East Timor and Irian Jaya.

Introduction.

The Asia Pacific Basin by the 1990s had undergone a dramatic transformation since 1945. From a region devastated by the Pacific War, with European powers attempting to revive colonial empires, and with Japan crushed by defeat and under military occupation, the Asia Pacific Basin in the 1990s became the region of the greatest economic activity in the world. Japan recovered and became an economic rival of the US. Two of Japan's former colonies, South Korea and Taiwan, and two island states of the old British Empire, Singapore and Hong Kong, turned into 'little dragons' with booming industrialized economies. Other Southeast Asian countries, especially Malaysia and Thailand, were following their industrializing path. Indonesia, China, and Mexico on the other side of the Pacific Basin were showing signs of future great potential economic growth. A new potentially powerful area of free trade was being created in North America. There was a new drive for more economic unity in the ASEAN (Association of South East Asian Nations) states in the face of the development and success of the economic union in Europe. But wider economic unity in the Pacific Basin was still to be worked out. A new era of peace began with the end of the Cold War, an agreement in Cambodia and even the potential end of two of the worst Latin American conflicts in El Salvador and Nicaragua. But there were continuing violent conflicts in the Pacific islands and in Latin America.

Many of the events in the Pacific Basin were influenced by the *contest between the superpowers, the US and the USSR*. Important consequences of the Cold War were the restructuring of Japan to serve the US interests, the freezing of relations between the US and China, the partition of Korea and the Korean War, the division of Vietnam and the long Vietnam War, the survival of US and French coloni-

alism in the Pacific Islands and US support for right wing governments in Latin America. The Cold War also induced Russian support for North Korea, froze relations between the USSR and Japan and encouraged Soviet support for newly independent nations in Southeast Asia, especially North Vietnam. The growing split between the Soviet Union and China caused a competition between them. The Soviet-China split, as well as the experience of the Korean War, removed the danger of any new war between those major Pacific Basin powers by the end of the 1960s. Postwar Pacific Basin conflicts never grew into wider wars.

As for *political ideology* it was very diverse in the Pacific Basin. Communism was a greater and more growing force than in Europe, though it also displayed less unity with communists killing each other, especially in the post Vietnam conflicts in Indochina. Even with the collapse of Communism in the former Soviet Union, it has survived in China, is alive in North Korea and remains dominant in Indochina. Also in 1991 there were still surviving major Marxist insurrections in the Philippines, Peru and Guatemala. The democratic ideology, so promoted by the US, had spread to more Latin American states by 1991 with Chile and Panama returning to the democratic countries, but it was having a shaky time in Peru, Guatemala and Colombia. Fiji's experience demonstrated the frailty of democracy in the island, where cultural influences mutated democratic institutions, as in West Samoa and Tonga.

In Asia, Malaysia, Singapore and Japan were democracies that were dominated by one political party, and in Singapore and Malaysia with restrictions on free speech. In South Korea there were new trends to a more open political system. Democracy was revived in the Philippines, though threatened by military coup attempts. In Thailand military rule was compromised by democratic pressures. In Taiwan and Hong Kong there were developments towards greater democracy, which were not pleasing China. The military regime in Indonesia showed no signs of relaxing its political control.

Another trend in the postwar Pacific Basin was *indigenous nationalism*. French and Dutch attempts to restore their colonial empires in Southeast Asia unleashed nationalist revolutions, whose outcomes were influenced by the Cold War. The defeat of communism in Indonesia gained US support for the revolution there, while spreading communism led to the US in opposing nationalism in Vietnam. The easy achievements of independence in the Philippines helped to defeat a communist revolution, but the dominance of the socio-economic elite bequeathed further revolutionary violence to that republic. Malay nationalism was a factor in the defeat of the Chinese-based revolution in Malaya. The earlier British colonial policy of improving immigrant labour forces to protect indigenous communities created conditions for

the Malayan Emergency and also for the later military coups in Fiji.

In the Pacific the *cultural diversity* of islanders and prewar paternalistic colonialism delayed independence movements in most island groups. The absence of major economic resources in the islands also encouraged a generally non-violent transference of colonial power in the British and Australian territories. There was even significant British and Australian pressure on islanders to become independent. It was done in the interests of shedding economic burdens and avoiding UN criticism. However, the strategic interests of the US in the North Pacific and France's world power pretensions by the 1980s were provoking violence in territories still under their control. And later the legacy of colonial boundaries began to produce violent conflicts in regions of ethnic diversity, as Indonesia discovered after seizing power in East Timor and Irian Jaya, and as Papua New Guinea has experienced recently in Bougainville. The Pacific Basin region is not as united as is the North Atlantic community. Religious, cultural and linguistic diversities in the Pacific are much greater. The Christian background of the North Atlantic nations is shared in the Pacific Basin with the other great religions of Islam and Buddhism, the philosophy of Confucianism and a number of lesser non-Christian religions. The Asian and Pacific Island languages have far less common roots than those of Western Europe.

The Cold War in the Pacific Basin also encouraged the revival of the *Japanese economic empire*. Due to the 'reverse course' of American policies and its use as an arsenal during the Korean War, the trade-driven Japanese economy was booming by the 1960s. In East and Southeast Asia the little dragons received major benefits from Japanese investment and trade, and later Japan began to finance emerging industrial countries of Southeast Asia and Latin America. But there were potential problems for the future given the Japanese reluctance to share advanced technology. And the growing trade imbalance with the US engendered commercial conflict between the two strategic allies who had lost the closeness afforded by the Cold War. Though the conflict in the Pacific Basin was greatly influenced by the Cold War, there were economic and national forces at work which might create future violent struggles in the region.

Economically, the *NICs* (newly industrializing countries) and ASEAN states competed much more with each other than did the states of Western Europe, as a low level of trade showed. By 1991 another source of unity in the Pacific, the US-led defence alliance system, was starting to lose its strength with the end of the Cold War. This gave Philippine nationalists the courage to evict US military bases, and caused the ASEAN countries to become more concerned about their own defence.

This new strategic environment made Taiwan, South Korea and Japan less valuable allies of the US.

1945-1960

The Pacific Basin is defined as the group of countries on the rim of the Pacific Ocean and its subsidiary seas and the islands within those waters. But the geographic division is rather difficult to follow while considering political issues in this part of the world due to great differences in the development of the countries or their involvement into certain political processes. That's why this geographic division and thus the definition of the Pacific Basin is sometimes arbitrary in nature.

Before 1941, East and Southeast Asia had been dominated by such powers as Britain, France, the Netherlands, Japan and the United States. Japan forced these nations out of their Pacific Basin colonies during the Second World War, which stimulated indigenous nationalist groups to struggle for independence. Some of them sought the help of Japan to gain independence, others were assisted by the countries who fought against Japan. As a result, the situation in East and Southeast Asia after Japan's surrender in 1945 was rather complex.

Control of detailed planning and implementation of policies for Japan's future was left to an American army general, Douglas MacArthur. MacArthur became the Supreme Commander of the Allied Powers (SCAP) in Japan. Radical clauses were introduced into Japanese constitution of 1947. SCAP's reforms also concerned the land. All land held by absentee landlords and other property above ten acres was bought by the government and sold to tenant farmers on easy credit terms. This reform was established on Australian advice to break the power of Japanese landlords and to prevent radical revolution on the part of poor tenant farmers.

By 1949 the Pacific Basin had been dramatically reshaped since 1945. Asian nationalism had made a significant gain in Indonesia and in the Philippines but faced French intransigence in Indochina. The outbreak of the Cold War made western powers resist independence movements in Vietnam and Malaya and Asian nationalism in its turn resulted in Korea's division. The UN Temporary Commission on Korea (UNTCOK), with delegates from eight countries could operate only in the South and was constrained in its freedom of observation during the election in 1948. The delegates from Australia, Canada and Syria refused to participate in such observation. Thus unscrupulous and dictatorial Syngman Rhee became the president of the Republic of South Korea (ROK). Both the USA and the USSR

withdrew their armies from the South and from the North respectively by the middle of 1949.

The Communist victory in China made future prospects of western countries worse in this region. But China made no moves to take over Portuguese Macau and British Hong Kong though there was no military reason for such Chinese restraint. Beijing only made it clear that it would require correction in the future.

A growing escalation of violent incidents in 1948 organised by members of Malayan Races Liberation Army (MRLA) resulted in the British Administration declaring a state of Emergency. Initially British force to combat the insurgents consisted of 9,000 Malay police and ten infantry battalions, seven of them Gurkhas and three British. They were soon supported by army reinforcements. Regulations were passed giving the administration powers of arrest and control of transport and food distribution.

The USA changed its policy from a primary concern about halting the advance of communism in Europe into a decision to start lending its support to the anti-communist cause in the Asia Pacific Basin. This reconsideration of the policy by the USA slowed down the process of socio-economic reforms in Japan.

Frightened by communist expansion in the Pacific Basin, the USA pressed Holland to grant anti-communist Republic of Indonesia its independence and to allocate financial support for the campaign against the Huk rebellion. The USA was ready to be financially involved in France's struggle in Vietnam. Holland did not receive American support for a desperate struggle to crush a nationalist rebellion in the Netherlands East Indies (NEI) when Indonesian nationalists had taken the opportunity to exploit the sudden vacuum created by the Japanese surrender in 1945. Sukarno's focus (the chairman of the Indonesian Nationalist party) was independence from the Dutch rule. But the Netherlands plans to establish in Australia an armed force of sufficient strength to reoccupy the NEI failed. The NEI government in exile was located in Australia. In 1946 admiral Louis Mountbatten, the commander of SEAC (South East Asia Command), withdrew and handed over the control that SEAC had achieved in Java and Sumatra to Holland. And in Eastern Indonesia, Australian occupying forces quickly allowed the Dutch to resume control. In 1947 the Netherlands government decided to use the 100,000 troops in a so-called 'police action', which was launched on 20 July 1947, and which was a major military thrust from the Dutch centres on Java. These advances succeeded in capturing all of Java's sea ports and Sumatra plantations and oil and coal installations. The 'police action', however, aroused strong opposition in the UN led by newly independent India and also by Australia, where the Labor government moved from its initial support for the restoration of the Dutch rule in Indonesia to advocacy of a negotiated solution, which Holland had rejected. The American objectives in this part of the Pacific Basin were mixed. It was the promotion of 'Open

Door' economic imperialism first of all which was the reason why the USA welcomed the Indonesian Republic, which pledged to protect foreign investment and forced the independent Philippines to assist in the expansion of American capital there. Besides, the American foreign policy decision makers such as Truman, Kennan and Acheson, shared the view that American ideas and values were good for other countries. It was demonstrated by the planning for the occupation of Japan and by opposition to the corruption and elitism of Chiang Kai-Shek.

Postwar US foreign policy was influenced by a 'realist' approach and assessment of American power and security influences. Thus the USA conceded control of Manchuria to the USSR. Then it handed over the responsibility for Southeast Asia to SEAC (South East Asia Command) and then it withdrew from Korea in 1949.

In 1950 in the Pacific Basin the USA faced a major communist advance in Korea, an increasingly difficult French struggle to suppress the communist-led insurgency in Vietnam and the growing Huk rebellion in the Philippines.

The British Government also was combating an increasingly militant communist insurgency in Malaya. It was a more difficult task to defeat the insurgency in Malaya than the Huks in the Philippines because of more jungle-covered and mountainous terrain, and besides the MRLA were more disciplined than the Huks, with the assistance in 1951 of some Chinese army officers. To combat fewer than 6,000 guerrillas, 40,500 overseas troops were used in 1952, made up of seven British, seven Gurkhas, one African and one Fijian battalion, which were joined in 1955 by one from Australia. Only by 1960 the MRLA, or what was left of it, was driven to the Thai border area, with the help of the Malayan government.

The major events in the 50s in the Asia Pacific Basin were connected with the attempts to suppress the rebellions, with the US moves to contain Communist China, with Japan's involvement in the US anti-communist defence network and wider influences of the Korean War on the Pacific Basin.

By 1960 the Pacific Basin had become a major battleground in the Cold War between the communist world, which was still expanding in size in the Pacific Basin, with the USA heading the anti-communist coalition.

The Korean War gave the impetus for a peace treaty with Japan and a boost to the Japanese economy with beneficial consequences of extra wealth and independence granted to Malaya and Singapore for defeating the Communist insurgency there. Japan became the major bastion for American power in East Asia. British military power remained in the region to protect its former colonies and Hong

Kong, its outpost in East Asia. France retreated from the Pacific Basin, leaving the USA to support South Vietnam. The US pressure on China by supporting the Kuomintang regime on Taiwan helped to make Soviet-Chinese relations worse. Taiwan and South Korea thus became the most important countries of anti-communist policy of western countries in the Cold War, despite their autocratic regimes.

But this part of the Pacific Basin was to remain a major Cold War battleground in the 1960s because the Communist Party in Indonesia was growing in influence and the Soviet Union increased its military support to Indonesia and North Vietnam.

A collective security arrangement for protecting Southeast Asia from further communist advancement was made. The result was the formation of the South East Asia Treaty Organization (SEATO) in Manila in September 1954. The treaty's signatories – the US, France, Britain, Australia, New Zealand, Thailand, Pakistan, and the Philippines – agreed to consult and to cooperate and to provide a defensive umbrella over the states of Indochina against aggression.

1961-1979

The biggest issue in the Asia Pacific Basin in the 1960s was the war in Vietnam, a conflict that gradually involved and affected many other Pacific Basin countries, some of them cooperating with the US. The war was also generating new economic wealth for Japan and other East and Southeast Asian nations.

An Indonesian build-up of arms by 1961 gave Sukarno the confidence to solve the Irian Jaya issue. Army 'volunteers' were sent into Irian Jaya to start guerrilla action against the Dutch rule. The Australian government supported diplomatically the Netherlands insistence on retaining control of the territory in order to prepare its Melanesian people for self-determination. Australia preferred not to have an expansionist Indonesia camped on the western border of Papua New Guinea. But the US pressed Holland to agree in September 1962 to transfer control of Irian Jaya to Indonesia in 1963. Australia was forced to agree to the capitulation. The Australian government was unwilling to join the Dutch in a war with Indonesia without US or British support.

Indonesia sought to complete its takeover of the whole of the former Dutch empire and launched a military confrontation against a new Malaysian federation, inaugurated in 1963. It was a similar military campaign, known as Confrontation. But British troops based there were brought into action; reinforcements were sent

from Britain and in 1963 Britain sent a request for military assistance to Australia. The Australian government didn't wish to upset relations with Jakarta which previously had been strained by the Irian Jaya dispute. Canberra's excuse was the unavailability of troops. But under further pressure Australian troops, along with British, Gurkha and Malay regiments, went into action in Sarawak against Indonesian army units though Canberra was afraid of the possibility of Indonesian retaliation in New Guinea.

So the Pacific Basin in 1968 was therefore a mixture of international conflict and cooperation. The US and its Asian and Australasian allies were locked in a bitter conflict with the NLF (National Front for the Liberation of South Vietnam) in South Vietnam and North Vietnam, which was supported by the USSR and China. The Johnson and Kennedy Administrations continued Eisenhower's policy of supporting South Vietnam. The US takeover of the war effort in 1965 was partially a repetition of the Korean experience with the development of a similar military stalemate. However, a fundamental difference was that in Vietnam there was a mainly guerrilla conflict rather than a conventional war, and there was a failure in Washington to understand the strength of homegrown support for the NLF, resulting in inadequate pacification programmes. The Vietnam War had other major Pacific Basin consequences. The massively increased US war effort in Vietnam was generating major economic growth in Japan and in the emerging East Asian economies of South Korea, Taiwan, Hong Kong and Singapore. The war was also boosting Japanese economic expansion in East and Southeast Asia. ASEAN was a new venture in Southeast Asian cooperation after the failure of Sukarno's military confrontation of Malaysia. Bases were established for major future economic growth in this part of the Pacific Basin. There were signs of future rapprochements between the US and China and the US and the USSR that were to have a tremendous future effect on international relations in the whole of the Pacific Basin.

The new US Administration sought to disengage from the Vietnam War, this being connected to the improvement of relations between the US and the USSR and the US and China which consequently weakened the impact of the Cold War in the Pacific Basin. But new conflicts in the Indochina part of the Pacific Rim were to emerge after the US disengagement in Vietnam. It caused an Indonesian invasion and subsequent war in East Timor. A new war began in December 1975 when Indonesian forces invaded the former Portuguese colony of East Timor. A military coup that overthrew the fascist government in Portugal in 1974 assisted the change in East Timor as well. An independence movement named Fretlin (Frente Revolucionara do Timor Leste Independente) was formed in 1974, which aimed to work for independence and for economic development. Revolutionary brigades

were formed to carry out these programmes at village level, influenced by a Marxist minority within the Fretlin leadership. The Indonesian border crossing met with stiff resistance from Fretlin forces. With increasing Indonesian military border action, Fretlin declared East Timor's independence in 1975. East Timor had no international support. Australia, its neighbour, was concerned not to allow the aspirations of the East Timorese to upset the good relations with Indonesia which had emerged since Confrontation.

On a visit to Indonesia in 1974 the Australian Labor party Prime minister, Gough Whitlam, told Suharto that an independent East Timor would be a potential threat to the area. In December 1975 after Indonesia's launching a full-scale invasion of East Timor, the UN Security Council called for Indonesia to withdraw its forces from East Timor and for a genuine act of self-determination by the indigenous people. But no enforcement provision was made. Australia protested against the invasion, but Whitlam admitted that they could do nothing. His successor, Malcolm Fraser, kept up a moral protest, and in June 1976 his Foreign minister regretted that the UN had not played a more decisive role.

Major changes took place in the Asia Pacific Basin between 1969 and 1979. Prominent was the US withdrawal from Vietnam and the subsequent ending of the long war there. The impact of the war on the US itself resulted in no American effort to save South Vietnam. But the DRV faced new enemies in the region with China's failed attempt to teach it a military lesson and the decision by the ASEAN nations to oppose the Vietnamese occupation of Cambodia, even though Khmer Rouge aggression was the most important reason for the Vietnamese action.

The US announced the Nixon Doctrine of a wider American withdrawal from Asia. However, despite emerging détente with China, in 1979 the US still maintained army and naval forces to protect Taiwan and South Korea, and the US was still responsible for the détente of Japan. Also tensions were emerging over Japan's continued economic expansion and the growing US deficit in bilateral trade. Japan's economic expansion was further influencing economic growth in the little dragon nations of South Korea, Taiwan, Hong Kong and Singapore, which were increasing the economic importance of the Pacific Basin.

Though the Cold War was diminishing in significance in the Pacific Basin in 1979, conflicts were still simmering in Southeast Asia. In Cambodia, North Vietnam was facing a foreign power-backed insurgency. In the Philippines the dictatorial and corrupt government of Ferdinand Marcos was combating a rebellion by the Marxist New People's Army. Fretlin's insurgency in East Timor had not been

completely suppressed. Indonesia was fighting another guerrilla conflict in Irian Jaya against a Melanesian independence movement.

Independence for some Pacific islands. 1945-1980

The Pacific Islands are defined as the island groups whose indigenous people are not of Asian stock and who belong to the *Melanesian, Polynesian and Micronesian ethnic groups*. *Micronesia* incorporates the relatively small islands of the North Pacific, many of which are coral atolls. *Melanesians*, who generally have darker skin and more negroid features, inhabit the island chain extending from New Guinea south-eastwards to Vanuatu and New Caledonia. Melanesia is also the region of greatest linguistic and cultural diversity, with a general absence of hereditary authority. In some Melanesian islands there were prophecies about the arrival of planes, tanks and machine guns to liberate the coloured people from their white masters. Europeans called it 'cargo cults'.

Polynesians are natives of the South Pacific Islands to the east of that island chain, with the exception of Fiji, where the indigenous people are mostly Melanesian but have a Polynesian culture, and a strong chieftain system. Many of the Polynesian islands are also coral atolls, where coconut palms and the surrounding sea provide the only economic resources for rapidly growing populations. Only Fiji and Melanesia contain significant mineral wealth or have a sufficient area for major production of introduced crops, such as sugar and coffee.

During the Second World War, many of the islands of the Pacific experienced the traumas of Japanese invasion and US counter attacks leaving much physical devastation. After the war there were isolated islander protests against the return of colonial administrations. But there were not the same concerted movements for independence as in Southeast Asia. By the 1960s, some colonial administrations were pushing for independence more than were islanders. However, in the 1970s, some islanders were struggling against the Indonesian rule. And French and US administrations were resisting emerging islander independence movements. Australia and New Zealand were also former South Pacific colonial powers. The Pacific Islands by 1980 were potentially a more unstable region in the Pacific Basin than before.

Restive islanders were contesting French control, especially in New Caledonia. The continued strategic demands of the US in Micronesia were creating dissent despite the economic dependency of the islanders. Papuans were proving difficult for Indonesia to control. The newly independent states were also potential sources of instability. The cultural diversity of Papua New Guinea was a recipe for political instability, and secessionist feelings among Bougainvillians were soon to re-

emerge. The visit in 1962 by a mission from the UN Trusteeship Council and the report firmly recommending Australia to speed up preparation of the territory for independence quickened the process. However, there was no demand for independence among Papua New Guineans in the early 1960s except some signs of dissatisfaction with the paternalistic colonial order. The most marked was on the island of Buka, where post-war opposition to returning Australians was expressed in a cargo cult movement. As a response to the tax strike in 1962, the Australian administration sent the police there to hunt for tax evaders, leading to confrontation, arrests and the delivery of more government aid for economic development in Buka in order to deflate the protest.

The racial friction between Fijians and Indians was a threat to stability, particularly if Indians threatened the political and social control of Fiji's chiefs. In Fiji, Indians who were brought into the colony in the 19th century to work outnumbered Fijians. Fijians had been shielded by the British Administration from European economic influences, though not from Christianity, which they widely adopted. Afraid of pre-war Indian demands for equal rights, Fijian chiefs supported the continuation of a European-dominated legislative council. More tension arose when in 1944 Indian sugar farmers went on strike against the Australian Colonial Sugar Refining Company, which had monopoly control over the milling of cane. In the 1960s Indian cane farmers became more restive. The cane growers' strike of 1961 stimulated Indian leaders to agitate for equal political rights for Indians. After political discussions, Fijian chiefs agreed to the independence of the country in 1970 on the condition that their European allies would still maintain political control and protect them from Indians. Undemocratic political systems in Tonga and Western Samoa were open to future challenge as well.

The small equatorial island of Nauru was a very important island for Australian and New Zealand farmers, who benefited from Nauru's phosphate production supplied to them at half world price. After a strike in 1952 for a wage increase, in the early 1960s Nauru's leaders demanded compensation for a ruined island and in 1964 they called for independence of Nauru by 1967. The Australian government was prepared to concede only self-government in order to enable them to continue getting a cheap supply of phosphate until the mid-1970s, by which time much of the supply would have been exhausted. But UN and New Zealand pressure caused Australia to give up. A small independent state was created in 1968 with a population of 3,000 people.

In contrast to the Solomons, there was an active independence movement in

Vanuatu. Its main cause was Anglo-French division of the administration of those islands. Europeans created their own special 'world' on the island with separate health, education, police and other administrative systems for French and British nationals, making the islanders stateless people. In 1967 there were 2,835 French nationals in Vanuatu, compared with 621 British in a population of 77,982. But the Australian-based Presbyterian mission had a predominant influence over the islanders. The emerging islander leaders were almost entirely educated by the Anglo-Protestant missions.

The New Hebrides National Party headed by Walter Lini, an Anglican priest, promoted islander culture and changes in land rights. About 36% of the territory's land was alienated to Europeans (32% to French citizens). Under the terms of the Dijoud Plan (Paul Dijoud was the French minister for Overseas Territories), elections were held in 1979 for a new representative assembly under UN supervision. Lini became the Prime minister but a rebellion on the island of Santo was launched against Lini's government. Lini declared independence for the state in June 1980. The rebels on Santo greeted the news with more violence against non-French property. But Lini turned to Australia for help, and quite unexpectedly in August 1980 a contingent of Papua New Guinea troops, accompanied by police from Vila, were landed on Santo by Australian military aircraft. This Australian logistic support for English speaking Melanesian troops was decisive.

Most of the islands states were dependent on outside economic aid. Furthermore, there were threats of disunity between the former colonial powers and the island states, and between the Melanesian and Polynesian regions. However, the Pacific Forum of heads of governments of independent Pacific nations, which was created in 1971, became a medium for potential cooperation between the island states.

Conflicts and coups in the islands since 1980

The Pacific Islands, which had been relatively peaceful since 1945, experienced much more internal conflict and international confrontation in the 1980s. It ranged from violent independence movements in New Caledonia, Irian Jaya and Bougainville and violence in Palau up to the protests in New Zealand associated with opposition to nuclear weapons and testing, and military coups in Fiji.

The depressed economic climate encouraged the emergence of the Fiji Labour party in July 1985 with the backing of trade unions. It was a multi-racial party combining Fijian and Indian workers, some radical Indian intellectuals and young well-educated Fijians. During the election in March 1987 the Labour party formed a coalition with the Indian NFP (National Federation Party) that succeeded in defeating the government. But some Fijians started protesting against a govern-

ment with an Indian majority, despite the fact that the Prime minister was a Fijian medical doctor, Timoci Bavadra. The Taukei movement, a militant Fijian pressure group that had emerged in the last week of the election campaign to protest against the prospect of an Indian dominated government, organized mass marches in the streets of Suva and Lautoka to protest against threats to Fijian rights. Land rights were a major concern of the demonstrators, despite the constitutional protection for Fijian land. Some Taukei leaders openly expressed a preference for the deportation of Indians. Then, on 10 May, Lieutenant-Colonel Sitiveni Rabuka, leading ten armed and masked soldiers, marched into the Fiji parliament and announced a 'takeover'. In Suva's streets the Taukei movement started a chain of violence. The coup had devastating economic effects. Australian and New Zealand unions placed bans on ships travelling to Fiji, and numerous Indians with professional and other skilled qualifications fled the country. New foreign investment didn't arrive. Tourism, so important for Fiji's economy, collapsed. But the military regime was not concerned about the economic consequences of the coup. Some Taukei leaders even welcomed publicly the prospect of economic collapse as a means to reviving traditional village life, reflecting a reactionary communalism which motivated many Taukei supporters. On 25 September soldiers stormed into radio and newspaper offices and seized public buildings in a well-organized second coup. Rabuka declared Fiji a republic. Fiji's return to democratic life was only partially completed by 1991. A new constitution discriminated against Indians by giving them only 27 of 70 parliamentary seats. Rabuka became the President. Australia and New Zealand suspended all military and some economic aid to Fiji. Australia and New Zealand were criticized by the Melanesian group in the Pacific Forum for not consulting other Pacific Islands states. There was little support in the Forum of May 1987 for the diplomatic attempts by Australia and New Zealand to ensure a return to constitutional rule in Fiji. After the second coup, Australia and New Zealand further reduced economic aid to Fiji and refused to recognize the Republic of Fiji. But France started fishing in the troubled waters, offering aid, which was eagerly accepted by Rabuka's regime. The prospect of France becoming a main trading partner of Fiji encouraged Canberra to recognize the new Fiji state and restore economic but not military aid. But the promise of future constitutional reform by Rabuka on his visit to Australia in September 1992 restored Australian military assistance.

The greater violence in the Pacific Islands in the 1980s was due principally to the continuation and the legacy of Euro-American imperialism in the Pacific. The British Empire had bequeathed to Fiji the racial tensions that underlay the Fiji coups. Moreover, the power of pro-coup eastern Fijian chiefs, which were frightened by political change, could be traced to British colonial policy.

Papua New Guinea faced its own violent problems during the 1980s. On its western border the OPM (Organisasi Papua Merdeka) guerrillas in Irian Jaya were still active. In 1984, as the result of a wave of Indonesian oppression, some 11,000 refugees crossed the border into New Guinea. Though the Papua New Guinea Government insisted that most were local people who traditionally wandered back and forth across the arbitrary boundary line drawn up in colonial days, many of them were genuine political refugees. There was great resistance from Port Moresby to call for UN assistance, a mark of the government's concern to appease Indonesia. Only reluctantly, after protests from churches and non-government aid agencies about death and disease in the refugee camps, was the UN High Commissioner for Refugees allowed to distribute aid to the people there. The government's policy had been influenced by the diplomatic necessity of a country with a small population and a very populous neighbour with an aggressive reputation. The policy was certainly not in response to public opinion. The Papua New Guinea Government of that time, led by Michael Somare, did protest about the Indonesian hot pursuit of OPM guerrillas across the border and was reluctant to send any refugees back. But when a split in the Pangu Parti resulted in a change of government led by Pius Wingti, a former Pangu member of a highlands constituency, Port Moresby became more willing to please Indonesia. A friendship treaty was signed with Indonesia in 1986, and the Papua New Guinea army was instructed to cooperate with Indonesian troops in apprehending OPM guerrillas.

The Papua New Guinea Government also faced a rebellion on its own islands of Buka and Bougainville. Despite the concessions of higher copper mining royalties and a provincial government following independence, there was popular resentment at the much larger profits being derived from the Panguna copper mine by the central government and the Australia-based mining company. Growing population also was placing pressures on land-use seeing the ever-growing open pit and slag heaps of the mine. Besides, the company failed to check river pollution, which was believed by islanders to cause crop failure and human sickness. The islander clergy of the dominant Catholic Church supported Bougainvillian complaints about the copper mine. The problem that had encouraged earlier moves for secession remained: the cultural and racial divisions between black Buka-Bougainvillians and brown-skinned Papua New Guineans. The presence of 'red-skin' Papua New Guineans as employees at the mine, many holding higher paid jobs than Bougainvillians, caused additional resentment. There were also political developments encouraging opposition to the mine. The reason was the use of the revenue generated by the mine for the central and provincial governments. The Bougainville Revolutionary Army (BRA) was formed. In the mountainous jungle it proved impossible for the nation's army to defeat the BRA. The brutality

of Papua New Guinea soldiers further alienated Buka-Bougainvillians who gave the BRA widespread support. To satisfy the BRA's secessionist demand was considered impossible by Port Moresby because of the potential domino effect on other regions in the culturally and linguistically diverse country. Indonesia also was pressing Papua New Guinea to maintain control of the island because of Jakarta's constant fear of secessions within its own nation.

The Australian government supported Port Moresby's attempt to suppress the rebellion. Canberra was concerned to maintain the political stability of Papua New Guinea because it was a traditional defence shield for Australia. Revenue from the mine also reduced Australian financial support for the budget of its former colony. The most tangible Australian military support was the provision of four helicopters for the transportation of guns by PNG forces.

France's world power pretensions, which imposed the CEP (Centre d'Expérimentation du Pacifique) in the Pacific, and the presence of a large French community in New Caledonia, were the principal causes of violence inflamed by Kanak aspirations for independence.

The US concern to preserve the North Pacific Islands as a wide-ranging security zone created a climate of violence in Palau.

The US demand for free passage of nuclear ships caused diplomatic conflict with New Zealand, representing wider world opposition to French nuclear testing in the 1980s. In 1984 the New Zealand Labour party won office with a platform including opposition to visits of nuclear-armed ships to New Zealand. This policy banned US warships from New Zealand since the US policy was 'neither to confirm nor to deny' the nuclear arming of its warships. With the refusal in January 1985 by Lange's government to allow port-access to US ships, the US cancelled most of its military cooperation with New Zealand that had been part of the Australia, New Zealand and US Security Treaty (ANZUS). The US announced that it would suspend its ANZUS obligations to defend New Zealand. The New Zealand government's response was to emphasize a self-reliant defence policy. Australia, the other partner in ANZUS, also opposed the New Zealand nuclear ship policy. Occupying a vast underpopulated continent, Australians traditionally looked to great world powers to guarantee their defence. Some members of the Australian Labor party advocated banning US warships from Australian ports, but they were a minority within the party, which on assuming office in 1983 conducted a review of the ANZUS policy and fully endorsed the alliance. Australia was willing to continue the traditional close defence cooperation with New Zealand and the USA.

France also pressed the US to oppose even the moderate nuclear free Pacific proposal suggested in American interests by the US's firm ally, Australia.

Australia needed to provide additional defence assistance to Papua New Guinea to cope with the violent legacy of Australian and German colonialism that had separated Buka and Bougainville from the rest of the Solomon Islands.

Consequently, during the 1980s the Pacific Islands had become a less peaceful region whereas other conflicts in the Pacific Basin were moving towards peaceful resolutions.

Australia remained the main metropolitan power in the Pacific during the 1980s. In 1989 its armed forces numbered 69,600, far more than the rest of the South Pacific, (including New Zealand), combined. After using its military transport capacities to support Papua New Guinea's intervention in Vanuatu in 1980, Australia maintained a generally low profile and pursued a policy of 'constructive commitment'. One of the main policies, for example, in Papua New Guinea, was to ensure that Australia was not seen to be dictating to its former colony. However, while giving equipment and army training support to Papua New Guinea's attempt to suppress the Bougainville rebellion, the Australian government did protest about abuses of human rights by Papua New Guinea defence forces in that region.

Australia also provided military aid to other South Pacific nations, such as riot-control equipment to Vanuatu when the Government there in 1988 faced internal disturbances following a split in the ruling Vanua'aku Party. The Australian government was concerned to keep communist influence out of the South Pacific.

Australia relied on its financial aid, which in the financial year 1988-89 amounted to AUS\$1 billion for island states, and the retention of good relations with island governments to maintain political stability in the South Pacific. The financial aid was a vital ingredient for the budgets of Papua New Guinea and was also important for micro states such as Tuvalu, which in 1988-89 received from Australia AUS\$ 1.3 million for developmental aid, which was more than 20% of the island group's annual revenue. The economic changes in the 1980s made many of the island economies more vulnerable than before. Even the wealthiest Pacific state, Nauru, was feeling the effects of declining phosphate production, which was due to die out in 1995. This problem was sharpening the republic's case, being prepared at the end of 1990, for a hearing before the International Court of Justice for AUS\$72 million compensation for damages caused by phosphate mining during the period of Australian administration.

Australia tried to retain good relations with its potentially powerful Southeast

Asian neighbour, Indonesia. Canberra was careful to refrain from any support for guerrillas in East Timor and Irian Jaya by muting criticism of human rights abuses in those territories and other parts of Indonesia.

Key References:

- Thompson R. The Pacific Basin Since 1945.* London and New York. Longman. 1994.
Calvocoressi P. World Politics Since 1945. London and New York. Longman.1996.
Segal G. Rethinking the Pacific. Oxford. 1990.
Cotterell A. East Asia. From Chinese Predominance to the Rise of the Pacific Rim. London. Pimlico. 2002.

Further reading:

- Aldrich R. and Connel J. *The Last Colonies.* Cambridge, New York, Melbourne. Cambridge University Press. 1998.
Boyd G. *Pacific Trade, Investment and Politics.* London. 1989.
Jaensch D. *The Politics of Australia.* South Melbourne. Macmillan Education Australia. 1997.
Liberal Democracy and its Critics. Eds. Carter A. and Stokes G. Cambridge. Polity Press. 1998.
Richardson J. *The Asia –Pacific: Geopolitical Cauldron or Regional Community?* Working Paper 1994/6. Department of International Relations. Canberra. Research School of Pacific and Asian Studies. The Australian National University. 1994. Pp.1-18.
Scarr D. *The History of the Pacific Islands: Kingdom of the Reefs.* Canberra. 1990.
Smith R. *Politics in Australia.* St. Leonards, NSW. Allen and Unwin. 1997.
The Pacific in the 1990s: Economic and Strategic Change. Ed. Radvanji J. Lanham. Maryland. 1990.

Theme 5

Asian economic expansion and strategic change in the 1980s

Japan's new economic order in the Pacific Basin. Japan's investment in Australia. Japan and the American defence network. The US, the USSR and the East Asian strategic balance. The Cambodian conflict. Australia's plan for a diplomatic solution of the Cambodian problem. The ASEAN states.

The growth and nature of Japanese economic dominance in the Pacific Basin and its implications for Japan's relations with the US and other Pacific Basin countries and the effects of Japanese investment on the economic development of East and Southeast Asian countries were equally important to the changes in the strategic balance in the Asia Pacific Basin resulting from growing rapprochement between the US, China and the USSR and its implications for the US-Japanese defence relationships.

Along the Asian rim of the Pacific Basin there was great strategic change after 1980. By 1991 the Cold War between the US and the USSR had been over. China restored good relations with the USSR. Even the two Koreas were beginning to negotiate with each other. Chinese relations with the US showed some improvement and were being gradually restored after the interruption created by the Tiananmen Square massacre in 1989. The Cambodian conflict achieved diplomatic resolution because of the new spirit of cooperation between the three superpowers and because of Vietnam's desire to break out of economic and diplomatic isolation, though the Khmer Rouge was still a potential threat to a peace in Cambodia. In Southeast Asia, ASEAN emerged as a new diplomatic force capable of creating international peace in its region, though there were still weaknesses in its unity. The 1980s also saw the continuing spread of Japanese economic supremacy throughout Eastern and Southeast Asia and into the wider Pacific Basin. Owing to increasing flows of Japanese investment, the economies of the four little dragons were booming. However, changes in the Japanese trade balance and the degree of Japanese control over technological transfers contained future trade problems for Japan and for the little dragons. The 1980s also saw greater trade conflict between the US and Japan as well as US impatience with protectionism in the little dragons. The growth of the ASEAN economies, with the exception of the Philippines, was creating potential new little dragons, though much of the development depended on Japanese investment and trade.

In 1980, *Japan* was achieving, by trade and capital investment, *the economic order in Asia* and the wider Pacific that it had failed to establish by military means before 1945. Japanese accumulated direct investment in Asia increased from US\$2,359 billion in 1974 to US\$8,643 billion in 1980, which was 27% of Japanese worldwide direct investments, compared with 26% in North America and 18% in Latin America. A total of 404,682 Asians were working for Japanese affiliated companies, 57% of such overseas workers. This was influenced by Asian wages, which in 1980 averaged only 20% of Japan's. Most of Japan's Asian investment continued to be in manufacturing, with textiles still the major sector, though its proportion had fallen from 40% in 1974 to 23% by 1980. There were big rises in metals and chemicals, reflecting new Japanese investment trends in the late 1970s. Also the mining component of the Asian investments increased greatly. Asian countries were willing to accept such new capital in spite of the environmental degradation that mining produced.

Japanese overseas relocation of industries was linked to trade expansion. In 1980, Japan was the most important trading partner of the ASEAN countries, accounting for 27% of their exports and 22% of their imports. Exceptions were Japan's smaller role in the exports of Singapore, with Singapore's lack of raw materials; and the US was ahead of Japan in the commerce of the former American colony, the Philippines. Indonesia was the ASEAN nation most closely tied to Japan; Japan being the source of 32% of Indonesia's imports and 49% of its exports. Japan's competitiveness in world markets grew during the 1980s. After the oil price crisis of 1973, Japan introduced new technologies into its industry that improved industrial competitiveness and concentrated on high technology products for export.

The US government, headed since 1981 by the President Ronald Reagan, began negotiations with Japan and other countries for a new open trade ideology and easier access to US exports. The US Congress passed the 1988 Omnibus and Competitiveness Trade Act, which authorised penalties against countries committing unfair trade practices. Japan was named as one of those nations in 1989. But by the late 1980s, Japan's imports of manufactured goods were increasing under the impact of the rising value of the yen. The Japanese government was also starting to emphasize the value of imports, and tariff rates on manufactured products were lowered. America's unfavourable trade balance with Japan fell.

The rising value of the yen inspired Japanese businessmen to seek foreign partners or to purchase businesses in advanced industrial countries. The US real estate was one of these major areas for Japanese businessmen. At the end of 1989 the number

of Japanese factories in the US reached 1,000 and by 1991 total Japanese direct investment in the US was 42% of all Japan's worldwide direct investments.

In the changed patterns of Japanese investment in the 1980s, Asian countries played a new role. The little dragon Asian NICs - South Korea, Taiwan, Singapore and Hong Kong – became the major Asian countries for Japanese investment in the new fields of electronics and automobile components. Japan was taking advantage of cheaper wages, which in South Korea, Taiwan and Singapore in 1987 ranged from one-fifth to a quarter of the Japanese wage level.

South Korea was also being used by Japan as an offshore production site for the export of manufactured goods to other countries. By 1988, Japanese direct investment in South Korea was a tenth of the total Japanese direct investment in Asia. South Korea's imports of electrical and other equipment for industrial production, mainly from Japan, nearly doubled from 1986 as well as the ROK's exports of electrical machinery and transportation products. An important item in this export rise was motorcars sold overseas. Electronics technology came from Japan, and Japan got 10% for its licensing fees. A growing balance of payments encouraged South Korean direct investment abroad, especially in North America, Southeast Asia and the Middle East.

Japan was also involved in Taiwan's industrialization, though in 1988 Taiwan absorbed only 6% of Japan's Asian direct investment. The emphasis of Japanese investment there in the 1980s was in electrical goods production and in other manufacturing. Taiwan's exports of calculating machines and television and radio receivers increased during the period 1980-89 from 5.5% to 9.1% of total exports. The high value of the yen and the shift of Japanese industry into high technology areas created a market for mid-technology electronics exports from Taiwan and from the other little dragons in Japan.

Such exports, however, did not weaken the dependency of Taiwan and South Korea on Japan for imports to assist their industrialization. Both countries had unfavourable trade balances with Japan. For them the US remained their leading export market. Pressure was placed by the US on Taiwan and South Korea to raise the value of their currency and to stop unfair trading practices and maintenance of high protectionism. The falling imbalance of trade for the US in the late 1980s reflected a significant relaxation of restrictions in South Korea on American exports, which almost doubled in value from 1987 to 1989.

In Singapore in 1986, for the first time, Japanese investment in manufacturing exceeded the US input. By 1986, Singapore had received 12% of Japan's direct

investment in Asia, second only to Hong Kong. Using Singapore's well-educated population, the main Japanese investment was in electronics. New firms created were either wholly Japanese-owned or with the Singapore government as a partner. Electronics increased from 12% to 20% of Singapore's exports from 1980 to 1989. The policies of a stable and interventionist government were major reasons for Singapore's economic success. Enforcing the discipline on its population based on traditional Chinese culture, Lee Kuan Yew's PAP government (People's Action Party) imposed restrictions on trade unions as part of a strategy to open the republic to foreign investment. Singapore became Asia's leading financial centre. In 1990 the economy was growing at the rate of 11% compared with 9% in the preceding two years.

Hong Kong experienced strong export-driven industrial growth in 1989. Exports of goods and non-factor services, including re-exports, contributed to 95% of its GNP in 1983, giving Hong Kong's citizens a per capita income nearly as high as Singapore's. This economic growth resulted from much less government interventionist policies than in Singapore, Taiwan and South Korea. British government assistance was confined to the provision of economic infrastructure and educational and training resources. Hong Kong was an example of free market capitalism. American and Japanese investment predominated. Hong Kong's role as a major trading door to the outside world for China was another source of the colony's prosperity. In the years 1987 to 1989, China contributed 25% of Hong Kong's imports compared with 18% from Japan. Much of the foreign investment and technological transfer traffic to China went through Hong Kong.

However, there were problems facing the little dragon economies by the end of the 1980s. Rising wage rates were destroying the textile industries that were the original basis for export-oriented industrial expansion. The average cost in 1989 per operator hour on the NIC textile industry ranged from US\$2.44 in Hong Kong to US\$3.58 in Taiwan. The average cost in China was US\$0.40 and in the Philippines US\$0.64, with lower costs in Indonesia and Sri Lanka. NIC began to show preference to higher technology exports. However success in this area faced the strong reluctance of Japanese corporations, and also US companies, to part with their technology, using the little dragons for lower technology operations in the automobile and electronics industries.

In the 1980s, Japan was still concentrating on resource development. It started to exploit the rich raw materials of the other countries of the region. These ASEAN nations were known as newly exporting countries to distinguish them from the NICs. Japan had become the dominant investor in Thailand and in Malaysia. Much

of the Japanese investment in Thailand was in joint ventures with Thai firms. In Malaysia, Japanese investors preferred local Chinese capitalists and the Malaysian elite. The largest Japanese ventures in Malaysia were engaged in the country's rich natural resources. In the late 1980s, Thailand and Malaysia were major targets for relocation of Japanese industries, utilizing the cheap labour there. They also became the fields for Japanese electronics production, which was extending into the Philippines. There was a sharp increase in Japanese direct investment in Indonesia, from US\$631 million in 1989 to US\$1,105 million in 1990, which stimulated new industrial growth in Indonesia. But raw materials, especially oil, rubber and metals, were still the top ASEAN exports to Japan.

A new region for Japanese economic expansion in Asia was China. By the 1980s, Japan had become China's leading supplier of high technology and manufactured consumer goods, but the little dragons were seen as more stable and profitable areas for Japanese investment in East Asia.

The Pacific Islands were another region for increasing Japanese economic attention in the late 1980s. There was a notable increase in Japan's financial aid to Pacific States as a part of a response to US pressure to spend some of the trade surplus on aid to poorer regions of the world of strategic importance. The new areas of aid provision were Polynesian and Micronesian islands.

Another Pacific Basin region of growing *Japanese investment was Australia*, a continent rich in mineral resources and agricultural and pastoral production. In the years 1983-88 Japanese capital inflows totalled A\$16,861million, which was 17% of all incoming foreign capital in Australia, second only to Australia's traditional financial source, Britain (20%), and outstripping the US (15%). Direct investment was 22% of the Japanese capital. In the 1970s Japanese investment in Australia concentrated on raw materials, especially mining, and on automobile manufacturing. In the 1980s, with the liberalization of Australian capital markets, there was significant Japanese investment in the financial sector. There was also major investment in property and tourism. In the period 1987-88, Japan was Australia's best customer, receiving 26 % of Australia's total exports, principally mining, agricultural and pastoral products.

In Asia there was significant hostility in the 1980s towards Japanese new financial dominance and the fear of a revival of Japanese militarism. 53% of Thais, 47% of Filipinos, 34% of Malaysians, 29% of Singaporeans and 21% of Indonesians gave affirmative answers about the possibility of Japanese military threat. 51% of Australians didn't support the increase of Japanese investments in Aus-

tralia according to an opinion poll in 1989. This antipathy was expressed by the ROK and then supported by Taiwan, North Korea and China when in 1982 the Japanese government decided to rewrite school textbooks substituting the word 'advance' for 'aggression' while describing the events of World War II.

Despite fears of future Japanese militarism in their own nation, the US administration started pressing Japan in 1980 to increase its defence expenditure, which that year was only 0.9% of GNP, compared with 5.3% in the US and 3.2% in West Germany. There was *growing integration of the US and Japanese defence forces and industries*, especially the exchange of electronics technology with military applications. Japan remained a vital base for the US navy and air force.

During the 1980s a major *change* was taking place *in the strategic balance in the East Asian sector of the Pacific Basin* with a growing rapprochement between the US and China which had begun in the 1970s.

Beijing, seeking to maintain an independent foreign policy in the late 1980s, was willing to respond positively to a Soviet desire to improve relations. In 1985, the Soviet leader Gorbachev offered a readjustment of boundary disputes in China's favour and withdrew Soviet forces from Mongolia and from Afghanistan; and Vietnam agreed to remove its troops from Cambodia. Full normalization of relations between the two nations was confirmed at a summit meeting in Beijing between Deng and Gorbachev in May 1989. USSR exports to China increased from 1% in 1979 to 4% in 1989, as well as China's exports to the USSR.

It was a much harder task for the USSR to establish good relations with Japan. The major stumbling blocks were the four islands at the southern end of the Kurile archipelago. In 1990, at a summit meeting of world leaders, it was firmly announced that there would be no Japanese aid to the USSR until the return of the southern Kurile Islands.

Gorbachev had an easier task in establishing closer relations with South Korea. However, increasing contacts between the USSR and South Korea in the early 1980s suddenly halted when, on the night of 31 August 1983, Soviet fighters shot down a ROK airliner, which had got into USSR airspace, with the loss of 269 lives. The USSR refused to apologize. The Foreign minister Gromyko was convinced that the flight had been carried out for purposes of US military intelligence. Only in 1990 were good relations established again. However Gorbachev started withdrawing Soviet forces from Afghanistan in April 1988 with completion in 1989. In 1989 the Soviet naval base in Vietnam was closed. In 1990, with

the fall of the Berlin Wall in Germany, the emergence of non-communist states throughout Eastern Europe, and with the mutually observed Soviet and US destruction of weapons systems, the Cold War was over.

North Korea didn't like the Soviet diplomatic recognition of South Korea, but North Korea's foreign relations were changing. Kim Il Sung turned to his enemy, Japan, for capital investment.

China was seeking better foreign relations in 1990, spoilt by the massacre of Chinese students and other citizens in Tiananmen Square in Beijing, which started in the early morning hours of 4 June 1989. Over 1,000 people died as PLA tanks and soldiers moved into the square to arrest and disperse students camped there in a mass call for democratic reforms.

China's relations with Taiwan showed major improvements in the late 1980s. Trade between the two nations was increasing. Many Taiwanese visited China using Hong Kong as the gateway. But the Tiananmen massacre destroyed any hopes of talks about the reunification of their territories. In April 1991, a Taiwanese delegation travelled to Beijing to establish communication between the two countries.

In 1990, *a diplomatic solution to the Cambodian problem* was emerging. Australia suggested the plan for a UN-sponsored settlement. The plan was for an interim Cambodian council of 12 representatives without full government powers and containing only two Khmer Rouge members. UN peacekeeping troops would monitor a cease-fire, and there would be national elections employing a secret ballot and on a proportional representative basis to minimize Khmer Rouge pressure on voters in areas under its control. Negotiations in the UN and at a conference in Jakarta in September 1990 produced a peace plan based on an Australian proposal, but an international peace agreement about Cambodia was not signed in Paris until 23 October 1990.

The Cambodian conflict was a major test for the cohesion of *ASEAN* and a proving ground for its diplomatic strength. In its approach to the Cambodian conflict, *ASEAN* retained a united front even though the interests of its members continued to diverge.

Thailand remained the country most concerned about Vietnamese occupation because of the potential threat to its security, though there was no evidence that Vietnam wanted to get its territory. Singapore, as a small vulnerable state, took a lead in a hard line policy against Vietnam because it was afraid of Soviet air and naval bases in Vietnam and Vietnamese troops dominating the whole of Indochina. Malaysia preferred a strong Vietnam as a buffer between China and the rest of

Southeast Asia but regarded the invasion of Kampuchea as a violation of the principle of territorial sovereignty. The Philippines, facing a communist insurgency on its own territory saw a Soviet-backed Vietnam as the major threat to the region. Indonesia wanted to see a strong Vietnam as a bulwark to China, but Jakarta supported ASEAN initiatives for the sake of regional unity.

Another of ASEAN's achievements was the maintenance of peaceful relations between its members. There was cooperation between Malaysia and Thailand in managing border problems, a rebel Thai Muslim movement and the Malaysian communist party. Disputes between Malaysia and Singapore were not allowed to get out of control. The Muslim ASEAN nations also supported the Philippines government in its suppression of the Muslim insurgency, which aroused the hostility of Islamic states in the Arab world. Indonesia also had its own reasons to refuse to encourage any Muslim separatist movement in neighbouring countries.

Key References:

- Australian Foreign Policy. Into the New Millennium.* Ed. Mediansky F. South Melbourne. Macmillan Education Australia Pty Ltd. 1997.
- Seeking Asia Engagement. Australia in World Affairs. 1991-1995.* Eds. James Cotton and John Ravenhill. Melbourne. Oxford University Press. 1997.
- Cha V. D. *Abandonment, Entrapment and Neoclassical Realism in Asia: The United States, Japan and Korea.* // *International Studies Quarterly.* 2000. Vol. 44. No 2. June.

Further reading:

- ASEAN-Japan Relations: Trade and Development. Ed. Narongchai Akrasanee. Singapore. 1983.
- ASEAN into the 1990s. Ed. Broinowski A. New York. 1990.
- Chong-Sik Lee. *Japan and Korea: The Political Dimension.* Stanford. 1985.
- Dittmer L. *China in 1989: The Crisis of Incomplete Reform.* // *Asian Survey* XXX. 1990. Pp. 250-234.
- Hanke S. *How to Establish Monetary Stability in Asia.* // *The Cato Journal.* Washington, D.C. Vol. 17. No. 3. Cato Institute. <http://www.cato.org>
- Higgot R. and Nossal K. *The International Politics of Liminality: Relocating Australia in the Asia Pacific.* // *Australian Journal of Political Science.* 1997. Vol. 32. No.2. Pp. 169-185.
- Hong Kong and 1997: Strategies for the Future.* Eds. Y.C. Jao, Leung Chi-Keung, Peter Wesley-Smith and Won Siu-Lun. Hong Kong. 1985.
- Mahubani K. *An Asia-Pacific Consensus.* // *Foreign Affairs.* Vol 76. No.5. 1997. Pp.149-158
- The Political Economy of South-East Asia: an Introduction.* Eds. Rodan G. Hewison K. Robinson R. Melbourne. Oxford University Press. 1997.
- Purcell M. *Sinking Asia.* Development Issues Series. No. 1. 1999. P. 7. <http://www.acfoa.asn.au/>
- Qingguo Jia. *Changing Relations Across the Taiwan Strait: Beijing's Perceptions.* // *Asian Survey.* XXXII. 1992. Pp. 277-89.

Theme 6

Australia. The impact of globalisation

Globalisation of finance. Ascendancy of neo-liberal ideology. Democracy and accountability. Political institutions. Dynamic concept of political culture. Independence ideal and citizenship. Economic liberalisation and new languages: the language of commerce and independence and the language of consumerism and identity.

Many of Australia's most fundamental political institutions, together with the political values have come under direct attack from the pressures of *globalisation*. The term 'globalisation' has various definitions. It has been described as American cultural imperialism, information sharing, 'the borderless world', the internationalisation of finance, production and consumption, and the dominance of transnational corporations.

The impact of global market forces is not limited to the economy. In the effort to make Australia internationally competitive, to expose its economy to the world, to remove *the visible hand* of government from economic transactions, to introduce the values of commerce and consumption, *many of Australia's key political institutions have been transformed*, many of the political ideals discarded or lost. In other words, the imperatives of the economy, that is the need to promote trade, to attract investment, and to compete with other countries for global market share, have had direct consequences for Australian political institutions, including the public service, the industrial relations and arbitration system, the welfare system, the institutions of national economic management, citizenship and responsible government itself. And in turn, these changes have given shape to a new political culture. In particular, the political language of citizenship with the notion of reciprocal rights and obligations is being displaced by the language of consumerism. People have become increasingly inclined to seek recognition of their 'rights' through private actions, the media and the legal system, rather than through creating new forms of political institutions.

Globalisation refers to the emergence of a global economy, which is characterised by uncontrollable market forces and new economic factors such as transnational corporations, international banks and other financial institutions. Unlike national economies, which could be regulated and shaped by national governments, the global economy is largely unregulated by political institutions.

The policy of the early Federation rested on three institutions: tariff protection,

industrial arbitration and the White Australia policy, which claimed that ‘cheap’ Asian labour had to be excluded from Australia in order to protect the wages of organised ‘white’ labour in Australia. The White Australia policy restricted immigration on a racial basis and promoted the notion of an ‘alien entity’ that could change the pattern of Australian economic development and threaten its very identity.

By the 1970s, after a quarter-century of sustained economic growth and prosperity, Australia’s economy had gone into a serious structural decline. This was a shock to a country that had been one of the most prosperous and affluent nations in the world. From the 1870s until the First World War, Australia’s gross domestic product (GDP) per capita was greater than any other industrial country, surpassing even the wealthy US. At the end of the Second World War, Australia, along with the US and Canada, were the wealthiest countries in the world, and until the early 1970s Australia’s GDP per capita was still greater than GDP of most Western European nations. However by the end of that decade, Australia’s GDP per capita had fallen to the 14th place and it was continuing to fall. Australia had been over-reliant on agricultural and mineral commodity exports. In 1973 the Government established the Industries Assistance Commission (IAC) and mandated it to examine and recommend cuts to tariffs and industry assistance, and in 1974 the Government cut tariffs by 25% across the board. Within a year of the tariff cuts the Australian economy slipped into its first major recession since the end of the Second World War. Slow economic growth, rising inflation and growing unemployment led manufacturers and trade unions to make the Government restore non-tariff protection to some manufacturing sectors. To protect jobs, imports were restricted. This continued under the Liberal-National party coalition government led by Malcolm Fraser (1975-83).

In 1983 the new Labor Prime minister, Bob Hawke, and his Treasurer, Paul Keating, made the decision to ‘float’ the Australian dollar and abolish control over the movement of financial capital. It meant that the Government intended to deregulate the Australian financial system. Dramatic policy decisions followed over the next decade, which saw the massive transformation of Australia’s political-economic institutions. These included the dismantling of tariff and non-tariff protection for industry and agriculture; the substitution of the centralised wage-fixing system by enterprise bargaining and even individual contracts; corporatisation or privatisation of government businesses including transport, telecommunication and utilities; and the contracting out of many services. The government started microeconomic reforms.

The government decided to raise interest rates to slow the economic boom in the late 1980s. That boom was caused by speculative takeovers and high-risk bank lending which became possible because of financial deregulation. Very little investment in this period was directed towards promoting real growth in the productive sectors of the economy. Millions of dollars of profit were made on paper during these buyout and takeover dealings, which gave very little to the real economy. Australia's national debt level increased and it was mostly due to private sector borrowing, not the Government. Interest rates had gone up to 17% before they began to slow the economy, and then the effect was disastrous: few businesses could afford to borrow at those rates and bankruptcy rates were very high. The dollar rose in value as well, making exports more expensive and imports cheaper. Employers had to dismiss or lay off workers and the unemployment level was over 11%, the worst in Australia since the Great Depression of the 1930s.

All these developments had an impact on public attitudes towards Government in general. *Neo-liberals* in Australia started an ideological assault on the state. They tried to prove that Governments needed to be restructured, reduced in size, and exposed to the discipline of the market. They advocated market based solutions to almost every problem the nation faced.

In the late 1970s and in the 1980s neo-liberal think-tank and interest groups were very influential. Among them was the Institute for Public Affairs, the Tasman Institute, the Centre for Independent Studies in Sydney, the Centre for Policy Studies at Monash University in Melbourne, financial sectors and mining and pastoral companies. In Australia this ideological position was called economic rationalism.

Globalisation makes governments more *accountable to international financial capitalists* than to their own citizens. These financial institutions are not concerned with the social and political problems of nation states - except to the extent that such problems may threaten their own investments. They take into consideration only the interests of shareholders in the major corporations, private banks and investment companies.

When the Hawke Labor government came to power in the 1983, Australia had its worst recession since the 1930s. The ALP resorted to Keynesian-style measures leading to a recovery from the recession through government funded job creation and social spending on programmes like Medicare. However, financial markets began to pressure the Hawke government to focus on deficit and debt reduction, not social programmes and unemployment. These markets put pressure on the government by selling off the Australian dollar, thus forcing a sharp reduction in

its value. In 1984-1986 the Australian dollar was devalued by nearly 42%.

New rules in the financial system brought about new rules for the productive economy. The floating dollar undermined the effectiveness of the tariffs. This made it easier for the Hawke government to pursue its agenda for industry restructuring and tariff cuts. The Government began by establishing restructuring plans in a number of key industries: steel, passenger motor vehicles, textile, clothing and footwear and heavy engineering. In addition, programmes were developed and implemented to promote new industries, especially in the new high-skilled industries, such as information technology, telecommunications, biotechnology and pharmaceuticals. In 1988 the government implemented the first general tariff cut since the Whitlam government.

The Keating government formed the Independent Committee of Inquiry into National Competition Policy, chaired by professor Fred Himler, which submitted its report in August 1993. Legislation to implement the key Himler findings was presented as the National Competition Policy Reform Bill 1995. In fact the states lost their right to set the charges of their own utilities at rates they would consider appropriate. The state governments were to provide 'the third party' access to the infrastructure to run a business. This meant that rail tracks, pipelines, electricity lines and phone cables could no longer be monopolised by the public corporations which had established them. A new American model of labour market flexibility emerged in which unemployment was treated by encouraging new workers and those who had lost previous jobs to accept low paid, part time jobs. Free education was increasingly being replaced by private fee paying schooling and fee based university entrance. Childcare was shifting into the private sector where quality of service was directly proportional to the income of parents. As for health services, the middle class was pushed off into private insurance, the public system of health services became the least desirable and left just for poor people. However basic health insurance is still (in 2002) provided to all Australians through the Medicare system.

Australian political culture could be characterised by utilitarianism, egalitarianism, conformism, collectivism and materialism. It is important that these types of ideals and beliefs can be interpreted and even transformed into things entirely different, thus making political culture *dynamic* and distinctive.

After the years of the Depression and the Second World War, full employment became a commitment among all the major political parties. All citizens were to be incorporated into society through their active participation in the labour force.

The primary value was labour participation – *the dignity and independence of work*. The labour market was considered as the primary mechanism of wealth redistribution.

The idea of independence connected with the dignity of work and attached to the conception of citizenship dominated until the Whitlam era, though with slight modifications across the political culture during this period. But the language of independence remained a common cultural field through which social integration could take place. Since the 1980s, new forms of commercialisation and a radical reshaping of the nature of work brought changes to this language of independence and work.

The main new ones were *the language of commerce and independence, and the language of consumerism and identity*. While the ideal of the market plays an important role in both languages, one way to distinguish between them is by looking at the issue of work. The first one, the language of commerce and independence, equates work or specifically wage-labour with dependency and non-productivity. For the second, the language of consumerism and identity work (whether as paid employment, self-employment or unemployment) is not important; the most important is buying power or a pattern of consumption. All these languages exist and it has become rather difficult to state unambiguously what is in the public or national interest using different languages and speaking to different groups of people. This phenomenon is sometimes described as a retreat from national political culture to a set of sub-cultures within the same geo-political space or nation.

Key References:

Capling A., Crozier M. and Considine M. *Australian Politics in the Global Era*. South Melbourne. Longman. 1998.

Argy F. *Australia at the Crossroads. Radical Free Market or a Progressive Liberalism?* Sydney. Allen & Unwin. 1998.

Painter M. *Economic Policy, Market Liberalism and the 'End of Australian Politics'*. //Australian Journal of Political Science. Vol. 31. No. 3. 1996. Australian Political Studies Association. Pp. 287-299.

George J. and McGibbon Rodd. *Dangerous Liasons: Neoliberal Foreign Policy and Australia's Regional Engagement*. //Australian Journal of Political Science. Vol. 33. No.3. 1998. Pp. 399-420.

Further reading.

Bell S. Globalisation, Neoliberalism and the Transformation of the Australian State. //Australian Journal of Political Science. Vol. 32. No. 3. Australian Political Studies Association. 1997. Pp. 345-367.

Harman E. The National Competition Policy: a Study of the Policy Process and Network. // Australian Journal of Political Science. Vol. 31. No.2. 1996. Pp. 205-223.

Inglehart R. Culture Shift in Advanced Industrial Society. Princeton N.J. Princeton University Press. 1990.

McAllister I. Political Behaviour: Citizens, Parties and Elites in Australia. Melbourne. Longman Cheshire. 1992.

Melleuish G. Cultural Liberalism in Australia. A Study in Intellectual and Cultural History. Cambridge. Cambridge University Press. 1995.

Stewart J. Solving the Riddle of Industrial Policy: A Comparative Perspective. //Australian Journal of Political Science. Vo. 31. No.1. 1996. Australian Political Studies Assosiation. Pp. 25-36.

The Unemployment Crisis in Australia. Which Way Out? Ed. Bell S. Cambridge. Cambridge University Press. 2000.

Theme 7

Australia's objectives and implementation of foreign policy in the 1990s

Political objectives and implementation. *Historical background. Australia as a middle power. Australia as a 'good international citizen'. Political parties and personalities. Re-defining the nation's political identity. Asianisation of Australia. Asia-Literacy. Double vision: how Asia and Australia see each other. Pauline Hanson's One Nation party. Political and diplomatic relations in the 90s.*

Security objectives and implementation. *Historical background. The era of forward defence ends with the withdrawal from Vietnam. White Paper of 1976 presenting Self-reliance policy. Security relations in the 90s. The Defence White Paper 'Defence 2000'. Support for international peacekeeping.*

Economic objectives and implementation. *Historical background. Insulation and dependence. The British connection. Regionalism and multilateralism. An assessment of the 1980s initiatives. Economic relations in the 90s. An integrated multilateral, regional and bilateral approach to trade.*

Political objectives and implementation

For Australia, the most important objectives of its government's foreign policy have always been the nation's safety and its prosperity, in other words, security and economic interests.

Political objectives are usually based upon political value systems of the society, which are connected with ideology, history and sometimes religion. According to the traditional classification of countries there are great powers, middle-sized powers and minor powers.

After World War II there were two superpowers: the US and the USSR. Australia is never likely to be a superpower. It has population limits that seem to be imposed by its shortage of water and other environmental factors. Since World War II, Australia has made quite rapid progress from being a *minor power* (6 million people) to a *middle-sized power* (19.7 million people), turning into a relatively substantial and self-confident society.

Australian governments have shifted regularly, at both federal and state levels. They have had rather frequent elections between party alliances, with 'the swing-

ing voter' (20% or so of the electors) enforcing the competition and supporting neither of the major parties. It means that radical changes in the political objectives of foreign policy can rarely happen in Australian politics.

If the political value-system was in contest with its security or economic interests, Australians preferred to choose its security or economic interests, as with East Timor. Although Australia's security interests necessitated the maintenance of good relations with Indonesia, this clashed with the need to do more to support the human rights of the East Timorese. Since Australians are considered to be on the whole a pragmatic and empiricist people, political objectives are often frankly presented and justified in terms of economic and security objectives.

Australia has been trying to get the reputation of a '*good international citizen*', useful, constructive, helpful and hardworking in the general interests of international society. It means participation in international organisations, arms control efforts, international and humanitarian aid and international law. Even in these fields Australian policy doesn't disregard national economic and security interests, though this is the area of foreign policy where political objectives can be pursued on their own merits. For example, economic aid to developing countries helps to open up trade opportunities.

At the time of the ANZUS crisis when American nuclear ships were banned by New Zealand, Australia managed to be on friendly terms with both countries and helped to ease the tension. Bob Hawke was at that time fully in charge of the Australian Labor party and more pro-American than either his predecessor (Malcolm Fraser) or his successor (Paul Keating). Canberra's decision about the Alliance crisis was made on an assessment of Australia's strategic interests, but it came obviously more easily to Hawke as Prime Minister than to any other Australian Prime minister.

Though the *personal assumptions* of the two decision-makers who most influence Canberra's foreign policy (prime minister and foreign minister) can shape the political objectives to suit their individual political and moral judgement, the shaping of economic and security objectives involves larger, more impersonal forces, which the leaders can't disregard.

Though both Hawke and Keating claimed to be the first to develop relations between Australia and various Asian powers, there was another Australian 'push into Asia' dating back to the late fifties. The Treaty of Rome (1957), which brought the European Common Market into being, also promoted a new direction in the

Australian search for markets looking towards Asia. John McEwan, the Country party leader, who was Menzies' Deputy Prime minister and Trade minister, negotiated the trade treaty with Japan in 1957.

But a new *re-defining of the nation's political identity* happened during Paul Keating's time. The change of political self-definition has occurred from a Western, almost entirely Anglo-Celtic society on the fringes of Asia and apprehensive of Asia, to a multi-ethnic and multicultural society, though still substantially Western and Anglo-Celtic.

Australian identity has always been defined in relation to Asia. The European settlers from the beginning were aware of their remoteness from the old world and their proximity to people who seemed different to them in exotic and sometimes threatening ways. The ideal of 'White Australia' announced a determination to develop an Australian society independently of the national societies in the region.

In the 1990s, Paul Keating, the Australian Prime minister, spoke about a historic shift to Asia and ambitious cultural projects. Keating vigorously promoted Multicultural policy. His vision of the future successful development of Australia was in Australia's close cooperation with a rapidly developing countries of the Asia-Pacific region such as Japan, South Korea, Hong Kong, Singapore, Malaysia and Thailand.

Keating believed that for speeding up the process of Australia's engagement with Asia, it was necessary to recast the way of thinking of Australians, so that they thought of themselves not as a part of Britain but first of all as a part of Asia. In his advocacy of such matters as the Australian republic and the Creative Nation policy, Keating in 1994 took an activist stance in an attempt to change the cultural landscape of Australian politics and society. In the Creative Nation policy there was an attempt to use state power to alter cultural values and orientations.

'*Multicultural Australia*', promoted in the 1970s and 1980s, made claims to be inclusive of non-Western cultures - and yet the underpinning ideology was derived from elements of Western liberalism.

In the late 1980s and early 1990s, in the media and elsewhere in public and private life, some Australians began to think of their country in old terms again. They asked whether it might be possible to consider Australia as in some sense 'Asian'. Answers to this question came both from within Australia and from the Asian region itself. By 1996, a consensus appeared to emerge that, though it was

necessary for Australia to seek engagement with Asian societies, Australia itself could not convincingly be described as an Asian country. The 1996 federal election revealed that attitude to the problem of *Asianisation*. John Howard came to power with a much more conservative attitude to the engagement with Asian countries and the policy of multiculturalism in Australia.

The Asia-Australia Institute of New South Wales played an important part in this experimentation. Launched by Hawke in 1990 and led by former ambassador Stephen FitzGerald, the Institute proclaimed its purpose of ensuring Australia's participation as an equal Asia-educated and contributing partner in the Asian community of the region.

In 1994, speaking at the same Institute, Keating announced that by the year 2000 he wanted Australia to be a country in which 'our national culture is shaped by, and helps to shape, the cultures around us.' The foreign-affairs editor of the Australian, Greg Sheridan, declared after this speech that 'no Australian Prime minister has ever made so comprehensive a commitment to the Asianisation of Australian life.'

A new policy of Asia-Literacy was announced to tighten the links with Asia. According to this policy of *Asia-Literacy*, it was expected that Australians would increasingly improve their knowledge about Asia no matter in which sphere they worked: education, business, government, law and arts. Knowledge about Asia was to be acquired through formal study, through experience at work, through personal and private contacts of different kinds, through travel and residence abroad.

But the route to Asia-Literacy was not only through politics and economics. The Asia Education Foundation, established in Melbourne in 1992, sought to inject Asian context into the primary and secondary school curricula. It was recommended that Asia-Literacy not to be confined to Asian studies department in universities, but be diffused throughout the curricula of all faculties such as history, medicine, architecture and mathematics as an essential component of education. In 1993, the number of Australians studying Japanese was the highest in the world per head of population.

In October 1996, *Pauline Hanson*, a newly-elected independent member of the House of Representatives aroused much controversy when, in a speech envisaging 'civil war', she reiterated her demands for the ending of immigration from Asia and for the elimination of special funding for Aboriginal people. The Prime

minister attracted criticism for his failure to issue a direct denunciation of the views of Hanson, a former member of the Liberal party. The increasingly bitter debate also damaged Australia's image in the countries of Asia, a vital source of investment and of tourism revenue. In March 1997, moreover, the One Nation party was established by Pauline Hanson and rapidly attracted support.

The Prime minister condemned the views of the founder of the One Nation party. Later the Government issued a document on foreign policy concerning Hanson and a special diplomatic unit was established for dealing with the cases related to Pauline Hanson. In November 1997, former Prime ministers Keating, Hawke and Whitlam published a statement denouncing Pauline Hanson.

In the 90s, Australia devoted considerable attention and energy to ensuring the maintenance of a liberal, open and rules based GATT regime, which could create the global environment in which the dynamic economies of East Asia could continue to expand. Australia's active role in the negotiations also helped to improve relations with its neighbours which was necessary for any expanded role of Australia in the affairs of the region, since the Cairns Group, which was created at the initiative of Canberra and with the purpose of influencing the Uruguay round, included four Southeast Asian countries among its membership (Indonesia, Thailand, Malaysia and the Philippines). When a conclusion to the Uruguay round was finally reached it seemed that states of the Asia-Pacific region would benefit most of all from the agreement.

For Australia the future of the APEC group was an issue of continuing importance. The Prime minister Paul Keating outlined a new vision for APEC, which was included in his April 1992 proposal for an APEC leaders meeting.

The meeting of the Heads of Asia Pacific Economies in Seattle in November 1993 was held in the Malaysian Prime minister's absence. The meeting was a landmark event in the evolution of the APEC process and widely reported as a considerable success. The participants agreed that the group should meet again in 1994 when the President Suharto of Indonesia would serve as host. Over four days of meetings in Seattle, the first two were taken up by talks between trade and foreign ministers and the others by the leaders' summit.

The APEC members made a range of decisions that marked an important new stage in the organisation's evolution for liberalisation of trade and solving economic issues. It was decided to admit Papua New Guinea, Mexico and Chile to the group, and after that to have a three-year moratorium on expanded membership and to convene a meeting of finance ministers in 1994 to address broad economic issues.

Paul Keating described the meeting as a historic success.

However Australia didn't gain all it hoped from the meeting. Canberra's suggestion that APEC would become 'community' instead of 'co-operation' was not accepted for fear that it might imply a desire to create something similar to the European Union. Nor was there support for the proposal that APEC should make a strong commitment to the introduction of wide free trade by 1996.

Malaysia's reservation towards APEC was partly a reflection of its desire not to do anything that might compromise prospects of regional acceptance for its own proposal for the creation of the East Asian Economic Caucus (EAEC), which was to be a new regional economic organisation that unlike APEC would not include Western states. But at the annual ASEAN ministerial meeting in Singapore it was decided that EAEC should be a Caucus or sub-group within APEC rather than an organisation in competition with it. The decision came as a relief to Canberra, which had long looked on the proposal as having a potential threat to its initiatives. It could undermine a major element of its regional economic strategy by excluding Australia from a potentially significant regional forum.

The Singapore meeting was significant for Australia because it affirmed the decision to create the ASEAN Regional Forum (ARF) as a new arena for dialogue and consultation on issues of regional security. At a high level from around the region (ASEAN and its PMC dialogue partners – the US, Australia, the European Union, Canada, Japan and New Zealand – together with Russia, China, Papua New Guinea, Vietnam and Laos), ARF was formally launched in 1993. The creation of the new forum was the culmination of several years' discussion around the region over the need for new security structure and was a great achievement of the Australian and Canadian governments, which had been amongst the most energetic in promoting it.

Gareth Evans welcomed the forum and was sure that ARF wouldn't interfere with any of Australia's existing security relationships, and that it would create an important additional arena for the exchange of views on regional security.

The political stability of most of the governments of the region at the beginning of the 90s and their pursuit of market oriented economic policies became the foundations for Australia to build a set of increasingly strong and stable bilateral relationships.

Canberra put a considerable amount of its diplomatic resources into Asia by opening new representational offices, especially by Austrade. All of Australia's states and territories, with the exception of Tasmania and ACT, had one or more representative offices in Asia, while seven of Australia's largest overseas missions were

located in the region.

By the mid-90s, Australia had already had more personnel serving Australia's interests based in Asia than in any other region of the world. Increasingly mature regional relationships marked the progress, but as a Western country, Australia remained an outsider not fully accepted as a partner in the regional affairs.

In 1996, after 13 years in office, a new Liberal-National coalition government replaced the Australian Labor government known for its strong 'push into Asia'. Its leader was known to have strong 'sentimental ties' to the UK and, while in Opposition, speeches by Coalition leaders had suggested that Asia might not play as central a role in Australian foreign policy under a Coalition government as it had under Labor.

In addition, the new Foreign minister had made a number of mistakes while in Opposition, thus calling into question the ability of the new Government to handle the country's delicate relations with the region.

But it soon became clear that the new Government was, indeed, committed to Australia's relations with Asia, although its approach in many respects was different, with a preference for dealing with the region through bilateral rather than multilateral channels. But the competence of the Government in the area of foreign affairs was called into question on a number of occasions – most notably over its handling of the cancellation of the DIFF programme (Development Import Finance Facility) and the Hanson 'race' debate.

While political relations were relatively secure during that time, economic relations – and in particular, merchandise trade relations – with the region slowed in 1996. Two-way investment levels increased, but were still regarded as a significant weakness in the relationship.

Tourism and educational links continued to grow, although there were concerns towards the end of the middle of the 1990s that these industries would be adversely affected by the public debate on Asian immigration and Aboriginal welfare. The economic relations were significantly affected by the financial crisis in the region.

Australia's relations with Asian countries in the 1990s showed that it was difficult to separate the political, social and economic aspects of those relationships. Under the new Government, Australia continued to promote APEC as a major force for regional cooperation and tried to be included in the Asia-Europe Meeting (ASEM).

Security objectives and implementation

The main concern of any foreign policy is national security policy. In 1901 this concern drove the early colonial governments towards federation, and one of the new Commonwealth government's earliest acts was to establish the *Australian Department of Defence*. Though until 1935 there was no separate Department of External Affairs with its own minister. When Australia's first Defence Bill was introduced in 1903, the minister for Defence, Sir John Forrest, stated that the army 'should be confined to operations on our own soil, and the Government should not have power to send away our men to take part in some war in which they might have little or no interest'.

Australian defence planners began to think about the possibility of the war with Japan after the Japanese success in the Russo-Japanese war of 1904-05. And in 1909 the Deakin government introduced compulsory training with the purpose of providing a large militia force that could resist such an invasion. The Australian fleet was established to operate as a part of the Royal Navy of Britain. There was some tension between those who were for 'fortress Australia' (to be self-reliant, build forts and to have its own army and fleet) and those who were for 'forward defence' (to be within an Empire).

These two approaches to security were based partly on ideology, on the one hand, – nationalism versus imperialism – but on the other hand, they also had a practical basis. The Government continued to look to Britain for guidance and supported the British policy of concentrating defence in the Far East on a large naval base in Singapore. World War II greatly affected Australian defence and foreign policy. In 1942, for the first time Australia came under direct threat of invasion. It became clear that it would be difficult for Australia with its limited economic resources and small population to defend itself and it should seek protection and help from its larger allies.

The conclusion was that future security would require larger permanent forces, a rapid population growth and security guarantees from allies. The invasion threat also showed the value of defence by means of maritime forces and the importance of forward deployment of troops: that is the policy of 'forward defence' rather than "fortress defence".

The '*forward defence*' meant the deployment of forces across the approaches to Australia to prevent a potential enemy reaching Australia. In that sense the deployment of elements of the Australian Army and Royal Australian Air Force (RAAF) to Timor, Malaya, and New Guinea in World War II can be considered a 'forward defence'. In the post-war period this strategy was revived. Such deployment was used against the Communist terrorists in Malaya and the possibility of

Chinese incursions into Thailand, which also contributed to regional peace. Australia maintained forces in Malaysia in the late 1960s not because of any direct threat to Australia, but as a contribution to Malaysia's stability, which helped to maintain and reinforce the stability of the region.

Australia's policy of Forward defence took place in accordance with the defence arrangements of Britain, the US and the South East Asia Treaty Organization (SEATO).

During the Second World War Australia established a diplomatic service. The treaty with New Zealand, signed in 1944 without consulting Britain or the US, marked the beginning of its own independent foreign policy.

The Australian commitment to Vietnam from 1962 to 1972 was announced as the policy of Forward defence. Australia had common interests with the US and policy makers subscribed to the Domino theory. If Indochina fell to the Communists, Thailand would follow, and then Malaysia and so on towards Australia.

The outcome of *the Vietnam War discredited the policy of 'forward defence'*. Besides, the reduction of British and US commitment to the region made this policy less practicable. The increase in stability in regional security made the policy of Forward defence unnecessary, though Australia continued to contribute at a lower level through the Five Power Defence Arrangement to regional security.

The new policy was announced in the government *White Paper, Australian Defence, in 1976*.

The Paper began by outlining the changes in Australia's strategic policy in the new regional environment. The former imperial powers had withdrawn from the region, the USA had disengaged militarily from the mainland of Southeast Asia, the nations of the Association of South East Asian Nations (ASEAN - Indonesia, Malaysia, the Philippines, Singapore and Thailand, formed in 1967) had made good progress in the process of nation building.

Papua New Guinea became independent; China was no longer regarded as a major threat, and the USSR had achieved nuclear strategic parity with the USA. The White Paper expressed a new policy of Self-reliance.

In case of a fundamental threat to Australia's security it was expected that US military support would be forthcoming, but for other situations Australia was to look after itself.

In December 1989 the then minister for Foreign Affairs and Trade, Senator Gareth Evans, expressed the relationship of defence to foreign policy in his ministerial statement about Australia's Regional Security. The statement identified four main priorities for Australian foreign policy: protecting Australia's security through

the maintenance of a positive security and strategic environment in the region; pursuing trade, investment and economic cooperation; contributing to global security; and contributing to the cause of good international citizenship.

It was emphasized that the other dimensions of foreign policy such as disarmament, trade, the environment, immigration, aid and reform of the UN might, in the long run, contribute more towards national security than specific defence policies.

Security relations in the 90s. In the early 90s there were continual suggestions from both defence planners and the federal opposition that there was a need to undertake a fundamental review of Australian security policy because the fundamental changes had occurred in international politics since the end of the Cold War.

Despite Australia's declining dependence on the USA for its defence, it admitted in 1993 the continuing importance of its security relations with the US and that maintenance of regional stability rested to an important degree on the US retaining a military presence in the region. Thus the retention of this presence was an important objective in Australia's regional security diplomacy.

There was therefore some disappointment in official circles in Canberra when at the last minute the US called off the annual AUSMIN talks that had been due to take place in Cairns. It was the first time in over three decades that the talks (whose predecessors had been the annual ANZUS meetings) didn't take place.

Australia took an increasing active and independent security role in Asia in 1993. The long established cooperative defence relations with Malaysia and Singapore under FPDA (Five Power Defence Arrangement), which also included the UK and New Zealand, remained an important element of Australia's regional defence policy with joint exercises, force deployment and personnel exchanges, all taking place under its umbrella. In particular, the Australia – Singapore dimension of the FPDA received a boost following the signing in March 1993 of an agreement between the countries that the Singapore defence forces, especially the air force, would undertake various training activities in Australia over the next few years.

Australia also extended its cooperative security activities well beyond its traditional friends in the early 90s. Exchanges and contacts, some at the highest levels of the Australian Defence Force, were now taking place with an increasing number of governments in the region. These included contacts with senior officials of military forces from Papua New Guinea, Indonesia, Thailand, and Japan.

The frequency of these contacts, across all services, showed the degree to which Australian defence policy had moved from its formerly insular defensive policy

based on traditional allies to more cooperative contacts with the countries of Asia, especially those in Southeast Asia.

Australia also continued efforts to expand arms control regimes globally and by extension within the region.

In January 1993, a Chemical Weapons Convention, for which Australia had been amongst the most active proponents, was signed in Paris, and in June the 'Australian Group' of 24 countries agreed on standardised export controls on 54 chemicals.

In March, Australia hosted a Missile Technology Control Regime (MTCR) Meeting that reaffirmed the need for extended controls on the export of missiles and missile components.

While towards the end of the year, Canberra launched an initiative to encourage 15 countries of the region to become party to the 1980 Inhumane Weapons Convention that restricted the use of land mines.

A welcome development in 1993 was the decision by the ASEAN PMC to create ARF. Over the previous few years Australia, and Gareth Evans in particular, had been actively encouraging Asia-Pacific countries to think seriously about new multilateral security structures for the region. While the ASEAN states themselves took a very cautious approach to this idea, one of the main obstacles to progress was the reluctance of the US. But the position of the US on the regional security changed later. The first meeting of the new forum took place in Bangkok in 1994. ARF was a modest start in the direction of regional security and its role was then quite clear, but from Canberra's perspective it marked an important step forward in creating new mechanisms for region-wide dialogue on security issues.

The year 1996 saw changes in security priorities. Downer, the Foreign minister of a new Coalition government, classified himself as a pragmatic realist and made it clear from his first speech that he wished to work on neglected bilateral relationships. The emphasis was placed on bilateralism and balance of power issues. From the new Government's perspective, the tension generated by Chinese missile testing in the Taiwan Strait reminded the necessity for maintaining a substantial US presence in the region.

In 1996 this led to a reaffirmation of the Security Agreement signed with Indonesia, an upgrading of the security alliance with the United States through the AUSMIN talks, and with greater stress placed on bilateral political-military talks. The reaffirmation of security relations took place between Australia and the US, and Australia and Japan in 1996. The Sydney Declaration was signed.

Australia conducted joint naval exercises with Singapore, joint naval manoeuvres with India and joint naval and air force exercises with Thailand during 1996. Joint

training exercises were also conducted under the Five Power Defence Arrangement (FPDA) between Australia, NZ, Malaysia, Singapore and the UK. The Singapore air force entered into an agreement to utilise the Oakley air force base in Queensland for training facilities, and Indonesia, Thai and Philippine military personnel received training at various locations in Australia. There were exchanges of high-level military personnel with Indonesia and South Korea. Australia also maintained limited defence contacts with China and Vietnam.

A particular problematic issue in Australia's security relations at that time was that of the secessionist movement on Bougainville. It appeared that the Papua New Guinea government had used Australian military equipment in its efforts to maintain its sovereignty over Bougainville. It was suggested that the Defence Cooperation Programme between the two countries should be reviewed.

The Defence White Paper 'Defence 2000' presents the key aims of Australia's current defence policy: to develop and maintain the capacity to defend Australia from armed attack, and to promote regional and global security environments that discourage aggression using its longstanding bilateral and security links, using the ANZUS Alliance relationship with the USA (which was reaffirmed in the 1996 Sydney Declaration), together with the Five Power Defence Arrangement involving Australia, Malaysia, Singapore, New Zealand and Britain, and at the same time the ASEAN Regional Forum, which brings together most Asia Pacific countries for the discussion of regional security issues. Australia will be expanding its bilateral, regional and multilateral security links, including dialogues on a range of non-military issues, such as pandemics, illegal migration, refugee flows, environmental degradation, narcotics and transnational crime.

The Government was maintaining the defence-funding base estimated at \$18.2 billion in 2000-01, which could give Australia the capacity to respond at short notice to current and emerging events. There was 51,500 permanent full-time military personnel in ADF. The Royal Australian Air Force had 263 aircraft and the Royal Australian Navy had a fleet of 84 vessels.

The Australian Defence Satellite Communications Capability (ADSCC) which is to be launched in 2002, will improve the communication services for deployed forces and will support a new command, control and communications system of Australian Defence Force (ADF). The Defence Science and Technology Organisation (DSTO) has supplied a military programme 'The Soldier Combat System' with innovations which include improved body armour, weapons, night vision equipment and communications systems. DSTO is currently working on the project 'acoustic daylight' for detection of underwater objects and advanced pilotless

aircraft for military applications.

The Australian Defence Force has made contributions for the support of *international peacekeeping* by serving in combat operations and acting as UN and multinational peacekeepers and observers. Australia led a multinational force in the East Timor operation after the East Timorese people had voted for independence. In 1999 the UN-mandated Interfet (International Force East Timor) was established, which included over 5,000 Australians and 4,500 personnel from 21 other countries. Later Untaet (United Transitional Administration in East Timor) in which Australia participates replaced Interfet.

Australia's commitment is also important for the International Peace Monitoring Team (IPMT) in the Solomon Islands set up in 2000. The IPMT has police and civilian monitors from Australia, military, police and civilian monitors from New Zealand, Vanuatu, Tonga, and the Cook Islands. Its aim is to support the activities of the indigenous Peace Monitoring Council.

Australia is also engaged in the neutral regional unarmed Peace Monitoring Group (PMG) on the Papua New Guinea island of Bougainville cooperating with New Zealand, Fiji and Vanuatu.

Economic objectives and implementation

The main economic objective of any foreign policy is to reach a high level of economic well-being. National welfare is a cornerstone of any country's foreign policy. Though Australia was still in the top 20 world economies by size, its Gross Domestic Product (GDP) in the mid-1990s was less than 5% of the GDP of the US, less than 7% of GDP of Japan, and smaller than those of the Republic of Korea and Mexico. Such economic state inevitably limited the leverage that the Australian government could apply in international economic negotiations. Besides, there was a reliance on a small number of primary products for the bulk of the country's export earnings, which depended on weather and on fluctuations in the growth of the economies that consumed its raw material. *Over the years since Federation*, the choice of strategies has greatly evolved. It started with the strategy of insulation of the domestic economy from the instabilities of the world market and reliance on great and powerful friends for protection, and later placing an emphasis on regionalism and multilateralism and on coalition building with states that share a similar dependence on agricultural exports.

For much of the period since Federation, the pursuit of foreign economic policy was shaped by two overriding objectives: *maintenance of relationship with Britain*; and *the protection of domestic living standards by insulating the three great*

producer groups – manufacturing, labour force and primary producers, which were fixed in the social contract with the guaranteed welfare by the state and a ‘fair go’ in the economic system. The decisions of successive governments to maintain these policies inevitably limited foreign economy policy choices. Special bodies were developed to protect the interests of the three groups – the Tariff Board for manufacturers (established in 1921), and arbitration tribunals for labour and marketing authorities for rural producers. By delegating powers to these statutory bodies, the issues with which they dealt were removed to a considerable extent from the party political arena.

To protect rural producers the Government negotiated long-term supply contracts for international commodity agreements. Long-term contracts were widely used during World War II for the sale of many agricultural products to Britain (very important was the Commonwealth Sugar Agreement). In the post-war years, the Government’s task was to establish international commodity agreements.

In the manufacturing sector, protection for workers and manufacturers existed as well. The Harvester Judgement created the link between tariff protection and wages for the working class in the early years of Federation. A ‘living wage’ was legally established regardless of the capacity of any individual company to pay it. It made companies seek compensation through tariffs to guarantee their ability to survive because they had to pay higher wages than overseas competitors. Restrictions on immigration protected labour as well, particularly the White Australia policy. This policy was meant to prevent Asian immigrants from coming and working for lower wages, which could undermine the living standards of the white workers.

All of these components of domestic policy had a profound impact upon Australia’s foreign economic relations and the way in which Governments pursued economic objectives. The White Australia policy damaged relationships with Australia’s Asian neighbours and reinforced ties with Europe, particularly Britain. Protection irritated Australia’s trading partners in Asia. They were unable to profit from their comparative advantage of cheap labour. Thus the protection of domestic manufacturing prevented Australia from pursuing the policy of eliminating other countries’ barriers to Australia’s agricultural exports. This policy of protection created a manufacturing sector that couldn’t compete in international markets. This inward orientation of the economy was reflected in the unusually low contribution of foreign trade to Australia’s GDP.

After Britain joined the European Economic Community in 1961, Australia began to pursue its economic objectives mainly through multilateral channels. However there were still obstacles in Australia’s way to multilateralism. The first was the high level of protection given to domestic manufacturing industry. The second

was the unwillingness of the major players in GATT – the United States, the European Union (and, later, Japan) – to submit their domestic agricultural sectors to multilateral regulation.

A consensus on the need to reduce domestic protection had been reached only by the early 1970s and was reflected in the Whitlam government's 25% tariff cut in 1973. Popular reaction was hostile. It was blamed for the mid-1970s recession, which in fact was caused primarily by a slowdown in world economic growth. Australia's subsequent commitment to multilateralism demanded consistency between internal and external economic policies. The Hawke Labor government, which came to power in 1983, began to liberalise the economy and floated the Australian dollar. It was the time of reduced world demand for Australian minerals in the global recession of the early Reagan years.

The Government understood, however, that domestic economic reform would be unsuccessful unless accompanied by a further opening of global markets. A new series of GATT negotiations, the Uruguay Round, which were started in 1986 gave an opportunity for the countries to make a commitment to liberalised markets.

The Hawke governments in the second half of the 1980s responded with several creative initiatives. One was to merge the Department of Foreign Affairs with the Department of Trade in 1987, in an attempt to give economic issues equal priority with other dimensions of foreign policy. Second, in an effort to ensure that agricultural issues received a high priority in the Uruguay Round, the government sought to build a coalition with other small and medium economies whose export earnings were heavily dependent on agricultural products. Thus the Cairns Group of agricultural traders was formed. The objective was to create a third force in the GATT negotiations to balance the influence of the Europeans and the US. Third, at a time when the Uruguay Round negotiations were deadlocked, and the Government was concerned about fragmentation of the world economy into rival blocs, the Prime minister Hawke proposed in January 1989 that a grouping of Asia Pacific economies be established. It was done to bring about a reduction in trade barriers on a non-discriminatory basis. Hawke's initial proposal excluded the US and Canada. The Australian government was annoyed with the US subsidies of agricultural exports. They damaged Australia's sales. But under pressure both from the North Americans and from most East Asian countries, the invitation to participate in the future APEC (the Asia Pacific Economic Cooperation) was offered to the North American countries.

APEC was one of the major successes of the initiatives undertaken during the period when Gareth Evans was Foreign minister. By bringing the leaders of 18 countries together each year the grouping served multiple Australian foreign policy objectives. First, Australia used it for gaining the recognition as a part of the Asia Pacific. Second, APEC helped to create the pressure on East Asian governments to liberalise their economies. Third, APEC reduced the risk of a fragmentation of the world economies into regional trading blocs, and it gave the countries of the region increased leverage against the European Union. Fourth, it encouraged the USA to maintain its security commitment to East Asia.

Ten intergovernmental working groups and two *ad hoc* groups were set up to study means of promoting cooperation in areas that included human resource development, transportation, tourism, fisheries, telecommunications, the compilation of trade and investment data, as well as trade promotion and facilitation through the harmonisation of standards. Such an agenda of intergovernmental collaboration was designed to reduce the transaction costs of economic interactions in the region. However to a considerable extent the discussions of APEC focused not on these collaborative activities but on its efforts to promote regional trade liberalisation.

Economic relations in the middle of the 1990s illustrated the signs of Australia's expanding relationship with Asia. Asia accounted for 50% of Australia's merchandise trade in 1995. The balance of trade was strongly in Australia's favour, with a trade surplus in 1995 of more than A\$15 billion. In contrast, Australia maintained a considerable trade deficit with its other main trading partners, Europe and North America. While primary products continued to dominate Australia's exports to the region, the proportion of manufactured goods was increasing, and in the middle of the 1990s it accounted for over 28% of Australia's merchandise exports to East Asia. Asia was also a significant source of Australia's imports with 38% of the value of merchandise imports coming from the region. The countries of Northeast Asia continued to dominate Australia's merchandise trade. The first place belonged to Japan, the second to South Korea, the third to Taiwan, then China and Hong Kong. Australia's main trading partner in Southeast Asia was Singapore, which remained Australia's seventh largest trading partner in 1995. Australia's merchandise exports to Singapore grew by over 12% in 1995, while its merchandise imports grew by more than 21%. Australia's other important trading partners within the sub-region included Malaysia, Indonesia, Thailand and the Philippines. Growth in trade with these countries was strong. Australia maintained a trade surplus with all of its main trading partners in the sub-region, totalling A\$4.5 billion in 1995.

Australia's top ten trading partners in the middle of the 1990s were:

1. Japan. 2. US. 3. NZ. 4. ROK. 5. UK. 6. China. 7. Singapore. 8. Germany. 9. Taiwan. 10. Hong Kong. Australia continued to be Papua New Guinea's main trading partner. In 1995 Australia took 31% of the country's merchandise exports and provided 49% of its imports.

Australia has an integrated multilateral, regional and bilateral approach to trade. Australia is the largest share-owning country in the world. 54% of the adult population own shares in publicly listed companies, and more than 470 multinational companies have their Asia Pacific headquarters in Australia.

Australia has a keen interest in ensuring open markets for agricultural goods. It tries to get better opportunities through the Cairns Group of Fair Trading Nations and APEC and WTO.

At the bilateral level it has concentrated on improving market access for goods and services in Australia's region and in priority markets. The Australian government is currently pursuing a comprehensive FTA with Singapore as well as closer economic integration between Australia and New Zealand: Closer Economic Relations Trade Agreement (CER) and the ASEAN Free Trade Area (AFTA). ASEAN and CER ministers agreed in 2000 to give a task to the senior officials of their countries to develop the concept of Closer Partnership between AFTA and CER by the end of 2001.

Key References:

Australian Foreign Policy. Into the New Millennium. Ed. Mediansky F. South Melbourne. Macmillan Education Australia Pty Ltd. 1997.

Dalby S. Continent Adrift?: Dissident Security Discourse and the Australian Geopolitical Imagination. //Australian Journal of International Affairs. Vol. 50. No.1. 1996. Pp. 59-75.

Hanson P. Pauline Hanson's First Speech in the House of Representatives, 10 September 1996.

Higgot R. Special Issue on Ideas, Policy Networks and International Policy Coordination in the Asia-Pacific. //The Pacific Review. Vol. 7. No. 4. 1994. Pp. 367-379.

Jackman S. Pauline Hanson, the Mainstream and Political Elite: the Place of Race in Australian Political Ideology. //Australian Journal of Political Science. 1998. Vol. 33. No. 2. Australian Political Studies Association. Pp. 167-186.

The Asia-Australia Survey. 1994. Eds. Trood R. and McNamara D. Centre for Australia-Asia Relations. South Melbourne. Macmillan Education Australia PTY LTD. 1994.

The Asia-Australia Survey. 1995-1996. Eds. Trood R. and McNamara D. Centre for Australia-Asia Relations. South Melbourne. Macmillan Education Australia PTY LTD. 1995.

The Asia-Australia Survey. 1996-1997. Eds. Trood R. and McNamara D. Centre for Australia-Asia Relations. South Melbourne. Macmillan Education Australia PTY LTD. 1996.

The Asia-Australia Survey. 1997-1998. Eds. Bishop B. and McNamara D. Centre for the Study

of Australia-Asia Relations. South Melbourne. Macmillan Education Australia PTY LTD. 1997.

Additional reading material on sites:

http://www.dfat.gov.au	(economic issues)
http://www.austrade.gov.au	(economic issues)
http://www.axiss.com.au	(economic issues)
http://www.defence.gov.au	(defence and security)
http://dsto.defence.gov.au	(defence and security)

Further reading:

Australia in a Changing World: New Policy Directions. Ed. Mediansky F. Sydney. Maxwell Macmillan. 1992.

Australia's Trade Policies. Ed. Pomfret R. Melbourne. Oxford University Press. 1995.

Ball D. and Kerr P. Presumptive Engagement: Australia's Asia-Pacific Security Policy in the 1990s. Sydney. Allen & Unwin. 1996.

Bergsten C. F. The Global Trading System and the Developing Countries in 2000. //Institute for International Economics. USA. Working Papers 1999. Working Paper 99-6, May.

Bergsten C.F. Open Regionalism. Working paper 97-3. Institute for International Economics. 1997.

Boyce P.J., Angel J.R. Diplomacy in the Market Place: Australia in World Affairs, 1981-90. Melbourne. Longman Cheshire. 1992.

Byrnes M. Australia and the Asia Game. Sydney. Allen & Unwin. 1994.

Cheeseman G. The Search for Self-Reliance: Australian Defence Since Vietnam. Melbourne. Longman Cheshire. 1993.

Defending Australia, Defence White Paper 1994. Department of Defence. Canberra. AGPS. 1994.

Evans G. Australia's Regional Security. Ministerial Statement by Senator the Hon. Gareth Evans QC, Minister for Foreign Affairs and Trade, December 1989.

Principles to Enhance Competition and Regulatory Reform. Open and Competitive Markets are the Key Drivers of Economic Efficiency and Consumer Welfare. Attachment to APEC Economic Leaders' Declaration. Auckland, New Zealand, 13 September 1999. APEC Secretariat. Singapore. 1999.

Stewart J. Solving the Riddle of Industrial Policy: A Comparative Perspective. //Australian Journal of Political Science. Vo. 31. No.1. 1996. Australian Political Studies Association. Pp.25-36.

Wiseman J. Global Nation; Australia and the Politics of Globalisation. Cambridge. Cambridge University Press. 1998.

Theme 8

Multilateral dimensions of foreign policy.

Environmental challenges. *Global responses. Cross-border problems. Regional approaches.*

Human rights. *Historical background. Australia and international human rights in the post-Cold War world. Multilateral activities. Bilateral activities. Asylum seekers and immigration.*

Arms control. *Historical background. Nuclear testing. Nuclear-weapon-free zones. Chemical, biological and conventional weapons.*

Environmental challenges

In Toronto in 1988, Australia committed itself to reducing greenhouse gas emissions (carbon dioxide emissions). Australia also signed the 1989 Hague Declaration, which concerned remedial action on global climate change, as a part of Australia's aim to be a 'good international citizen' in the environmental field.

Australia's initial activist line on *global climate* change was gradually replaced with a realisation of Australia's vulnerability. Australia is especially vulnerable in relation to the proposed approaches to limiting greenhouse gas emissions, because even marginal emission reduction costs for Australia would be higher than for most other countries. Australia asked for special consideration. At the 1996 Geneva meeting, Australia became more isolated as the US finally moved to accept the idea of binding targets that it had previously opposed with Australia. Climate change may be Australia's major international environmental challenge, but is not the only one. Arrangements for *protecting the oceans* through the London Convention posed difficulties for Australia as it continued to dump wastes, arising from zinc production, in the Pacific Ocean against the Convention's formal requirements. The Basel Convention, which limits exports of *hazardous chemical wastes* to developing countries unable to control effectively their imports, also posed problems. Part of the problem was an inability to define precisely what were wastes and what were raw materials for environmentally supportive recycling. This case was important to Australia in the useful trade of recycling used computer boards to the Philippines.

For many countries, *cross-border pollutants* such as *acid rain* constituted major environmental issues but there were few such issues in Australia. Australia was more worried about *animal and plant diseases*. The threat to Australia's flora and fauna posed significant challenges to Australia's diplomacy because some coun-

tries saw it as a protective barrier to trade. *Mining operations in Papua New Guinea* provoked opposition from environmental and other groups because of its threats to marine life in the Torres Strait and ultimately the Great Barrier Reef and to the lifestyle of local indigenous populations. Complex foreign relations issues emerged over Australia's role in Papua New Guinea. Under various pressures, the Australian company (BHP) compensated those affected. Illegal fishing in Australia's waters remained a low level issue in the Indonesian relationship since no major Australian economic interests were threatened. The *illegal fishing* activities of a number of countries raised animal and plant health issues as well as a concern over the preservation of the basic fish stocks themselves. For the most part, however, cross-border issues have remained a technical rather than a substantial environmental concern.

Australia's foreign policy directed towards the Asia-Pacific has included cooperative environmental relations. The opportunities for constructive diplomacy in the environmental field have grown substantially. Environmental issues can be a source of discord, *the logging of tropical forests* in Malaysia and some Pacific islands being cases in point.

The other basis of discord has been *the regional response*, notably by the Pacific Island countries (PICs), to the Australian position at FCCC (Framework Convention on Climate Change). Given their concerns at the rise in sea levels as a result of global warming, the PICs were angry at the Australian position taken at the Berlin FCCC meeting in 1995 and similarly at the Geneva 1996 meeting. The PICs had expected much more support from Australia.

The South Pacific Nuclear Free Zone, to which Australia devoted considerable effort, was established. A *Tuna Convention* was negotiated with New Zealand and Japan that contributed substantially to negotiations for *regional chemical and biological weapons regimes*. Australia was active in the *South Pacific Environmental Programme* and in negotiating the *South Pacific Hazardous Wastes Convention* in 1994, based on the Basel Convention.

In the regional context, APEC is likely to grow in importance. The first meeting of environmental ministers took place in 1994, the second in Manila in 1996. APEC leaders at Osaka in 1995 agreed that population and economic growth in the region were putting pressure on the interrelated issues of food, energy and the environment and arranged further discussions.

Human rights

Australia's concern with human rights can be traced to the vision of Dr H. V.

Evatt, who contributed to the original drafting of the UN Charter and the Universal Declaration of Human Rights. *In the 1950s and 1960s Australian foreign policy was determined by the East - West conflict.* In this period human rights, or civil rights, were subject to consideration if they were abused by Communist states. Their observance was not regarded as a universal requirement in the case of authoritarian yet anti-Communist regimes supported by the United States. And it was only in 1972 that international and universal human rights formally resumed their place on the Government's agenda. Thus, six years after their adoption by the United Nations General Assembly in 1966, the Whitlam government signed both the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR) on 18 December 1972. The new Government's human rights *emphasis was more on multilateral than bilateral agreements.* The Government was highly self-critical, speaking about problems of Australia's own performance in areas of woman's rights, sexual discrimination and land rights. The Amnesty International Parliamentary Group (AIPG) came into existence. In 1981, Australia's Human Rights Commission was established, but it was not until the return of a Labor government in 1983 that human rights again assumed a prominent place on Australia's political agenda with the emphasis on multilateral institutions. The Hawke government focused on the establishment of new institutions, or the strengthening of old ones which could ensure both the observance of human rights within Australia and a role for human rights in Australia's bilateral relations. In the process, conceptual advances were made seeking to reconcile the morality of human rights advocacy abroad with the reality of Australian geopolitical imperatives.

In 1983, a separate human section in the Department of Foreign Affairs and Trade was created together with the provision of funds to support human rights organisations. In 1987, DFAT began a detailed register of representations, and between July 1987 and June 1994 over 3000 cases were raised. In December 1992 a review of the work was published. In 1986, accountability was further recognised with the establishment of the Human Rights and Equal Opportunity Commission (HREOC), replacing the Human Rights Commission, whose particular focus was the situation of Aboriginal and Torres Strait islanders and other disadvantaged groups. The Foreign minister Bill Hayden articulated the concept of human rights in the late 80s, emphasising the integrity of Australian norms and the respect for the validity of regional values. Evans, who succeeded Hayden as a Foreign minister in 1988, further developed these themes. The tension between Australia's need to project its human rights values in its foreign policy and the obstacles to those values existing in the region became more evident with the end of the Cold War and in the greater international attention to human rights issues. Evans's approach

was one of 'principle, pragmatism and patience'.

At the multilateral level, Australia's human rights policy was closer to the ideal. By 1996 it had ratified 19 out of 25 UN human rights treaties. It had signed 54 International Labour Organisation (ILO) conventions and ratified 48. Australia played an active role in drafting and supporting many resolutions.

Australia often failed concerning its demand for human rights. Evans took up a more moderate position, which included a willingness to take into consideration the ASEAN point of view on that subject. Although Evans' position attracted some criticism in Australia, it was welcomed as more realistic by the ASEAN governments and laid the foundation for improved cooperation towards achieving change in Burma.

Human rights were always on Australia's regional agenda. With its heritage of European cultural and political values, Australia often found itself at odds with other regional countries both in relations to the definition and importance they assigned to human rights issues. This was demonstrated in 1993 at a May meeting in Bangkok, where 49 Asian countries were preparing for the UN sponsored world Human Rights conference in Vienna.

Asylum seekers and immigration

Australia has maintained a large migration program since World War II. Migration from Asia was limited until the late 1960s by the White Australia policy. Following the end of the Vietnam War, significant numbers of Asian people began to migrate to Australia, primarily from Southeast Asia.

By the late 1970s, just under 30% of the immigration intake consisted of people born in Asian countries (between 1983-85 Asian - 40%, in 1984-85 Asian - 33%, and in the first years of the 1990s 50%). During the late 1980s there was a gradual shift in the source of Asian migrants from Southeast to Northeast Asia as government policy began to give priority to the economic categories of migration rather than the refugee and family categories. By 1991 just under 4% of the Australian population was born in Asia. The annual intake was relatively low with 76,330 new settlers arriving in 1992-93, compared with 145,316 four years earlier. A significant number arrived from Indonesia and Malaysia. Northeast Asia provided 19% of Australia's settler arrivals in 1996 as a result of the temporary increase in Chinese migration, which in turn was due to the arrival of the families of students permitted to stay in Australia following the Tiananmen Square massacre according to a family reunion scheme.

By 1996, an estimated 5% of the Australian population was born in Asia, and

under a recent prediction, this proportion is likely to increase to 7 or 8 % by the year 2031. The accuracy of this forecast will depend on the overall size of Australia's future migrant intake, which has in the past varied considerably in line with the strength of the Australian economy. The major political parties in Australia have for a number of years been pushing for lower immigration levels. This was reflected in planning levels for the year of 1997 (74,000 people) and for the following year (68,000 people). Chinese and Indochinese 'boat people' have begun to arrive on northern shores since the late 1980s. In 1994 the number increased. The Australian government put pressure on the Chinese authorities to stop it. Many of them arrived because of the one-child policy in China, which was an abuse of human rights. The government received considerable criticism from sections of the Australian community over its treatment of the 'boat people'. Australia accepts about 10,000 refugees a year resettled under formal United Nations programmes. In 2001, more than 50 boats were intercepted carrying 4,000 asylum seekers, mostly from the Middle East and Afghanistan. Illegal immigrants are kept in detention camps, the three largest camps in the remote desert areas of Western Australia and South Australia, and three others in Sydney, Perth and Melbourne, while their claims are being processed. Their cases are considered sometimes for several years before a decision is made to give them the status. The Coalition government has taken a tough stance against illegal immigrants, whom it calls 'queue jumpers', and tries to prevent asylum seekers from reaching the shore. According to the polls, 78% of the population in Australia supports the Government's policy and the Prime minister Howard won the third term in office (10 November, 2001) partly due to his hard line approach to asylum seekers. Australia has been criticised recently by International Human Rights groups over detention camps especially in relation to children.

Because of its location within the Asian region, Australia's human rights policy was unlike that of most other middle powers. It was to be inseparable from geopolitics. Long-term strategic and security interests with the need for stable populations and secure borders favoured Australian concern for economic and social rights in neighbouring states. Short-term strategic interests on the other hand, emphasising interstate harmony as a prerequisite for strategic agreements, for the most part opposed it. In general, economic interests did not favour a strong human rights stance in the region, and influenced the particular interpretation of human rights that Australia had adopted. The tension between human rights and other national interests is further heightened by the fact that there was a human rights body for the Asia-Pacific region to monitor regional human rights abuses and to assume the role of mediator in the event of claims against a neighbouring state.

As a large western state in the immediate neighbourhood, Australia sometimes had to assume the role of regional conscience and arbitrator. This tension became more acute when Australia started seeking Asian engagement.

Arms control

Arms control measures are meant to constrain reciprocal threats without eliminating them, meanwhile disarmament actually reduces existing military capabilities. There is a choice either to respond by matching that threat or to reduce and constrain the threat.

Interest in arms control and disarmament by Australian governments is of relatively recent origin. Until the 1970s, Australia played a role of a passive spectator watching others' effort to control the number, spread and use of arms both regionally and globally. Since the 1970s, Australian foreign policy has had to reconcile competing demands and interests from its constituencies: those who believed in peace through arms control and disarmament with those who insisted on preserving peace through arms.

During the ALP governments, two people with a personal commitment to the disarmament agenda were in charge of foreign policy: Bill Hayden and Gareth Evans. The establishment of the Peace Research Centre at the Australian National University by Hayden in 1984 was an important event. Evans emphasised cooperative security. With the end of the Cold War he was in favour of the departure from the realist pursuit of security against potential enemies in favour of seeking security with others. Both ministers achieved a high profile in regional and global security diplomacy. *The South Pacific Nuclear Free Zone (1985)* was the initiative of the Hawke government as was the National Consultative Committee on Peace and Disarmament. Australia's bureaucratic capacity for dealing with arms control and disarmament issues was greatly strengthened in the 1990s.

Australia is a member of important international bodies for controlling arms proliferation and negotiating arms control and disarmament: the International Atomic Energy Agency (IAEA), the Nuclear Suppliers Group (NSG), the Conference on Disarmament (CD), and the Coordinating Committee for Multilateral Export Controls (COCOM).

After the Cold War, European achievements in arms control and disarmament could not be matched by those in the Asia Pacific region. Indeed, the Asia-Pacific was one of the few regions in the world where military spending was still rising. One of the difficulties in gaining success was that the Asia Pacific consisted mainly

of small islands with a great diversity of cultures, socio-economic fragility and conflicts that didn't allow a simple decision. Geographical and strategic isolation were permanent constraints on Australian influence.

Membership of the Western alliance was both an asset and a constraint. It was an asset to the extent that Australia had access to the most influential US policy makers and was able to communicate to them its own views and be interlocutor between the US and other governments. But it was a constraint for gaining trust from Asian governments.

The Non-Proliferation Treaty (NPT) was the centrepiece of the global non-proliferation signed by 182 states. Australia was a reluctant party to the NPT and signed two years after its negotiation and ratified it three years later in 1973. It was interested in keeping open all nuclear options, including the acquisition of weapons, civilian nuclear energy and peaceful nuclear explosions. But later it put much diplomatic effort in trying to promote adherence to the NPT by an increasing number of states.

There was a conflict associated with *French nuclear testing in French Polynesia in 1995*. Australia was reluctant to support public protests unlike New Zealand.

Nuclear-weapon-free zones were regional confidence-building measures.

In the 1970s the New Zealand Labour government's proposal for the establishment of a zone in the South Pacific didn't find response in the Whitlam government. But in 1983 the Hawke government revived the idea and obtained the support of the South Pacific Forum meeting in 1984. An Australian official chaired the working group that drafted the treaty, which was adopted at the Forum meeting in Rarotonga on 6 August 1985. Tonga was the last regional country to sign the treaty. China and the USSR endorsed the treaty in the 1980s, with Britain, France and the US only in 1996 after the cessation of French testing. Antarctica was established as a NWFZ in 1959, Latin America in 1967, Southeast Asia in 1995 and Africa in 1996.

The Biological Weapons Convention was the first to ban an entire class of weapons; it was put forward in 1972 and came into force in 1975. Australia signed *the Chemical Weapons Convention* in 1993 and was one of the first countries to ratify it in the same year. Sixty other countries (from 150) had ratified it only by 1996.

Major *conventional arms control agreements* were difficult to negotiate in global forums. Instead, progress on conventional force reductions could only be achieved through regional negotiations and modalities. Australia faced this contradiction. It supported transparency. But the problem was that the five permanent members of the UN Security Council were the five biggest arms traffickers.

Key References:

Australian Foreign Policy. Into the New Millennium. Ed. Mediansky F. South Melbourne. Macmillan Education Australia Pty Ltd. 1997.

The Asia-Australia Survey. 1996-1997. Eds. Trood R. and McNamara D. Centre for Australia-Asia Relations. South Melbourne. Macmillan Education Australia PTY LTD. 1996.

The Asia-Australia Survey. 1997-1998. Eds. Bishop B. and McNamara D. Centre for the Study of Australia-Asia Relations. South Melbourne. Macmillan Education Australia PTY LTD. 1997.

Treaty-making and Australia. Globalisation versus Sovereignty? Eds. Alston P. and Chiam M. Sydney. The Federation Press Pty Ltd. 1995.

Further reading:

Commonwealth of Australia. National Strategy for Ecologically Sustainable Development. Canberra. AGPS. 1992.

Elliot L. International Environmental Politics: Protecting the Antarctic. London. Macmillan. 1994.

Esty D. Greening the GATT: Trade, Environment and the Future. Washington: Institute for International Economics. 1994.

Henningham S. The Pacific Island States: Security and Sovereignty in the Post Cold War Order. New York. St. Martin's Press. 1995.

Human Rights and International Relations in the Asia-Pacific Region. Ed. Tang J. London. Pinter. 1995.

Theme 9

Regional dimensions of foreign policy

Australia and Southeast Asia. *Historical background. Development of relations. Policy under the Coalition government.*

Australia and the Pacific islands. *The context of asymmetrical relations in the South Pacific. Origin and emergence of the current regional system. Australia's South Pacific policy in the post-Cold War order.*

The influence of Japan and China on Australia's regional policy.

Australia and Japan. *Historical background. The economic imperatives and political ties. APEC and regional cooperation. Security and defence issues in the bilateral relationship.*

Australia and China. *Historical background. Political and economic relations. Taiwan and Tibet in bilateral relations. The revival of the China threat theory.*

Educational, cultural and scientific relations in the 90s.

International organisations in the Asia-Pacific Basin related to Australia. *Introduction. ARF, CSCAP, EAEC, ESCAP, FPDA, PBEC, PECC, SAARC, SPC, SPF, APEC. History, structure, activities, membership, aims.*

Australia and Southeast Asia.

Australia's relations with Southeast Asia have passed through four phases. *The first phase* covers the post-war years of the Labor government from 1945-49. During this period the experiences of World War II showed the strategic importance of Southeast Asia to the Australian defence planners. Australia, as a middle power with limited human resources, tried to protect itself 'from Asia' through collective security arrangements involving the United Kingdom and the United States.

The second phase of Australia's regional policy can be dated from the outbreak of the Korean War in June 1950 and the beginning of the Cold War in Asia. Australia began to pursue the strategic objective of containing communist power, joining Britain in the defence of Malaysia, first during the Emergency and then during Confrontation with Indonesia. It also joined the US in the Vietnam War. Both overseas commitments were included into the Forward defence policy and reinforced the notion that Australia had to protect itself 'from Asia'.

The third phase is connected with the 1969 Nixon Doctrine and subsequent disengagement of US military power from mainland Southeast Asia. During this period

Australia's collective security arrangements were devalued and discarded as past doctrines of containment and Forward defence .

Australia continued to support Malaysia and Singapore through the FPDA. But the new multi-polar balance was established which diminished Australia's military presence in the region. Communist victories in Indochina in 1975 led to a new regional polarisation. ASEAN emerged as a strong cohesive regional force when it became clear that the US security guarantees were diminishing. This third phase can be treated as a transitional period in which Australia gradually moved to security 'with Asia' rather than 'from Asia'.

The fourth phase of Australian relations with the region can be dated from the mid 1980s to the mid-90s. During this period the Cold War came to an end, and Australia adopted a policy of defence self-reliance and sought security 'with Asia'. This policy took the form of Australian support for the peace process in Cambodia, participation in the ASEAN Regional Forum and APEC, and the growth of defence links with regional states. Paul Keating's vision of an enhanced role for Australia in Asian affairs and his initiatives later when he became the Prime minister were very important for Asia-Australia relations.

Australia became well integrated with the region in defence terms, but the economic ties were frail in Southeast Asia (as opposed to Northeast Asia). The process of economic integration of the Asia-Pacific economies depended mainly on progress made at APEC Summit meetings as well as progress through meetings of the World Trade Organisation. Australia has been kept out of membership in ASEAN. The results of the federal elections in March 1996 and the debate over racism ignited by the independent MP Pauline Hanson raised the question as to whether or not Australia's political leaders had gone 'too far, too fast' for the electorate in promoting closer links with Asia.

In the speech on 2 October 2001 on the occasion of the launching of the first volume of 'Facing North: A Century of Australian Engagement with Asia', *Alexander Downer*, minister for Foreign Affairs in the Liberal-National party Coalition government, claimed that the engagement of Australia with Asia was undoubtedly one of the great themes in the history of Australian foreign and trade policy. Downer mentioned a substantial increase in Australian trade with Malaysia and Singapore, and later on with China as early as the end of the First World War. This increased trade prompted the Australian Prime minister Billy Hughes to appoint Australia's first trade commissioners to Singapore and Shanghai in the early 1920s. During the Great Depression, Japan increased its buying of wool and

China its purchases of wheat, so that by 1932, East Asia was taking about one-fifth of Australia's exports.

After giving a historical outline of Australia - Asia relations, Downer also spoke about the situation after the crisis of 1997 in East Asia. Australia committed funds to all three regional IMF programmes in responding to the crisis. Australia led the drive in APEC to focus on technical assistance. Australia's aid programme targeted better governance and infrastructure in East Asia. Australia's exports to East Asia grew 23 per cent in value in the year to July 2001. Exports from ASEAN to Australia grew by 110 per cent in the years from 1996 to 2000. Despite the economic crisis in Asia, total trade in goods between Australia and ASEAN grew by 62 per cent. Over 68,000 students from Southeast Asia were studying in Australian educational institutions in 2000.

In 2000, for example, more than 300,000 Singaporeans, out of a population of 2.3 million, visited Australia. Downer announced that the Government's continuing commitment to engagement with Asia was indisputable and that Australia had strengthened bilateral relations with countries of the region during the previous years.

Australia and the Pacific islands

Australia is the largest member of the South Pacific community; with a continental land mass and a population 5 times the number of either New Zealand or Papua New Guinea (PNG).

Since 1788, Australia has been engaged in trading and has exerted religious and cultural influence with the Islands of the South Pacific. In the early years of the colonisation, the trade and the economic exploitation of Oceania's resources played a vital role of great importance in the Australian colonial economy. In the 1990s, the Islands collectively accounted for only about 5% of Australia's total trade.

In 1976, the Coalition government inaugurated a parliamentary review to investigate Australian relations with the increasingly independent South Pacific. The Senate committee's review endorsed a series of measures that substantially enlarged the Australian bilateral commitments in the islands. In response to the Soviet interest in Tonga, Canberra expanded its aid to the (non-PNG) region from \$15 million a year to \$60 million. Australia began to extend its diplomatic presence in the region and to assist the islands to cover a wider range of external interests. Constructive commitment announced by Evans was an attempt to institutionalise an appropriate balance for *the asymmetries of power in the region*. All the South Pacific Forum island countries, except Nauru and Niue, are archipelagos, they are often widely dispersed, and the region is relatively remote from the

potential markets of global population centres. The population is small and these countries suffer from diseconomies of scale in every sphere. Natural disasters (cyclones and storms) or manmade calamities are very dangerous because of the diminutive size of most of the Islands.

Australia and New Zealand promoted a South Pacific regional system (made up of two regional bodies – one for security and the other for development) in the ANZAC Pact of 1944 to continue their influence on the islands through the Allies' post-war reconstruction plans. An efficient administrative device for reconstruction in the Islands was accepted locally through the establishment of the South Pacific Commission (SPC). Its purpose was to support the islands' colonial administrators, and the SPC helped to develop contacts and promote the sense of regional identity among the islands.

In the post-Cold War period the aims of the Pacific islands were to be the following:

reassertion of pragmatic national interest as the basis of foreign policy; the use of the Security Council serving as an arena for a globally coordinated interest of powers; the increase of multi-polarity to replace the bipolarity of the Cold War; the re-emergence of economic advantage as the primary measure of, and motivation for, national interest.

Multi-polarity widened Australia's perspectives concerning the relations with Asia-Pacific while more emphasis on economic rationality reduced the attractions of the South Pacific for a middle power anxious to influence the direction of change.

It would be impossible to find any area outside Europe *where regionalism* was as well developed and as central to the daily affairs of its members as the South Pacific. Except for SPC (South Pacific Commission), the other current intergovernmental regional organisations all were initiated by the islands. The other regional organisations created at that time were: the Forum Secretariat (ForSec), the South Pacific Forum Fisheries Agency (FFA), the South Pacific Applied Geo-Science Commission (SOPAC), the South Pacific Regional Environmental Programme (SPREP) and the Tourism Council of the South Pacific (TCSP).

In addition, the islands have pursued regional cooperation at a high level and in important areas through other means including the paramount political club the South Pacific Forum, a regional Heads of Government meeting, the Pacific Forum Line (PFL) and the University of the South Pacific (USP).

Australia and/or New Zealand have been foundation members of all the region's intergovernmental organisations since the creation of the SPC.

The influence of Japan and China on Australia's regional policy.

Australia and Japan.

The bilateral Commerce Agreement of 1957 was a starting point of the relationship. It was the culmination of a decade of post-war trade and commercial negotiations and reflected the pre-existing strength of pre-war bilateral commerce. Australia's diplomatic relations with Japan, in fact, extended to the late 19th century. The Anglo-Japanese Alliance of 1901 brought the two nations together in a common security framework.

For a long time Japan has been one of the most important countries of the region for Australia. In the 1990s this tendency continued. *The economic and political significance of Japan to Australia was an important factor in the Asia-Pacific region of the multi-polar post-Cold War world.* The two governments moved towards *an active programme of defence cooperation.* A Political-military dialogue became institutionalised; extensive cultural exchanges were commonplace and creative. Australian trade policies were successful despite the decline in some commodity trades. The regional context of the Australia-Japan was important. The post-war relations between the two countries were forged out of regional conflict, under the aegis of American regional hegemony and can be seen in its network of Asian-Pacific security treaties. *Bilateral Australia-Japan concerns were heavily regional in focus.* The Australia-Japan partnership was for most of the post-war period the starting point of great regional economic dynamism, expressed through the strong trade in natural resources and manufactures. Australia and Japan became strongly committed to making the concept work. Australia and Japan started in their joint declaration that 'the two Governments pledge their commitment to *APEC* as the primary vehicle of regional economic cooperation'.

Australia and China

China established full diplomatic ties with *Australia for the first time in 1941.* The two countries were allies against Japan in the Pacific War. But in 1949, Australia refused to recognise the new CCP government.

Menzies won the 1949 election and remained the Prime minister until he decided to resign in 1966. His government at first considered recognising the People's Republic of China (PRC), mainly because Britain recognised it in 1950, but had to postpone it because of several factors, including American opposition. In 1950 the Korean War broke out and Chinese and Australian troops found themselves fighting against each other. The effect of this was to freeze the Australia-China relationship into hostility for about two decades. In April 1965, towards the end of the Menzies era, Australia decided to send troops to Vietnam to fight on the

anti-Communist side. It increased tensions with China. Although China never formally sent troops to Vietnam, it supported the North Vietnamese both morally and with armaments. In 1966, the new Australian Prime minister Harold Holt (Liberal party) recognised the Republic of China. But the Cultural Revolution started in China. Yet despite the fear of China and the restrained political relations, Australian export trade in wheat flourished during this period. It began in 1961 and was strongly supported by the Country party, because China provided a market for increased wheat production. It continued throughout the decade despite criticism in the country. Throughout the 1950s and 1960s there was also a much smaller export trade in wool. By the 1963-1964 financial year, the total two-way trade between China and Australia was valued at A\$184.6 million.

Gough Whitlam advocated recognition of the PRC and when he became the leader of ALP, he headed the delegation to China in July 1971. When Whitlam's delegation left China, the US president Richard Nixon announced that he was invited to visit China before May 1972.

When the ALP won the elections of December 1972, one of its first acts was to establish diplomatic relations with the PRC. Australia promised to treat Taiwan as a province of PRC and to remove its official representation. Whitlam's government revived the wheat trade and in 1973 signed a bilateral trade agreement with China. The Australia-China Business Cooperation Committee was formed in 1973 to lay foundations for an increase in trade over the following years.

In mid-1979 China passed its Law of Joint Ventures with Chinese and Foreign Investment, from which Australian business, eager to enter into mutually profitable dealings with China, was a major beneficiary. In 1981, the Fraser government signed the Sino-Australian Technical Cooperation Agreement, enabling the Australian Development Assistance Bureau and the Chinese Ministry for Economic Relations with Foreign Countries to coordinate Australian aid to China. The relations spoilt after the major student demonstrations in May 1989, which climaxed in the 4 June Incident of 1989 (the events on Tiananmen Square).

In the 1990s the most fundamental dispute concerned human rights in China itself, including *Tibet*. Also at issue were Australia's measures to upgrade its relationship with *Taiwan*. For the PRC, Taiwan's status as a province of China was central to its concept of national unity. Any attempts by Australia to alter the boundaries between 'official' and 'unofficial' relations were thus viewed with great suspicion.

The June 4 Incident secured the issue of human rights on Australia's agenda in its

relations with China and reinforced the case for upgrading Taiwan in Australia's policy. One issue, which posed difficulties for the ALP government, was immigration. This was especially so when thousands of Chinese students sought to stay in Australia following the June 4 Incident, a demand agreed to in a statement made by the Prime minister Hawke. The election of the Howard government resulted in a period of considerable tension over a range of issues.

One of the most striking developments of the 1990s was *the revival of the China threat theory*. China's military modernisation and some of its actions in the mid-1990s, especially its March 1996 military exercises off Taiwan, gave rise to concern in many quarters. Up to 1996 this theory was popular in Australia as well.

But Australia-China relationship continued to be dominated by economic imperatives. That was the direction of the Asia-Pacific region, underpinned by rapid rates of economic growth and by the formation of APEC. It also reflected the policy priorities announced by Howard and Downer. Howard's attitude was illustrated in early May 1966 when he had a statement read at a conference on defence in Canberra advocating that China would be immediately invited to join the World Trade Organisation.

Educational, Scientific and Cultural relations in the 90s.

These relations were promoted by both the federal government and private sector organisations in the 1990s. The bilateral foundation within the Department of Foreign Affairs and Trade, such as the Australia-Indonesia Institute and Japan Foundation, were important vehicles for promoting educational, scientific and cultural links between Australia and the region. Private organisations such as Asialink, based at the University of Melbourne, which worked to increase Australian's awareness and knowledge of Asia through a variety of educational and other programmes, were also increasingly important. There was an establishment of sister state and sister city agreements to encourage cultural exchange. Asian languages and studies became more prominent in school curricula, and the number of teacher and student exchanges (especially with Indonesia, China and Japan) increased. During 1993 over 30,000 students from 16 countries in Asia studied at Commonwealth funded tertiary institutions in Australia, the largest source – Malaysia (7,686), Hong Kong (7,496) and Singapore (6,659). During 1996, over 120,000 Asian students attended Australian educational institutions, representing 85% of all overseas students in Australia. In 1996 there were 54,000 from South-east Asia. In 2000 over 68,000 students from Southeast Asia studied in Australian educational institutions.

Scientific exchange with Asia was increasing as organisations such as the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and the Australian Nuclear Science and Technology Organisation (ANSTO), and universities developed joint research projects with similar organisations within the region. The CSIRO was involved in projects in several Asian countries including China, Indonesia, Japan, Korea, Malaysia, Thailand, Vietnam, Singapore and Taiwan, as well as in a number of regional collaborative projects.

While the majority of these were in the area of agricultural science, an increasing number of projects were in areas such as global climate change, waste management and other advanced technologies. Many of Australia's leading arts institutions, the national and state art galleries, libraries and museums were taking an increasing interest in the region. This was shown by the number of exhibitions of Asian historical and contemporary work being displayed in Australia, as well as joint projects between artists and Australian exhibitions within the region. Radio Australia has over the years been an important vehicle for increasing the general level of knowledge of Australia in the Asia-Pacific region.

A lot of Australian musical and drama performances took place in Asian countries.

International organisations in the Asia Pacific Basin related to Australia.

Introduction. Australia has long played an active role in multinational organisations. Since the end of World War II the development of regional cooperation in the Asia Pacific has been of particular importance. Successive Australian governments were not only keen on advancing Australian interests through multilateral activity, they frequently recognised it as an effective way of advancing the collective political, economic and security interests of regional states. More recently, Australia has become increasingly active in the promotion of non-governmental organisations throughout the region.

There are eleven main governmental and non-governmental organisations in the Asia-Pacific region of which Australia is a member or the activities of these organisations influence Australia's regional interests. They are: Asia Pacific Economic Cooperation (APEC), ASEAN Regional Forum (ARF), Council for Security Cooperation in Asia Pacific (CSCAP), East Asia Economic Caucus (EAEC), Economic and Social Commission for Asia and the Pacific (ESCAP), Five Power Defence Arrangements (FPDA), Pacific Basin Economic Council (PBEC), Pacific Cooperation Council (PECC), South Asian Association for Regional Cooperation (SAARC), South Pacific Commission (SPC), South Pacific Forum (SPF). APEC has evolved rapidly from an informal dialogue group with limited partici-

pation to become the leading inter-governmental forum for promoting open trade and investment and economic co-operation in the Asia-Pacific region.

A remarkable part was played by Australia in developing the concept of a regional economic consultative forum after the speech made by the then Prime Minister Bob Hawke in Seoul in January 1989 suggesting the formation of an Asian version of the 'Organization for Economic Cooperation and Development (OECD)'. At the meeting held in Canberra in November 1989, an Asia-Pacific Economic Cooperation forum was set up with the participation of the five Pacific industrial powers (Australia, Canada, Japan, New Zealand and the USA), the members of the Association of South East Asian Nations (ASEAN) and South Korea.

1. South Asian Association for Regional Co-operation (SAARC)

The Association has represented the first significant attempt at organizing cooperation among the countries of South Asia. The association originated in December 1985 in Dhaka, Bangladesh, when a solemn declaration, known as the Dhaka declaration, and a Charter setting out the objectives and structure of the new organization, were signed at a summit meeting attended by the heads of state and government of Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka. The Secretariat of the organisation is in Kathmandu, Nepal.

Mandate

SAARC is intended as a vehicle for the region's economic, social and cultural development and aims to promote and strengthen collective self-reliance among member countries.

It aims to:

- Ensure regional cooperation on a footing of sovereign equality, territorial integrity, political independence, non-interference in the internal affairs of other states and mutual benefit such as cooperation to complement and not substitute bilateral or multilateral obligations of member states;
- Promote the welfare of the peoples of South Asia and to improve their quality of life;
- Accelerate economic growth, social progress and cultural development in the region and to provide all individuals the opportunity to live in dignity and to realise their full potential;
- Promote and strengthen collective self-reliance among countries of South Asia;
- Contribute to mutual trust, understanding and appreciation of one another's problems;

- Promote active collaboration and mutual assistance in economic, social, cultural, technical and scientific fields;
- Strengthen cooperation among themselves in international forums on matters of common interest, and cooperate with international and regional organizations with similar aims and purpose.

The broad areas of cooperation which have been identified by the organisation's Integrated Programme of Action are: agriculture (including forestry), communications (postal services and telecommunications), education, sports, culture (including arts), meteorology and environment (including the greenhouse effect), health, population activities and child welfare, prevention of drug trafficking and drug abuse, rural development (including SAARC Youth Volunteers programme), science and technology (including energy), tourism, transport and women in development. In addition, several key areas have been identified and important initiatives taken towards achieving the desired objectives. They include poverty eradication, trade and economic cooperation and people-to-people contact.

Membership

Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

Structure and finance

The decision-making process is in the form of a three-tier system, with the highest authority resting with the heads of state or government who normally meet once a year. The Council of ministers, comprising the Foreign ministers, meets twice a year, as does the Standing Committee comprising Foreign Secretariats. The Council formulates policies, decides on new areas of cooperation and establishes additional mechanisms if necessary. The Standing Committee is entrusted with the overall monitoring and coordinating of programmes and the modalities of financing, including mobilising regional and external resources. Technical Committees have been established and meet once a year to formulate programmes and projects in the eleven agreed areas of cooperation under the Integrated Programme of Actions. All decisions of SAARC are made unanimously and bilateral and contentious issues are excluded from its deliberations as stipulated in the Charter.

2. South Pacific Commission (SPC)

The Commission promotes the economic and social development of the peoples of the South Pacific region. The Commission was established by an agreement signed in Canberra in February 1947 by the six governments with the territories in the region: Australia, France, the Netherlands, New Zealand, the UK and the US, and was effective from July 1948. (The Netherlands withdrew from the Commis-

sion in 1962, when it ceased to administer the former colony of Dutch New Guinea, now Irian Jaya, part of Indonesia).

Mandate

The Commission is a non-political organisation that provides technical advice, training and assistance in economic, social and cultural development to 22 countries of the Pacific region. Its main areas of activity cover agriculture, fisheries, community health, socio-economic and statistical services, and community education services. It services a population of about six million people, scattered over some 30 million sq. km, of which over 98% is sea.

The aims of the Commission, expressed in the 1947 Canberra Agreement and as amended and abridged, are as follows:

- To provide a forum for island governments to be heard on equal terms;
- To be a vehicle for regionalism;
- To assist in meeting basic needs of the people of the region;
- To facilitate the flow of indigenous products, technical know-how and people;
- To be a catalyst in the development of regional resources;
- To serve as an aid-organising institution;
- To collect and disseminate information on the region.

Political matters have been explicitly excluded from the Commission's agenda since its foundation.

Membership

American Samoa, Australia, the Cook Islands, Fiji, France, French Polynesia, Guam, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, New Caledonia, New Zealand, Niue, the Northern Mariana Islands, Palau, Papua New Guinea, Pitcairn, the Solomon Islands, Tokelau, Tonga, Tuvalu, Usa, Vanuatu, the Wallis and Futuna Islands, and Western Samoa. (Under new arrangements adopted in 1983, full membership in the Commission currently includes 26 governments and administrations).

Structure and finance

The Commission has a staff of some 170 people of whom 130 are based at headquarters in Noumea and New Caledonia, 40 in Suva and Fiji, and 4 in Honiara and the Solomon Islands. The annual South Pacific Conference is the supreme decision-making body of the Commission and approves its annual work programme and budget. The Commission's budget has two principal components. The administrative budget is funded by assessed contributions from member countries and

territories. The work programme budget is funded in part from assessed contributions but in the main by voluntary contributions from member governments, other governments, aid agencies and other sources. The approved administrative budget for 1996 amounted to US\$3.9 million, while the work programme budget totalled US\$12.6 million.

3. South Pacific Forum (SPF)

The Forum was inaugurated at a meeting of the heads of government of the independent and self-governing states in the South Pacific in Wellington in 1971. A subsequent meeting of officials under the name 'Committee of South Pacific Trade' recommended the creation of a permanent bureau to deal with economic matters. This was approved in 1972, as the 'Trade Bureau', and subsequently became the 'South Pacific Bureau for Economic Cooperation' (SPEC). Since 1988 it has been known as the South Pacific Forum. Ratification of the agreement formalising the name change of the Secretariat was completed by member governments on 23 April 1993.

Mandate

The South Pacific Forum was established to provide a forum for the discussion of political issues that were excluded from the mandate of the South Pacific Commission. The Forum provides an opportunity for the heads of government of member states to discuss informally a wide variety of problems and issues common to their interests. Its general aim is to enhance the economic and social well-being of the people of the South Pacific, in support of the efforts of national governments. The SPF is also responsible for administering the South Pacific Regional Trade and Economic Cooperation Agreement, which aims among other things to enhance export capabilities of Forum island countries.

Membership

Founding members: Fiji, Western Samoa, the Cook Islands, Australia, New Zealand, Nauru and Tonga.

Members: the Marshall Islands, the Federated States of Micronesia, Papua New Guinea, the Solomon Islands, Niue, Tuvalu and Vanuatu. (Since 1987, France, Canada, Britain, Japan, China and the US have been invited to attend post-Forum dialogue meetings each year).

Structure and finance

The Forum does not have a written constitution or international agreements governing its activities nor any formal rules relating to its aims, the conduct of its meetings or membership. The Forum Officials Committee, comprising representa-

tives and senior officials from all member countries, meets twice a year, immediately before the meeting of the South Pacific Forum and at the end of the year, to discuss in detail the Secretariat's work programme and annual budget. The Forum secretariat operates two budgets: a Regular Budget – to which member governments contribute and an Extra Budget, which pays for the Secretariat's work programme.

4. Pacific Basin Economic Council (PBEC)

The council is a non-governmental body for business leaders of the Pacific Rim countries. Established in 1967 to provide a forum for business leaders, the Council is made up of Committees in Australia, Canada, Chile, China, Colombia, Fiji, Hong Kong, Indonesia, Japan, Korea, Malaysia, Mexico, New Zealand, Peru, the Philippines, Russia, Taiwan and the USA. PBEC assists in economic growth in the region through programmes to increase understanding and by encouraging networking and business relationships among its members. PBEC supports open markets, advocates the reduction of trade and investment barriers and encourages economic cooperation based upon the shared interests of its members.

Mission

The mission of the PBEC is to:

- Achieve a business environment in the region that ensures open trade and investment and encourages competitiveness based on the capabilities of individual companies;
- Provide information, network and services to members that increase their business opportunities;
- Support cooperative business efforts to address the economic well-being of citizens in the region.

Objectives

The PBEC has an impact on the following five key business issues in the region, which can promote an improved business climate in the region for all PBEC members:

- Advising governments in order to improve their business environment;
- Generating foreign investment flows to support economic development objectives;
- Reducing administrative barriers to international trade in the region;
- Stimulating the development and accelerating the implementation of new technologies;
- Balancing economic developing with the need for a clean environment.

Membership

PBEC's multinational membership includes more than 1100 corporate members in 19 economies including Australia, Canada, Chile, People's Republic of China, Colombia, Fiji, Hong Kong, Indonesia, Japan, Korea, Malaysia, Mexico, New Zealand, Peru, the Philippines, Russia, Taiwan, Thailand and the US. These member committees conduct a wide range of programmes, including conferences, seminars, training programmes and regular meetings with senior government officials.

Services

The International General Meeting (IGM). PBEC hosts the business conference in the region each year, the IGM, which brings together more than 700 business leaders, government ministers, and heads of state from more than 25 economies around the Pacific to discuss emerging business opportunities and trade issues facing the region.

Business/government liaison. PBEC serves as a liaison between business leaders and key government officials. It provides advice and counsel to governments on major issues affecting the development of the Pacific region.

PBEC also cooperates with international organisations such as APEC, ASEAN, WTO (World Trade Organisation) to ensure that business sector viewpoints are represented.

Business symposiums. PBEC holds Business Symposiums focusing on improving the business climate in the region, effectively working with the business community towards the common goals of trade and investment liberalisation and increasing economic growth and prosperity. These symposiums are the ideal setting for governments and APEC to receive input from the business sector and conduct a mutually beneficial dialogue among the companies and governments in the region.

Information resource. Through meetings, publications, conferences, business opportunity tours and special reports, PBEC helps members to stay informed about current trends and developments affecting the Pacific region – PBEC International has established a PBEC World Wide Web server as an information source and tool for networking throughout the region. Beginning in 1993, PBEC initiated a programme of business missions.

5. Pacific Economic Cooperation Council (PECC)

The Council is a non-governmental organisation promoting growth and economic development in the Pacific Rim. The Pacific Economic Cooperation was estab-

lished in September 1980 as an informal cooperative tripartite group comprising members from business and industry (mainly PBEC), academics (mainly members of the Pacific Trade and Development Conference – PAFTAD) and governmental officials. It took place at the initiative of the Australian and Japanese Prime ministers at the Pacific Community Seminar held in Canberra. In January 1992 the organisation changed its original name – Pacific Economic Cooperation Conference – to the present one.

Mandate

The Council aims to promote regional economic cooperation in the Pacific Basin. It has attempted to do this by encouraging government, industry and research groups in economies throughout the region to participate in comprehensive, positive and non-threatening discussions on economic development and policy issues. PECC's work programme covers trade and investment policy issues, resource development, small and medium enterprises, science and technology, fisheries and food and agriculture. PECC is the only non-governmental body among the three official observers in APEC. Thus, APEC provides an important channel by which PECC's practical recommendations can be implemented.

Membership

Officials, business leaders and researchers in 22 Asia-Pacific economies: Australia, Brunei Darussulum, Canada, Chile, China, Colombia, Hong Kong, Indonesia, Japan, Korea, Malaysia, Mexico, New Zealand, Peru, the Philippines, the South Pacific Forum Island Nations, Russia, Singapore, Taiwan, Thailand, the US and Vietnam.

Structure and finance

PECC has a small Secretariat in Singapore but operates largely through task forces, forums and project groups. It holds major working meetings each year when leaders of business, government and research and invited ministers join to give their assessments of regional economic issues and identify future issues. Funding for PECC's activities is obtained from both the governments and the private sectors of the member economies.

6. Five Power Defence Arrangement (FPDA)

The Five Power Defence Arrangement grew out of Commonwealth plans to provide for the defence of newly independent Malaysia and Singapore. It was formally established in 1971 with participation from Australia, Malaysia, Singapore, the UK and New Zealand.

Mandate

FPDA is a low-level security arrangement linking five Commonwealth countries. It commits Australia, New Zealand and the UK to consult with Malaysia and Singapore in the event of an attack on the latter two. FPDA's main operational manifestation these days is the Integrated Air Defence System (IADS). Specific cooperative activities between the member countries include regular consultations, combined exercises, training and personnel links and logistics cooperation.

Membership

Australia, New Zealand, the UK, Malaysia and Singapore.

7. Council for Security Cooperation in the Asia Pacific (CSCAP)

CSCAP was first proposed in Seoul in 1992, and formally announced in June 1993 by representatives of non-government institutions concerned with the security, stability and peace of the region.

Mandate

CSCAP's general objective is to promote and facilitate the discussion of regional security issues. Its members seek to contribute to the efforts towards regional confidence building and enhancing regional security through dialogue, consultation and cooperation.

Membership

Founding members: Strategic and Defence Studies Centre, ANU, Australia; Joint Centre for Asia Pacific Studies, University of Toronto and York University, Canada; Centre for Strategic and International Studies, Indonesia; Japan Institute for International Affairs, Japan; The Seoul Forum for International Affairs, Korea; Institute of Strategic and International Studies, Malaysia; Institute for Strategic and Development Studies, the Philippines; Singapore Institute of International Affairs, Singapore; Institute for Security and International Studies, Thailand; Pacific Forum/CSIS, the USA.

Membership is open to all territories and countries in the region. In recent years New Zealand, Russia and North Korea joined as full members of the Council and a Western European Consortium and the Institute of Defence Studies and Analyses (IDSA) have become associate members.

Structure

The Council's activities are guided by a Steering Committee consisting of representatives of the broad-based member committees that have been established in each of the organisation's member countries. CSCAP has also established work-

ing groups that undertake policy-oriented studies on specific regional political-strategic problems. There are currently four such working groups.

The Council holds an annual general meeting where the activities of the working groups are reviewed and administrative matters, including membership and finance, are discussed.

8. East Asia Economic Caucus (EAEC)

The East Asian Economic Caucus is a proposal of the Malaysian government for the formation of an East Asian Economic Grouping, to be composed of ASEAN members, People's Republic of China, Hong Kong, Japan, the Republic of Korea and Taiwan. The proposal envisaged the creation of a loose consultative forum on regional trade issues in an effort to counter the threat of new trade blocs in Europe and North America.

The original Malaysian proposal was subsequently modified in favour of an East Asian Economic Caucus (EAEC), which would exist within the framework of the Asia-Pacific Economic grouping.

Foreign ministers of the nine prospective EAEC members held their first informal collective meeting in July 1994 but made little progress towards formally constituting the Caucus. Governments were strongly divided over the value of the new grouping. Japan, for instance, was reluctant to be included, while China was seeking its own assurances that Hong Kong and Taiwan would not initially be admitted to the EAEC. ASEAN remained supportive of the Malaysian initiative.

9. Economic and Social Commission for Asia and the Pacific (ESCAP)

The Economic and Social Commission for Asia and the Pacific located in Bangkok, Thailand, was founded in 1947 as the regional arm of the United Nations to promote economic activity and social progress in the Asia and Pacific region. It is the largest of the five UN Regional Commissions covering Africa, Asia and the Pacific, Europe, the Caribbean and Latin America and West Asia.

Mandate

ESCAP plays a unique role as the sole region-wide economic organisation, as well as the only body providing an international forum in the absence of an inter-governmental body.

The Commission executes a wide range of development programmes through technical assistance, advisory services to governments, research, training and information.

Membership

Afghanistan, Armenia, Australia, Azerbaijan, Bangladesh, Bhutan, Brunei, Burma,

Cambodia, People's Republic of China, Fiji, France. India, Indonesia, Iran, Japan, Kazakhstan, Kiribati, Korea (DPR), Korea (Rep), Kyrgyzstan, Laos, Malaysia, the Maldives, the Marshall Islands, the Federated States of Micronesia, Mongolia, Nauru, Nepal, the Netherlands, New Zealand, Pakistan, Papua New Guinea, the Philippines, Russia, Singapore, the Solomon Islands, Sri Lanka, Tajikistan, Thailand, Tonga, Turkmenistan, Tuvalu, the UK, the USA, Uzbekistan, Vanuatu and Western Samoa.

Associate members:

American Samoa, the Cook Islands, French Polynesia, Guam, Hong Kong, Macau, New Caledonia, Niue, the Northern Mariana Islands and Palau.

Structure and finance

The commission meets annually at ministerial level to examine the region's problems, to review progress, to establish priorities and to launch new projects. Ministerial and inter-governmental conferences on specific issues may be held on an ad hoc basis with the approval of the Commission.

ESCAP's regular budget is appropriated from the UN budget. The budget for 1996-97 was US\$66.38 million. Supplementary funds from various sources including donor countries, United Nations Development Programme, United Nations family planning association and other UN and non-UN organisations for 1995 were US \$22.37 million.

10. ASEAN Regional Forum (ARF)

In early 1993, ASEAN accepted a proposal to expand the existing ASEAN Post-Ministerial Conference (PMC) into a broader entity addressing security-related issues. The ASEAN Regional Forum as it was to be called, was formally launched in Singapore at the ASEAN Ministerial Meeting in July 1993, and held its first formal meeting in Bangkok in July 1994. It brings together the members of ASEAN, its dialogue partners and other regional states (People's Republic of China, Laos, Papua New Guinea, Russia and Vietnam).

The ARF does not have a constitution or formal programme of activities. It is intended to serve as a forum for discussion and dialogue over regional security issues. From ASEAN's perspective, it marks a shift away from the Association's traditional focus on economic cooperation towards a more active role in managing regional political and security concerns.

11. Asian Pacific Economic Cooperation – APEC

APEC has evolved rapidly from an informal dialogue group with limited participation to become the leading intergovernmental forum for promoting open trade and investment and economic co-operation in the Asia-Pacific region.

The forum was originally conceived as an informal and unstructured arrangement for dialogue among participating countries, partly because of the unwillingness of the ASEAN members to commit themselves to another and more powerful regional organisation. The consultation process further developed at the subsequent meeting, which took place in Singapore in July 1990, and made a qualitative step forward at the ministerial session held in Seoul in November 1991. The admission of the three Chinas and the adoption of the Seoul Declaration setting out aims and methods of operation marked a new stage in intergovernmental cooperation in the Asia-Pacific region. APEC includes 21 states – Australia, Brunei, Vietnam, Hong Kong, Indonesia, Canada, China, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Russia, Singapore, the USA, Thailand, Taiwan, the Philippines, Chile and Japan. Together they represent over 40% of the world's total merchandise trade.

Objectives

According to the Seoul Declaration, the objectives of APEC were defined as follows:

- To sustain the growth and development of the region;
- To enhance the positive gains resulting from increasing economic interdependence by encouraging the flow of goods, services, capital and technology;
- To develop and strengthen an open multilateral trading system;
- To reduce barriers to trade in goods, services and investment among participants and without detriment to other economies. APEC was to encourage private-sector participation and to support open regionalism, promoting trade liberalisation throughout the world economy as well as among its members.

Structure

The direction and nature of APEC activities are determined at the highest level by meetings of the leaders that have taken place since 1993 at the end of each year. Meetings of Foreign and Economic ministers are held annually, hosted by rotating the APEC chair. Every alternate ministerial meeting is held in an ASEAN country.

The APEC process is developed through a hierarchy of meetings, committees and working groups. Responsibilities for specific activities are spread between member countries, and there is a small Secretariat based in Singapore. The organisational structure includes:

- Leaders meetings, which are relatively informal annual meetings for heads of government to agree upon directions for the organisation's long-term

development;

- Ministerial meetings, which are for Foreign and Trade ministers, to determine budgetary and policy issues and set specific programmes for the following year;
- Senior officials meetings, which are for senior government officials to implement ministerial decisions and to oversee the work programme;
- The Economic Committee, established in 1995, which encourages dialogue on regional trends and issues;
- The Budget and Administrative Committee, established in 1993, to advise senior officials on budgetary, administrative and managerial issues;
- The Ad Hoc policy level group on Small and Medium Enterprises which began in 1995 and coordinates APEC's ongoing work program on SMEs;
- The Committee on Trade and Investment, which is concerned with issues such as standards, customs, investment and non-tariff measures.

In 1993, APEC created a small permanent Secretariat in Singapore. The main roles of the Secretariat are to disseminate information about APEC activities and to distribute publications arising from the programmes of the APEC Working Groups. The Executive Director of the Secretariat, who is seconded from the member country in the APEC Chair, serves for one year. The country designated to assume the chair the following year appoints the Deputy Executive Director. In 1992 in Bangkok, it was decided to set up an 11 member non-governmental Eminent Persons Group (EPG) responsible for the assessment of trade patterns within the region and the presentation of proposals. The first EPG report 'A vision for APEC: Towards an Asia Pacific Economic Community' was discussed in Seattle (in the USA) in 1993. Mexico and Papua New Guinea were admitted. The second EPG report 'Achieving the APEC Vision: Free and Open Trade and Investment in the Asia-Pacific Region' in August 1994 comprised a timetable for trade liberalisation throughout the region, taking into due account the differing levels of development of member countries. The leaders' meeting in Bognor, Indonesia, in 1994 adopted the Bognor Declaration of Common Resolve for Open Trade (2010 for the industrialised members and 2020 for developing members). In Osaka, agriculture was discussed in 1995. In 1996 in Manila, individual plans for the liberalisation of trade were discussed, with their implementation in 1997. In 1997, in Vancouver (Canada), the fifteen most important sectors for liberalisation were defined, and nine of them were to be put into effect in 1999. Further meetings took place in 1998 in Kuala Lumpur, Malaysia, and in 1999 in Auckland, New Zealand (Russia has participated since 1998). The leaders defined three main directions: strengthening the markets and the guarantee of their openness; preservation of the leading role of APEC in the world's economy; and the provision of social stability. The Malaysian

leader didn't attend because he considered that APEC did nothing to help to overcome the financial crisis, and that the participants of APEC should not follow the US advice for the rapid liberalisation of the economy.

Key References:

- Australian Foreign Policy. Into the New Millennium.* Ed. Mediansky F. South Melbourne. Macmillan Education Australia Pty Ltd. 1997.
- Pathways to Asia: The Politics of Engagement.* Ed. Robinson R. Sydney. Allen & Unwin. 1996.
- Seeking Asia Engagement. Australia in World Affairs. 1991-1995.* Eds. James Cotton and John Ravenhill. Melbourne. Oxford University Press. 1997.
- The Asia-Australia Survey. 1994.* Eds. Trood R. and McNamara D. Centre for Australia-Asia Relations. South Melbourne. Macmillan Education Australia PTY LTD. 1994.
- The Asia-Australia Survey. 1995-1996.* Eds. Trood R. and McNamara D. Centre for Australia-Asia Relations. South Melbourne. Macmillan Education Australia PTY LTD. 1995.
- The Asia-Australia Survey. 1996-1997.* Eds. Trood R. and McNamara D. Centre for Australia-Asia Relations. South Melbourne. Macmillan Education Australia PTY LTD. 1996.
- The Asia-Australia Survey. 1997-1998.* Eds. Bishop B. and McNamara D. Centre for the Study of Australia-Asia Relations. South Melbourne. Macmillan Education Australia PTY LTD. 1997.

Further reading:

- Albinski H. Australia's Evolving American Relationship: Interests, Processes, and Prospects for Australian Influence. Canberra. Australian Foreign Policy Project. Australian National University. 1994.
- Australia and China: Partners in Asia. Ed. Makerras C. Melbourne. Macmillan. 1996.
- Evans G. Cooperating for Peace: The Global Agenda for the 1990s and Beyond. Sydney. Allen & Unwin. 1993.
- Hoadley S. The South Pacific Foreign Affairs Handbook. Sydney. Allen & Unwin 1992.
- Living with Dragons: Australia Confronts its Asian Destiny. Ed. Sheridan G. Sydney. Allen & Unwin in association with Mobil Oil Australia. 1995.
- McGregor I. Japan Swings: Politics, Culture and Sex in the New Japan. Sydney. Allen & Unwin. 1996.
- Negotiating the Pacific Century: The New Asia, the United States and Australia. Eds. Bell R. et al. Sydney. Allen & Unwin. Australian Centre for American Studies. 1996.
- Schiavone G. International Organizations. A Dictionary. Fourth edition. London. Macmillan Reference Ltd. 1997.

Theme 10

Australian and Asian bilateral relations in the 1990s

Asia-Australian bilateral relations in the 1990s. Introduction.

Bilateral relations. Thailand. Taiwan. Singapore. The Philippines. Malaysia. Korea. Japan. Vietnam. Cambodia. Indonesia. Hong Kong. Papua New Guinea.

Country profile. Historical background of bilateral relations. Political, diplomatic, economic and security relations in the 1990s.

Introduction

In 1993 Canberra continued to play the role of a strategic actor in the region by urging a wide-ranging agenda for change and reform on regional states. Though Paul Keating, who became the Prime minister in 1991, was trying to do it with greater sensitivity to the concerns of individual governments than in the past, the perception that on some issues Australia wished to move more quickly than was desirable continued to unsettle and sometimes irritate some of its neighbours. At the same time old problems emerged, particularly with Malaysia. Keating was re-elected, the Labor party winning for the fifth time on end. But the foreign policy of the ruling party wasn't different from the position taken by the opposition parties. Keating emphasised the importance of developing Australia's international competitiveness within the context of a greater economic integration in the Asia-Pacific region. But equally his government devoted considerable time and energy to securing a satisfactory outcome to the Uruguay Round of international trade negotiations within GATT. As the negotiations moved throughout this period from one crisis to another, Canberra as chair of the Cairns Group of countries worked closely with its partners to uphold and extend a rule based free trade regime against the forces of protectionism. From Canberra's perspective, Australia's international and regional trade strategies were closely connected.

If 1994 was a year of setting fundamental policy directions for Australia's regional diplomacy, 1995 was a less spectacular year of consolidation and continuity. Australian policy continued its emphasis on developing multilateral cooperation – in security affairs through the ASEAN Regional Forum (ARF) and in trade and economics through the Asia Pacific Economic Cooperation (APEC) forum. Australia's efforts at regional engagement tended to be well received although on occasions with some reservations. Malaysia's Prime minister Mahathir continued to reject any notion that Australia could be accepted as a natural part of the region. Malaysia's promoting 'Asian values' raised questions about Australia's place

among its Asian neighbours. Differences over human rights and related issues continued to complicate Canberra's bilateral relationships. Defining Australia's place in the Asia-Pacific became a subject of sustained debate between the major political parties and, indeed, a focus for much of the Labor government's regional diplomatic effort. The Prime minister Paul Keating, and the Foreign minister Gareth Evans, argued that there was a close connection between redefining Australian identity at home and developing closer links with Asia. The new Liberal-National Coalition government (1996), while promising to continue close cooperation with Asia, emphasised the importance of bilateral over multilateral links and stressed the importance of relations with Europe and North America. In discussing differences from the previous government, Alexander Downer, the Foreign minister of the new Coalition government mentioned the following key features: 1. Greater emphasis on strengthening key bilateral relationships throughout the region; 2. A strong domestic economy and increased international economic competitiveness as a key foundation of successful foreign policy; 3. A policy of Asia first does not mean Asia only; 4. Australia's links with North America and Europe can be an asset to Asian neighbours that Australia can use creatively; 5. Australia's engagement with Asia is a process of mutual give-and-take, a process of learning, a process of common endeavour.

Thailand

Country profile (2002)

Official name – Kingdom of Thailand; date of independence – 1238 (traditional founding date); total area – 514,000 sq.km, land - 511,770 sq.km; capital city – Bangkok; population – 61 million; languages – Thai, ethnic and regional dialects, English is the secondary language of the elite; major religions – Theravada Buddhism 95%, Muslim 3.8%, Christianity 0.5%, Hindu 0.1%, other 0.6%; ethnic composition – Thai 75%, Chinese 14%, other 1%; life expectancy – 67 years (men)/ 72 years (women); monetary unit – 1 baht = 100 satangs; average annual income - US\$2,010; main exports – food and live animals, office equipment, textiles and clothing, rubber.

Head of state – King Bhumibol Adulyadej; Prime minister - Thaksin Shinawatra; Foreign Minister – Surakiart Sathirathai.

A thriving economy in the 1980s and early 1990s, with an average annual growth rate of almost 9%, led to increasing numbers of Thais finding work in the industrial and service sectors. After the financial crisis of 1997, stock and property prices declined dramatically bringing about bankruptcies, recession and unem-

ployment. The crisis caused a lot of Thais to regard international finance with suspicion. The Prime minister of that time, who worked with the IMF to reform the economy, lost the 2001 elections to his opponent Thaksin, a wealthy businessman who made millions in the telecommunications industry and who ran a populist campaign. His newly formed Thai Rak Thai party is the largest partner in a three-party coalition government.

Historical background

Official diplomatic relations between Siam (Thailand was known to Westerners until World War II as Siam) and Australia were of limited significance prior to the war. Relations between them were mediated through the British who had great influence over Australia and were the dominant European power in Siam. But there were contacts between them during colonial times. Various Australian food products were sold in Bangkok and Phuket. Far more significant were Australian investments in southern tin mining at Phuket. An agreement was signed in 1906 between the Thai government, the Sino-Thai Kaw family and Captain Miles of Tasmania to run the business. Fifteen companies with Australian interests were registered by the middle of the 1920s making Australians the dominant investors in the industry. These Australians and their Sino-Thai partners were also active on the Melbourne stock exchange. This relationship linked important Australian political figures with Thailand's political and bureaucratic leaders. An Australian, Ronald Giblin, became the Director of the Bangkok's Survey Department in 1901. He held this position for a decade with 20 Europeans and 306 Thai staff. In private industry, an Australian, Sidney Smart, was well known. He was an engineer, building and equipping rice mills. He was also the Chairman of the Siam Steam Packet Company and the Director of the important Bangkok Manufacturing Company. The Bangkok Manufacturing Company was a major importer of Australian meat and dairy products.

Thais could know about Australia from newsreels, the Australasian Gazette. There were few Thais in Australia, although following the overthrow of the absolute monarchy in 1932, a small number of aristocrats sought political refuge in Australia. At the outbreak of the Pacific War only eleven Thais were reported to live in Australia.

Official relations were raised at a higher level in 1940, when the Thai government sent a goodwill mission to Australia. The Prime minister Menzies made an unofficial return visit to Thailand in January 1941, meeting his Thai counterpart, Field Marshal Phibun Songkhram.

It was the tragic events of WWII and post war newsreels and photographic images of the grim treatment of Australian prisoners-of-war in Thailand that heightened

awareness of Thailand in Australia. Especially powerful were reports of the barbaric treatment of hundreds of Australians on the Thailand-Burma railroad. Many Australians contrasted Japanese military brutality with the assistance provided to prisoners by Thai villagers. Australia assisted the Thai government in its negotiations with Britain grateful for Thai support in WWII. Part of the final agreement included the upkeep of Commonwealth war graves at Kanchanaburi. Officially, about 2,800 Australians died in Thailand, and 1,360 were buried at that cemetery.

Following the war, in December 1945, Australia maintained a mission in Bangkok, with a Consulate-General being established in 1946, headed by Eastman. In 1955 it became an Embassy.

Australia's treatment of Aboriginal people and its restrictive immigration policies caused considerable negative comment in the Thai press. Afraid of communism, both countries became parties to the Southeast Asia Treaty Organisation (SEATO), formed in 1954.

Australia made a strong commitment to SEATO and provided Thailand with considerable support both through this organisation and on a bilateral basis. Australia and Thailand operated a joint military technical training project, an official vehicle maintenance project, and supported the Tribal Research Centre according to the SEATO programme. Australia kept a squadron of jet fighters in Thailand during the Laos 'crisis' and it stayed at Ubonratchathani from 1962 to 1968. Australia also supported the construction of strategic airfields and roads, and expanded military training. In this context, Thailand's King and Queen visited Australia in 1962, and spoke strongly of the communist threat to both countries. Bilateral aid appeared to be motivated by security concerns, as evidenced by road construction in the regions adjacent to the Indochina countries and in the Malay-Muslim separatist areas of the South. Under the Colombo Plan and other assistance programmes, the number of Thai students, officially sponsored, gradually increased to 270 in the middle of the 1970s. The number of privately funded students was about the same.

In trade and commerce, relations were limited, although Australia dispatched trade missions to Bangkok from the late 1950s, and organised a large trade fair in Bangkok in 1966. In the late 1980s there was a great growth in the economy of the country. Thailand was also becoming an important economic link to the countries of Indochina and Southern China, and security concerns decreased. Tourism expanded greatly, first with large numbers of Australians visiting Thailand, and then with increasing numbers of wealthier Thais touring Australia, many on short-duration group tours. The National Thai Studies Centre was established at the

Australian National University (ANU). By this time, Australia's embassy in Bangkok was its fourth largest, after Washington, Tokyo and Jakarta.

Political, diplomatic, economic and security relations in the 90s

The Thai military coup in February 1991 and disturbances in Bangkok in May 1992 caused great concern to the Australian government. This military violent suppression of public protests against the regime of General Suchinda Kraprayun was similar to the armed assault on demonstrators at Thammasat University in October 1976. The Australian Ambassador to Thailand, John McCarthy, played a prominent role in expressing Australia's concern at the shooting of unarmed protesters. In June 1992, an interim civilian government was appointed. In September 1992, a general election brought a civilian government to office led by Chuan Leekpai. It meant restoration of good relations with Australian and other governments that had been critical of the military regime. Australia relied on its generally smooth relations with the Royal Thai government to advance diplomatic and political objectives in the region.

Bangkok served as a base from which Australia undertook quiet diplomacy in relation to the abuse of human rights in Burma and for advancing the peace plan for Cambodia that resulted in the 1993 election in Cambodia. The Prime minister Paul Keating visited Thailand. Tim Fisher, the leader of the National party went to Thailand annually. In 1993 there was the visit of the Deputy Prime minister Supachai Panitchpakdi, who was a key speaker at the National Trade and Investment Outlook Conference in Melbourne.

The Conference took place just as Australia's relations with Malaysia were beginning to deteriorate over the Australian Prime minister's criticism of his counterpart Mahathir. Supachai suggested that Australia should be invited to join the ASEAN Free Trade Area (AFTA) and later suggested that it might also be welcomed into the East Asia Economic Caucus (EAEC). On the subject of AFTA, Supachai explained that it had not been conceived as a close economic grouping and that in the future it might look at the possibility for more open membership. Australia appreciated Thailand's support at the time of its quarrel with Malaysia, but Supachai was a little critical about Australia's attempt to push the ASEAN countries forward. The ASEAN countries were threatened by such fast APEC development.

Immediately following the Thai military's violent suppression of dissent in May 1992, Australia downgraded its defence relations with Thailand, halting senior level visits, joint exercises and new cooperative activities. Relations returned to normal after the appointment in June 1992 of the interim civilian government. The Royal Australian Navy participated in the annual AusThai maritime exercise

with the Royal Thai Navy, and joined the Kakadu 1 exercise in May 1993. In 1992, Australia-exported arms and ammunition to Thailand decreased to the value of \$A120,000 down from \$A784,000 in 1990. In 1992-93, 152 Thai military personnel were trained in Australia, a number relatively constant throughout the 90s. Princess Sirindhorn visited Australia in 1992 and wrote a book about Australia. But in 1995 some Australian journalists were refused visas for Thailand for writing negative information related to the King. In the Thai press in 1995 there were articles accusing Australia of violating human rights in East Timor and its bad treatment of aborigines.

In the middle of the 1990s, relations between Thailand and Australia were affected by the fact that both countries had elections in 1996. Articles in Thai newspapers were sparked by a speech in Melbourne by Australian-educated Meechai Viravaidya, who called for Howard's resignation, considering his silence as an endorsement of racism after the speech by Pauline Hanson. A senior Foreign Ministry official in Bangkok stated that serious damage had been done to the bilateral relationship, which would not be the same from now on. Thailand was Australia's 14th largest trading partner in 1996. Economic relations between the two countries remained sound, although Thailand wanted to export more and Australia wanted to increase Thai investment. Australian companies appearing before the parliamentary committee that examined bilateral relations in 1995 complained of high levels of Thai protection, local ownership regulations, dumping and copyright problems.

Taiwan

Country profile (2002)

Official name – Republic of China; date of independence – Taiwan is not recognised as an independent state. Its membership of the United Nations was terminated in 1971, and its seat on the Security Council was taken by the People's Republic of China; total area – 35,980 sq.km; land – 32,260 sq. km; capital city – Taipei; population – 22 million; languages – Mandarin Chinese (official), Taiwanese (Hokkein) is the first language of approximately 70% of the population; major religions – mixture of Buddhism, Confucianism and Daoism 93%, Christianity 4.5%, other 2.5%; ethnic composition – almost entirely Chinese and a minority 'native Taiwanese' 1.7%, and 85% of the Chinese are from Fujian province, mainland China; life expectancy 72 years (men)/ 78 years (women); monetary unit – 1 new Taiwan dollar (NT\$) = 100 cents; average annual income – US\$13,018; main exports - computer equipment, textiles, basic metals, equipment, plastic and rubber products, vehicles.

President – Chen Shui-bian; Prime minister – Yu Shyi-kun.

Taiwan has achieved economic prosperity and has become one of the world's top producers of computer technology. Taiwan is one of Asia's big traders, however it has been diplomatically isolated since the 1970s. China has insisted on re-uniting and demands that no country can have formal ties with both mainland China and Taiwan. The military threat from China has been partly offset by the USA's cooperation with Taiwan and by the military capacity of the island. Taiwan is one of the world's big arms purchasers. When the President (Kuomintang party) Lee Teng-hui began to reveal his pro-independence sympathies in the 1990s, China started military exercises in the Taiwan Strait just before the 1996 Taiwanese presidential election. In 1999, the President Lee declared Taiwan and China should deal with each other on a 'state-to-state' basis'. In the presidential elections in 2000, the leader of the Democratic Progressive Party Chen Shui-bian won the presidential elections, ending more than 50 years of continuous Nationalist (Kuomintang) rule. He heads a minority government and has been under the pressure of the nationalists who dominated parliament until late in 2001. Chen is a former mayor of Taipei. He originally supported independence for Taiwan but later spoke in favour of reunification talks with China realizing that he dealt with a giant neighbour.

Historical background

The Australian Chamber of Industry Office (ACIO) was established in Taipei in 1981 to represent Australian commercial interests unofficially. Since then, it has been steadily upgraded with more staff, more funding and better facilities. Additional ACIO offices were opened in Taichung and Kaohsiung. The Australian Chamber of Industry Office was the 4th largest unofficial foreign representative office in Taipei. The government's first step in upgrading relations with Taiwan came in December 1989, with legislation to protect Taiwanese investment in Australia. The Foreign Corporations (Application of Laws) Act, framed in general terms without mentioning Taiwan, was prompted by Australian expectations that such legislation would facilitate large Taiwanese investments in Australian resources and industry. By 1986, Taiwan had already been an important trading partner for Australia. It was the third largest buyer of Australian coal, the biggest market for its dairy products, second for cotton, sorghum and pulpwood, and third for beef, aluminium and zinc. By 1988, Taiwan was Australia's 7th largest export market.

Political, diplomatic, economic and security relations in the 90s

Taiwan was allowed to establish its presence in Canberra in March 1991 with a commercial representative office, its third in Australia. Taiwanese staff who be-

fore that were unable to have direct contact with government officials, obtained routine access to government departments and increasingly, to ministers and senior officials.

In 1996, Taiwan was ranked 6th and accounted for 4.4% of Australia's merchandise exports. And in 1997, Taiwan was Australia's 8th source of imports. The balance of trade was in Australia's favour. In the 90s, Australia was the biggest supplier of beef to Taiwan, apples, stone fruits, milk, and pharmaceuticals. In 1995-96, elaborately transformed manufactured goods (such as computers and associated office equipment) comprised 90% of all Australia's imports from Taiwan. Australia was not an attractive destination for Taiwanese investment because it did not offer the advantages of cheap non-unionised labour and low-cost land, and it didn't have relatively easy laws on the environment. Australia's tax regulations, remote location, small domestic markets and a poor industrial relations record were additional factors hindering Australia-Taiwan relations from developing beyond trade in natural resources. Most Taiwanese investment in Australia was in real estate and property development in the cities of Sydney, Melbourne and Brisbane. There were no security relations between Australia and Taiwan except in security-related areas of common interest.

The number of Taiwanese migrants to Australia was less than 2% of the total intake. An increasing number of Taiwan-born settlers (16% in 1995-96) gained entry to Australia as citizens of New Zealand. Taiwanese migrants mostly chose Queensland for settling.

Significant changes occurred in the Australia-Taiwan relationship during 1996, with the result that Australia was inclined to give more sympathy and support to Taiwan. This came in the wake of the presidential elections in 1996 and China's conduct of military exercises in the Taiwan Strait, leading to increased military tension between China and Taiwan. Australia became concerned about the risks of miscalculation and the consequent implications for Australia's security and its alliance relationship with the US. Any further tension in the Taiwan Strait could also hamper Australia's efforts to use the growing market opportunities in both Chinas. The change of government in Canberra in 1996 made the situation more complicated. Paul Keating declared that China was not an expansionist power. The Prime minister said that US policy towards China was not quite correct and compared its policy with an Australian policy of looking at China as a whole. These views were welcomed by Beijing. The new Coalition government was careful to adhere to a one-China policy. However the Defence minister Ian McLachlan indicated in March 1996 that he was well satisfied with the robust American naval

response to China in support of Taiwan. The President Lee Yeng-hui of Taiwan welcomed this stand.

Australia's relationship with Taiwan could be described as 'unofficial but official'. Taiwan was treated by Australia almost as other members of APEC. Australia's pragmatic approach towards Taiwan matched the approaches of most other countries. However, the economic rationale for a switch from Taipei to Beijing followed the growth in trade with China, with exports to China far exceeding exports to Taiwan.

Singapore

Country profile (2002)

Official name – Republic of Singapore; date of independence – 9 August 1965 (when it separated from Malaysia); total area - 632,6 sq.km, land - 622,6 sq. km; languages – Chinese, Malay, Tamil (official languages); religions – Buddhism, Muslim, Christianity, Sikh, Hindu, Taoism, Confucianism; ethnic composition – Chinese 76.4%, Malay 14.9%, Indian 6.4%, other 2.3 %; life expectancy – 74 years (men)/ 79 years (women); monetary unit – 1 Singapore dollar = 100 cents; average annual income – US\$24,150; main exports – computer equipment, machinery, rubber products, petroleum products.

President – Nathan; Prime minister Goh Chok Tong; Foreign Affairs minister – Shunmugam Jayakumar.

Singapore is one of the world's most prosperous states with skyscrapers and a busy port. The citizens enjoy one of the world's highest standards of living. Though Singapore has a multiparty system, the People's Action Party has been the dominant political force since independence. Singapore is often called Asia's 'economic tiger'. Goh Chok Tong has been the Prime minister since 1990 and before that he held various ministerial portfolios.

Historical background

Australia's first overseas post in Asia was established in Singapore in September 1941. After WWI the Australian government considered Singapore as an important strategic base for the British Royal Navy. But this strategy failed when Japan began its advance through Southeast Asia in early 1942. Australia faced the greatest ever threat to its security. Singapore's fall in February 1942 resulted in Australia losing a large proportion of its army as prisoners of war and it made Australia change its attitude towards the importance of the relations with Asia.

After the war, an Australian overseas post in Singapore was opened again and until the early 1950s it served as Canberra's security post in the region for gathering information and intelligence from around Southeast Asia. A senior diplomat, Alan Watt, was appointed to the post of Australian Commissioner for Southeast Asia in 1954 that was based in Singapore. Under the Menzies government, Australian policy was to support Britain to suppress the mainly ethnic Chinese communist insurgency on the Malay Peninsula by providing military assistance. In 1955, Australia joined Britain and New Zealand in creating the Commonwealth Strategic Reserve, a security arrangement for the defence of Malaya. When Malaya gained independence in August 1957, Singapore remained a British colony, but with a steadily evolving process of self-government. Political parties were formed, including the People's Action Party (PAP) whose radical programme and mass Chinese base caused some anxiety in Canberra. But PAP followed the policy of quasi-free market and anti-communist philosophy under the strong leadership of Lee Kuan Yew and relations with Australia became increasingly close and cooperative. When Singapore became a part of the Federation of Malaysia in September 1963, Australia served as a guarantor of the new Federation's security under the Commonwealth Reserve arrangements and had its armed forces deployed on the peninsula.

When, in late 1963, Indonesia started its policy of 'Konfrontasi' to wreck the new state of relations between the Singaporean and Malayan parts of the population in the Federation, things turned out to be difficult. In 1965, without prior consultation with either Britain or Australia, the Malaysian Prime minister, Tunku Abdul Rahman, announced that the partnership had been dissolved. Canberra accepted the situation and immediately extended diplomatic recognition to the newly independent Singaporean state and at the same time supported Malaysia's resistance to Indonesia's hostile policy. In July 1967, Britain announced that it would withdraw half its forces from Malaysia and Singapore by 1971. Australia decided to fill the gap and in 1969 announced that Australian forces would remain in the region, with most of the ground forces being redeployed to Singapore. In 1970, the Australian government negotiated the Five Power Defence Arrangement (FPDA), which included Singapore, Malaysia, Australia, New Zealand and Great Britain. The FPDA came into force in 1971 and proved to be a useful foundation for Australia-Singapore security relations. Though the permanent stationing of Australian forces in Singapore had ended, close and cooperative security relations continued. Both countries participated in the FPDA integrated air defence system, joint military exercises, rotational deployments of Australian naval units on surveillance and monitoring operations in the sea, military training and personal exchange.

Political, diplomatic, economic and security relations in the 90s

In the 90s, the most important were bilateral economic relations. In 1978-79 the value of Australia-Singapore trade was A\$0.5 billion, in 1986-89 it rose to A\$1.5 billion and in 1993-94 to A\$5.5 billion. Singapore was also the largest recipient of Australian investment in the ASEAN states. Singaporean investment in Australia increased. The long-term programme of providing educational opportunities to Singaporean students also reinforced the relationship.

But the two countries contrasting political cultures proved to be a challenge to a deeper friendship. Singapore's authoritarian political system and dedication to economic progress were at odds with Australia's traditions of robust political debate and a more relaxed approach to the creation of wealth. From the Singapore viewpoint, there was the contrast between the disciplined and efficient Australian government, and an undisciplined disregard for it among Australians. Lee Kuan Yew, the Prime minister, also criticised Australia for its attitude to Asia. Lee Kuan Yew was the Prime minister until 1990. A new Prime minister, Goh Chok Tong, didn't express his opinion so frankly though his opinion seemed to coincide with that of his predecessor.

In March 1995, Paul Keating visited Singapore in connection with the 50th anniversary of the victory in the Pacific region, and the Prime ministers discussed APEC. Evans went to Singapore in September 1995 to press the case for Australian inclusion in the 1996 Asia-European Leaders Summit (Malaysia was against) and discussed the benefits of regional free trade through APEC. Singapore supported Australia's inclusion.

In 1996, the World Economic Forum (WEF), based in Switzerland, ranked Singapore the first on a global competitiveness index, as having the best prospects of any country in the world for economic growth over the next 5 to 10 years because its business had eight key factors: openness, reliable government, stable finance, developed infrastructure and technology, efficient management, labour and civil institutions.

In 1996 the Australian Prime minister, Paul Keating, signed a Memorandum of New Partnership with the Singaporean Prime minister, Goh Chok Tong. The Agreement announced about the 'Common view' held by both Singapore and Australia towards the strategic environment in the Asia-Pacific. They confirmed their mutual commitment to free and open international trade and agreed to establish a Joint Ministerial Committee, chaired by their respective Foreign ministers, which was to meet every two years.

Pauline Hanson's speech, and media coverage of it both in Australia and overseas, provoked considerable public controversy. There were even claims that Singaporean military personnel training in Australia at Shoalwater Bay had been subject to assaults and verbal abuse. At the Singapore Australia Joint Ministerial Committee in Canberra in 1996, the Australian minister for Foreign Affairs, Alexander Downer, openly apologised to his Singaporean colleagues for any offensive behaviour by Australians against Singaporeans. But a lot of visitors and tourists from Singapore cancelled plans for a holiday in Australia because of political considerations.

Australia exported such goods as chemicals and chemical preparations, building materials, engineering products and boats. In terms of Australian property markets, Singapore overtook Japan as the largest single overseas investor in the middle of the 90s. A Singaporean controlled hotel chain was created across Australia by the middle of the 1990s. Singapore is the largest foreign investor in Australian tourism, especially in the state of Queensland.

For Australia, Singapore was not a difficult market in terms of information, contracts, language, business and methods. But it had competitive essence and promotional orientation. In the 90s, Singapore was Australia's seventh largest trading partner, its fifth largest export market and its third largest market for elaborately transformed manufactures. One third of Australia's exports to Singapore were re-exported to third markets. Australian security associations with Singapore were long standing. The most important was the agreement signed by the Singaporean government to lease Pearce Royal Australian Air Force Base on the northern outskirts of Perth in Western Australia, as training grounds for the Republic of Singapore Air Force for 25 years (signed in 1993). Australia also allowed Singapore to store about 70 armoured vehicles and 40 trucks in readiness for regular large-scale military training exercises which its forces could hold at Shoalwater Bay in Queensland.

The Philippines

Country profile (2002)

Official name – Republic of the Philippines; date of independence – 4 July 1946 (from the US); total area – 300,000 sq.km, land – 298,170 sq.km; capital city – Manila; population – 81 million; languages – Filipino, English and many local dialects; religions – Roman Catholic 83%, Protestant denominations 9%, Muslim 5%, Buddhism and other 3%; ethnic composition - Christian Malay 91.5%. Muslim Malay 4%, Chinese 1.5%, other 3%; life expectancy – 65 years (men)/ 70

years (women); monetary unit – 1 Philippine peso = 100 centavos; average annual income – US\$1,050; main exports – electrical machinery, clothing, food and live animals, chemicals, timber products.

President – Gloria Macapagal Arroyo; Foreign minister – Teofisto Guingona.

After the Asian financial crisis of 1997 the Philippines has been slowly recovering with growth rates lagging behind the rates of its regional competitors. The Arroyo government has plans to inject more investment by pushing through privatisation and deregulation, especially in the power-generating industry and agriculture. Two presidents had to leave their offices within 15 years under the people's pressure. In 1986, the President Ferdinand Marcos stepped down after mass demonstrations. In 2001 the new President Joseph Estrada had to leave his post due to months of protests against his presidency. Gloria Macapagal Arroyo became the President in 2001. She comes from the political elite in the Philippines. Her father was the President in the early 1960s, and she is a trained economist and emphasises her Christian faith. Political stability is one of the major concerns. A separatist conflict caused by Muslim rebels on Mindanao has taken more than 120,000 lives in three decades. Of other Muslim separatists, the Abu Sayyaf group has always been cruel to hostages and Gloria Arroyo has promised to stop the violence. She has turned to Washington for help against the Abu Sayyaf group. This group has a stronghold on Basilan island, but some Filipinos see the return of American forces as a breach of the Constitution and believe that it will only worsen the security problems on the island.

Historical background

Australian - Philippines relations have a long history. Australian businessmen, travellers and missionaries were active, although there were not many of them there. Filipinos played an important role in the development of pearl and other industries connected with sea. By the end of the 19th century there were many Filipinos in the north of Australia. There was even a movement organised against the Spanish rule in the Philippines by Australian Filipinos headed by a Philippine-born merchant Heriberto Zarcal. In 1904, Australia was the Philippine's 5th largest source of import after the US, the UK, China and Spain. Australian coal and beef were brought into the Philippines. The Philippines sent sugar and coffee to Australia. During WWII, following the collapse of the resistance to the Japanese invasion at Bataan, Australia became headquarters for the Philippine government-in-exile. Relations worsened in 1944 when Australia refused residence to a Filipino, a US Army corporal who had married an Australian. It was called the 'Gamboa case'. Shortly before the Philippines independence in 1946, Aus-

tralia opened a Consulate General in Manila (appointing the first ambassador 11 years later), but relations between the two countries were spoilt in 1949 by this 'Gamboa case'. Australia and the Philippines became members of SEATO (South-east Asia Treaty Organisation) and the Philippines joined the Colombo Plan in 1954.

In 1966 Australia became a member with other development assistance donors of the Consultative Group on the Philippines. In the late 1960s relations between two countries again deteriorated as Australia supported Malaysia in its rejection of the Philippines claims to Sabah, and in retaliation the RAAF (Royal Australian Air Force) was for a while denied access to the Clark Airforce Base. At the end of the 60s the Philippines, in order to balance Japanese and Australian support, began to develop relations with Australia during the President Marcos's ruling the country. The US policy under the 'Nixon doctrine' urged Australia and the Philippines to develop greater self-reliance based on common security interests. In 1971-72 the Foreign Secretary Carlos Romulo, calling for a closer relationship with Australia, pointed to the 10 to 1 trade imbalance in Australia's favour and called for a Philippine desk in the Australian Department of Foreign Affairs (DFA) and greater attention to Philippine studies in Australia.

Commodity loans increased development assistance. In April 1972, the DFA conducted a review of Australian policy towards the Philippines. There was at this time an emerging concern about Australia's relations with the Marcos government, which intensified following the imposition of martial law in September 1972. But in the 1972 report the main concern was security. A development assistance project was worked out for integrated rural development in Zamboanga del Sur in 1972. The Philippines became a recipient of Defence Cooperation Programme assistance. The events of the 1980s showed that there was something wrong with the Marcos government. There were widespread calls for the withdrawal of Australian development assistance and DCP (Defence Cooperation Programme) funding to the Philippines. Another significant development in Australia-Philippines relations during the 1970s was a sharp increase in Filipino immigration to Australia. In 1961 there were 430 Filipinos in Australia, but by 1971 the number had reached 2,550. But Australian immigration policy was still seen as racist and the Philippines government responded by denying permanent resident status to Australians in the Philippines.

Investment flows remained small in spite of a Philippine - Australian Trade Agreement signed in 1975. Australia's restriction on certain products from the Philippines was another problem. Trade barriers and foreign exchange restrictions dis-

couraged Australian exports and investments. After the assassination of the Philippine Opposition leader Benigno Aquino in 1983, the criticism of Marcos's regime increased. Australia tried to avoid being involved, although the Government knew about human rights abuses by the Marcos government. In 1985 after the series of threats against the northern Samar project, Australian workers were withdrawn. In 1985, an Australian Parliamentary Joint Committee on Foreign Affairs and Defence initiated an inquiry into 'The situation in the Philippines and its implications for Australia'. In the elections of late 1985, Marcos lost and Cory Aquino won. Australia was the first country that recognised her government and promised to give a 50% increase in development assistance and also supported Philippine requests for debt rescheduling. In 1987 there was a new consultation between the two governments concerning a new project to support the democratic processes and policies of economic and social reforms. Two years later Australia became a member of the Philippines Assistance Programme, a consultative group chaired by the World Bank, which was established to coordinate international support for the Aquino government.

Political, diplomatic, economic and security relations in the 90s

In June 1992 Aquino's candidate Fidel Ramos succeeded Cory Aquino as the President of the Philippines. The Australian government welcomed the election of the President Ramos and his government's initiatives for national reconciliation with the Communist and Muslim insurgents and rebel army officers and programmes for economic recovery and poverty alleviation.

The two countries shared a common view of regional security issues within the ASEAN Regional Forum and cooperated in international trade negotiations in the context of the Cairns Group, APEC and the Uruguay Round. They supported UN resolutions on human rights issues, co-sponsored a general Assembly resolution on a Comprehensive Nuclear Test Ban Treaty, and were collaborative members of APEC. The Philippines supported proposals to expand the ASEAN Free Trade Area (AFTA) to include Australia and New Zealand. Ramos welcomed Australia as an active player in the Asia-Pacific region and appreciated its critical role in APEC.

Relations between the two countries were tested when in April 1996 the new Australian government announced its decision to discontinue an AusAID programme (DIFF). The Philippines was one of the first to express its concern and the speech by Pauline Hanson further soured the relations between countries.

In 1996, Australian exports to the Philippines were valued at A\$1.1 billion, an

increase of 13% over the previous year. Milk and other dairy products continued to account for almost a quarter of total exports. Other major categories were live cattle and beef, cereals and cereal products, cotton, iron and steel, non-ferrous metals, paints, pharmaceuticals and chemicals, and industrial machinery. Major items of Australian import included electrical and radio and telecommunications equipment, computers, furniture, clothing and textiles, sporting goods, and fruit and nuts. The substantial imbalance in merchandise trade was partly offset by tourism expenditures, and development assistance payments.

In 1995 the Australian government established a Technical Advisory Services Facility to assist the Philippines in its economic liberalisation programme. The Australian government has supported Australia-Philippines trade through a Philippine Trade Centre in Sydney, a Philippine Export Promotions project, and through promotions of Australian products.

There was a substantial increase in Philippine investment in Australia in 1994-95. Following the liberalisation of the Philippines mining industry in 1995, there was substantial Australian interest in mining in the Philippines. Under the Philippines Mining Act 1995 it was possible for foreign companies to take 100% equity in mining operations, subject to certain conditions. A spill from a tailings dam from the Marcopper gold and copper mine on Marinduque caused widespread concern in the Philippines. About 3 million tons of mine waste entered the Boac and Makulapnit Rivers. Mine operations ceased and action was taken to block off the source of the spill, but almost twelve months had passed before this was achieved, and rehabilitation work continued in 1997 at an estimated total cost of around US\$40 million. Criminal charges were laid against Marcopper company officials and there were calls for the permanent closure of the mine. The principal shareholder in Marcopper was a Canadian company Placer Dome, but an Australian associate, Placer Pacific, was undertaking the mine management. The Marcopper president and resident manager (both Australian) and a senior Filipino manager were charged with violations of the Mining Act, Water Code and Pollution Control Law. The Australian and New Zealand Chamber of Commerce in Manila warned the companies that such actions could jeopardise further investment in the mining industry. The Philippines government strengthened provisions of the Mining Act for environmental protection and compensation and gave greater recognition to the rights of indigenous landowners allowing local government units more control of mining activities.

A number of other Australian companies showed commercial interests in the Philippines in the middle of the 1990s. Australian Water Technologies, a subsidiary of Sydney Water Corporation Ltd, signed a memorandum of understanding with the

Fort Bonifacio Development Corporation to construct and operate a US\$80 million water supply and wastewater facility for the new privatised city being constructed on the site of the former army camp east of Manila. In the construction sector, Pacific BBA Ltd was to build a construction products plant in the Philippines through its subsidiary Webforge. Philippine business interests in Australia also expanded. Australia was a significant source of development assistance to the Philippines. Australia's development assistance programme to the Philippines was the 4th largest country programme, after Papua New Guinea, Indonesia and Vietnam in the 90s. For the Philippines, Australia also ranked third as a source of bilateral development assistance behind Japan and the US, even though Australia's contribution was less than 5% of total development assistance to the Philippines. In 1996-97 there was a decrease of 19% in comparison with 1995-96. The Australian company Transfield Defence Systems was involved in discussions concerning the modernisation of the Philippines Navy and the possibility of developing a shipbuilding capability in the Philippines.

In the 1990s, the Filipino community in Australia was one of the country's most rapidly growing ethnic groups, though the number of settler arrivals was below the high levels of the late 1980s with a continued predominance of females over males in Philippine migration to Australia (twice). Educational and scholarly linkages between the Philippines and Australia expanded markedly from the 1970s. In the middle of the 90s, Australia became the largest external provider of training programmes and scholarships to Filipinos. The Australian government also provided assistance to Philippine universities to run programmes. A major collaborative research project, aimed at increasing sustainable production on acid upland soils, was launched in South Cotabato with funding from the Australian Centre for International Agricultural Research.

Malaysia

Country profile (2002)

Official name – Federation of Malaysia; date of independence – 31 August 1957 (from UK); total area - 329,750 sq.km, land - 328,550 sq.km; capital city – Kuala Lumpur; population – 21.8 million; languages – Malay (official), English, Chinese (several dialects), Tamil, numerous indigenous languages; religions – Muslim, Buddhism, Hinduism, Taoism, Christianity, Sikhism; ethnic composition – Malay and other indigenous 59%, Chinese 32%, Indian 9%; life expectancy 70 years (men)/ 74 years (women); monetary unit – 1 ringgit = 100 sen; average annual income – US\$3,390; main exports – electronic equipment, petroleum and liquefied natural gas, chemicals, palm oil, wood and wood products, rubber and textiles.

Head of state (selected by and from hereditary sultans and serving a five-year term) – Tuanku Syed Sirajuddin; Prime minister – Mahathir Mohamad; Foreign minister – Hamid bin Jaafar Albar.

In spite of Asia's financial crisis of 1997, Malaysia's economic prospects remain rather good. It is among the world's biggest producers of computer disk drives, rubber, timber and palm oil. Malaysia successfully introduced its car 'Proton' into the international market. Malaysia's tourism industry is developing and it is South-east Asia's principal tourist destination due to its excellent beaches, spectacular wildlife and beautiful scenery. Politically, because of economic recession, Malaysia has faced some problems of keeping stability in the multi-ethnic federation with the ethnic wealth gap. The ethnic Chinese continue to hold economic power and are the wealthiest community in Malaysia, but the Malays remain the dominant group in politics while the Indians are among the poorest. The Prime minister, Mahathir Mohamad, from the United Malays National Organisation (UMNO) has been the Southeast Asia's longest-serving leader; he has held office since 1981. Mahathir has promoted Asian values and the Asian way of life. He has blamed the West for the failure to control currency traders whom he has considered to be guilty of Asia's economic crisis of 1997.

Historical background

Although tension periodically disrupted Australia's relations with Malaysia, the relationship has been recently more clearly than ever based on a mutual appreciation of self-interest. In the 1960s Australia's relations with Malaysia were more narrowly based on defence ties and development assistance, which was replaced in the 1970s and 1980s by a more complex and broadly based relationship which reflected important political, social and economic changes in both countries. That change in relations was also accompanied often by sharp differences across a wide range of political, trade and cultural issues. Historically British and Commonwealth connections defined the relations. Malay elite spoke English and was educated in Britain. The Australian regiment was part of the Commonwealth contingent that stayed in Malaysia. Australian forces were involved in operations against communist insurgents during the Malayan Emergency (1948-60), and in resisting Indonesia's confrontation of Malaysia from 1963 to 1965. In the Cold War years Australia supplied development assistance through the Colombo Plan and similar programmes. Close relations were established after 1963, which became more formal in the 1970s and 1980s.

Mahathir became the Prime minister in 1981 and a new generation of Malaysian leaders appeared who sought to introduce Malaysia's identity as a modern indus-

trialising Asian state and to champion issues of concern to developing countries. Mahathir declared the importance of the membership in the Non-Aligned Movement (NAM) and the Organisation of the Islamic Conference (OIC) and made its membership of ASEAN the cornerstone of its foreign policy. Following the racial rioting of 1969, Malaysia's Malay leaders launched policies that ensured Malays' dominance in the government. The New Economic Policy in 1971 was to bring Malays into the modern sector of the economy and to create a Malay business class by 1990. English as an official language was substituted by Malay. Islamic identity was increasingly asserted. These changes both promoted and reflected the transformation of Malaysia's economy and society. In the 1970s, the government turned to export-oriented industrialisation and as a result manufacturing exports rose from 11% of total exports in 1970 to 60% in 1990, while the economy as a whole grew at an average rate of 6.7% a year over the period.

Political, diplomatic, economic and security relations in the 90s

By the 1990s the Malaysian economy was approaching the status of a Newly Industrialising Economy (NIE). Socio-economic change was also dramatic. The Malay share of corporate equity grew from 2.4% in 1970 to 20.3% in 1990 with significant shifts in the pattern of ownership. The Malay middle class over the same period grew from 12.9% to 27.0% of the Malay workforce. The Australia-Malaysia relationship was subject to fluctuations due to trade imbalance (air transportation, sugar contracts, students fees), due to the Australian policy concerning refugees, due to differences of policy over Kampuchea and Antarctica, and cultural irritants, such as Australian media's portrayal of Malaysian leaders and their environment and human rights performance.

Malaysian leaders were angry with the Australian Prime minister Bob Hawke speaking about the 'barbaric' action in Kuala Lumpur, when two Australians were executed in 1986 for the possession of drugs. The Malaysian government was angry with Australian Parliamentarians protesting against the arrest of over 100 Malaysian opposition activists in 1987. Later it was displeased at Australian demonstrators' protesting against rainforest logging in eastern Malaysia. The Australian TV drama series 'Embassy' was considered by the President Mahathir to be an offensive caricature of Malaysian society. In 1991, the Malaysian government suspended all non-essential cooperation projects with Australia. The issue was resolved in late 1991 after a meeting of Prime ministers at which they agreed their governments would dissociate themselves from inaccurate and offensive media comment about each other's countries. In 1993, after Paul Keating's comment that Mahathir was 'recalcitrant' because he had refused to attend the APEC leaders meeting in Seattle, Malaysia announced in anger a 'Buy Australian Last' policy.

The matter was resolved when the Malaysian Cabinet accepted Keating's statement that his comments had not been intended to cause offence and he regretted that offence had taken place. Relations became better after Mahathir's participation at the launch of a Malaysian - Australian Foundation.

But there were still some problems spoiling the relationship. The Australia Broadcasting Corporation (ABC) provoked Mahathir's irritation by describing the Malaysian general elections as being in a 'One-party state'. Malaysia vetoed a proposal that Australia (and New Zealand) be included among the Asian group to attend the first Asia-Europe Meeting (ASEM) scheduled for March 1996 in Bangkok. Mahathir became irritated over reports that there were bugs in the Malaysian mission inserted by the Australian intelligence agency. The criticism of Malaysian logging practices both in Sarawak and Papua New Guinea seemed unfair to the Malaysian government. There were bilateral differences in aviation policy when Australia refused to allocate five Australian airports for Malaysian daily flights.

To improve the relationship, Australia used 'second-track' diplomacy. The business meetings were organised between the Strategic Research Centre and the Australian Defence Studies Centre in 1995 in Kuala Lumpur, and later in the Asia-Australia Institute. Mahathir was a frequent critic of Australia's ambition to integrate with Asia. Keating's discussions with Mahathir focused mostly on trade and investment issues, and a number of contracts were signed in order to establish joint ventures between the two nations.

Differences between Australia and Malaysia on the question of APEC and Mahathir's counterproposal about the creation of the East Asia Economic Caucus (EAEC) continued to spoil the relationship. Malaysia dismissed a proposal by Japan for Australia (and New Zealand) to attend a meeting of ASEAN economic ministers in Thailand (meeting between North and South; North - Japan, South - Korea, China). And though in Bangkok in March 1996, Singapore, Japan and South Korea lobbied strongly for Australia's inclusion, Mahathir was against and it was decided to put off this issue concerning Australia. Mahathir used to say that Australia must first 'asianise' its cultural outlook to call itself an Asian country. Although differences between Australia and Malaysia remained related to Australia's broader role in the region, economic relations between the two countries continued to expand rapidly.

In 1995, Malaysia was Australia's second largest trading partner in ASEAN and its eleventh largest export market overall. Australia's exports to Malaysia grew from A\$1,956 million (1994) to A\$2,217 million (1995). But what is significant

is the change in the composition of Australia's trade. Malaysia's transition provided opportunities for exports of specialised equipment and high technology components.

As for security relations, the Australian Air Force deployed F/A 18 Hornets at Butterworth on a rotational basis for about 16 weeks each year for both bilateral exercises and FPDA training as part of the Integrated Air Defence System (IADS). The IADS under the command of an Australian officer held regular exercises covering the defence of Malaysia and Singapore. As for immigration, though Malaysians were the third largest group of settlers in Australia in the 1980s, immigration started to decrease in the 90s with the increased number of tourists from Malaysia.

During the mid-1980s, 'twinning' programmes were encouraged and universities offered some of their coursework through local institutions in Malaysia bringing students to Australia for their final years. In the middle of the 1990s, Malaysia began authorising foreign universities to set up fully independent campuses, enabling all instruction to be carried out locally. Malaysia aspired to become a centre of technical education, attracting students from around the region. This policy worried Australia because its universities could lose at the regional students market.

South Korea

Country profile (2002)

Official name – Republic of Korea; date of independence – 15 August 1948; area - 99,314 sq.km; capital city – Seoul; population 47 million; languages Korean, English widely taught; religions - Christianity 48.6%, Buddhism 47.4%, Confucianism 3%, Shamanism and Ch'ondogyo (religion of the heavenly way) 0.2%; ethnic composition - Korean 99.9%, Chinese 0.1%; life expectancy 69 years (men)/ 76 years (women); monetary unit – 1 won = 100 chon; average annual income – US\$8,490; main exports – electronic products, machinery and transport equipment.

President – Kim Dae-Jung; Prime minister - Lee Han-Dong; Foreign Affairs and Trade minister – Han Seung-Soo.

After decades of authoritarian rule following the creation of the Republic of Korea in 1948, and the country's transformation into one of the world's major economies, the country introduced multi-party politics in 1987. President Roh Tae-Woo launched an anti-corruption campaign against both his party and his political pred-

ecessor. Kim Dae-jung was elected in December 1997 after promising to promote democratic reform, to stop corruption and to curb the political power of the country's industrial conglomerates. He has improved the relationship with North Korea which has been South Korea's major concern.

Historical background

The first contacts between Australia and Korea occurred in 1884, when a group of Presbyterian missionaries arrived in the country. During the period of Japanese colonial occupation (1910-1945), about 40 Australian missionaries worked in Korea and a small number of Koreans were brought to Australia for vocational and religious training. These exchanges continued during the post war reconstruction time. Australian missionaries left an important legacy in the fields of public education and health.

The basis of the current relationship can be traced to the 1947 United Nations vote which established the UN Temporary Commission on Korea (UNTCOK) to facilitate the transfer of power to a democratically elected Korean government. Australia was a founding member of both UNTCOK, and its successor organisation, the United Nations Commission on Korea (UNCOK), which was created in 1948. The first Australian officials arrived in Korea in 1948 as members of UNTCOK.

Following the outbreak of war on the Korean peninsula in June 1950, Australia committed 18,000 Australian troops to the UN Command. Koreans welcomed Australian participation in the war. While Australia remained a prominent member of various UN agencies established during and after the war, including the United Nations Committee for the Unification and Rehabilitation of Korea (UNCURK), direct bilateral contacts between the ROK and Australia remained limited in the 1950s and the early 1960s as the ROK's primary goal was the post war reconstruction and its struggle for political and economic supremacy with North Korea. The links were predominantly security-related, with little attempt by either country to broaden the relationship. The ROK opened its Embassy in Canberra in 1961 and its Embassy in Seoul in 1962.

Australia provided small official development assistance to the ROK from 1960 to 1978. The Australian company BHP provided early assistance to the Korean steel producer, the Pohang Iron and Steel Company, which in the 90s became the world's second largest steel producer and Australia's single largest foreign customer with annual purchases of over A\$1billion.

By 1965, the upsurge in trade changed the bilateral relationship. A bilateral trade agreement was signed in 1965 and in 1968 annual Ministerial Trade Talks com-

menced.

This bilateral relationship was tested in 1973 when the Whitlam Labor government moved to establish relations with the DPRK in line with its policy of adopting a non-ideological approach to foreign policy, which meant extending diplomatic recognition and aid to communist governments in China, North Vietnam and the DPRK. Australia recognised the DPRK in 1973, and in 1974 the two countries established full diplomatic relations. However the DPRK withdrew its diplomatic staff from Canberra in 1975 and expelled the staff of the Australian Embassy in Pyongyang - allegedly for misconduct. Trade was the driving force in bilateral relations with the ROK during the 1960s, 1970s and 1980s. A highly complementary trading relationship developed based on the export of Australian raw materials, mainly minerals, which the ROK processed and sold on domestic and international markets. In return, Australia purchased increasing volumes of Korean manufactures, including footwear, clothing and textiles.

Broader political relations were constrained, however, by concerns over the ROK's human rights record. The coup d'état that brought Chun Doo-Hwan to power in 1980 was followed by the imposition of martial law. The lack of political pluralism under Chun, the Chun government's treatment of dissidents, and the bloody military suppression of pro-democracy university students in Kwangju in May 1980 made Australia worry about the situation in the country.

The ROK's transition to democracy began with the decision to allow free presidential elections in 1987, which resulted in Roh Tae-Woo's coming to power. President Roh's 'Nordpolitik', which included the establishment of diplomatic relations with the Soviet Union, China and Eastern Europe, testified the emergence of a more self-confident, outward-looking ROK.

Political, diplomatic, economic and security relations in the 90s

The ROK's emergence as a significant and influential player in the region was symbolised by its key role, along with Australia, in launching the APEC initiative.

In 1993, the President Kim Young-Sam (the first civilian Korean President in over three decades) came to power and began to develop close cooperation between the ROK and Australia to expand and diversify the relationship through increased ministerial, parliamentary, business, academic, cultural and other people-to-people exchanges. Kim Young-Sam introduced reforms under the name of globalisation. 'New Diplomacy' was announced in 1993 in all spheres of life. While implementing economic deregulation across a range of sectors, the President found himself at odds with various interest groups, among them the union

movement and the influential agricultural lobby.

The ROK was one of Australia's major agricultural markets in the 90s. Major agricultural export items included beef, wool, cotton, grains (wheat), live animals and dairy products. The ROK exports to Australia were mainly manufactured items. The major items were passenger motor vehicles, followed by computers.

Australia promoted stability on the peninsula and dialogue between two parts of Korea.

Korean migrants remained concentrated in Sydney. The total number of Korean migrants was about 40,000 who achieved considerable economic progress within a relatively short period of time in Australia. Prior to 1990, there was just one Australian university involved in active collaboration with a Korean counterpart. In the middle of the 90s there were ten, with Griffith University being the largest provider of Korean language teaching in the country. Many grants were also provided to enable Australians to undertake study visits to Korea.

The political situation during the 1997 election distracted the ROK policy-makers from international issues. There were three Kims - the President Kim Young-Sam, Kim Dae-Jung, the leader of the largest opposition party, the National Congress for New Politics, and Kim Jong-Pil, the leader of the Liberal Democrats. It was important for the country to continue with reformist policies. The most important objective was to maintain economic growth and international competitiveness without losing necessary popular support. Kim Dae-Jung who was elected in 1997 promised to continue democratic reforms.

The Republic of Korea has been a leading example of the 'East Asian economic miracle', demonstrating many of the characteristics connected with the economic transformation of the 'Asian tigers'. The ROK sustained high GDP growth rates due to hard work, sacrifice, technological innovation, enthusiasm for education, strong central government, high domestic savings rates and a developing trade sector. The ROK had the highest sustainable rate of growth of any country in the world, with the possible exception of much smaller Taiwan. Relations between Australia and the ROK in the 90s were productive and increasingly complementary, reflecting a growing commonality of interests, shared emphasis on the importance of the Asia-Pacific region, common middle-power status and mutual recognition of the benefits of close cooperation. A major priority of Australia government policy was to encourage market reforms and liberalisation in the ROK through OECD, APEC and WTO.

Japan

Country Profile (2002)

Official name – Japan; date of independence – 660 BC (traditional founding by Emperor Jimmu); total area - 377,835 sq.km, land - 374,744 sq.km; capital city – Tokyo; population – 126 million; languages – Japanese, English is widely taught; religions - Shinto 95.8%, Buddhism 76.3%, Christianity 1.4%, other 12% (most Japanese observe both Shinto and Buddhist rites so percentages total more than 100%); ethnic composition – Japanese 99.4%; life expectancy – 76 years (men)/ 83 years (women); monetary unit – yen; average annual income – US\$32,030; main exports – vehicles, computer parts, chemicals, scientific instruments and watches.

Head of state – Emperor Akihito; Prime minister – Junichiro Koizumi; Foreign minister – Yoriko Kawaguchi.

Japan is known to be a country of advanced technology but at the same time having a traditional society with strong social and employment hierarchies. Japan is known for its economic strength. The export of Japanese cars, hi-fi equipment and computer products placed Japan among top three in the world, alongside the US and China in this field. But in the 1990s Japan faced a number of problems connected with low demand, deflation, bankruptcies and bad debt burdens.

Japan's trade surplus has continued to drop. In 2001 it was 32% lower than in 2000, which reflected the global downturn and the US sharp slowdown that was the key market for Japanese goods. However the trade balance with the USA has remained heavily in Japan's favour. Unemployment has been at a record high of 5.3%, and employers have continued laying off workers.

The Prime minister Koizumi, who became the Prime minister in 2001 after Yoshiro Mori's resignation, has claimed that his priority is long-term restructuring. The Prime minister promised tough unpopular measures in the short term in order to create longer-term benefits and the vast majority of Japanese voters supported his position. The government has been worried by the size of the national debt, the largest in the developed world and has promised a cap on additional borrowing though Koizumi has had to agree on a second supplementary budget to generate growth. Japan's relations with its neighbouring countries continue to be heavily influenced by the legacy of WWII.

Historical background

In the early years after Australian Federation, Japan was an ally of Australia as a consequence of the Anglo-Japanese Alliance of 1902 and was later on the same side during WWI. Between the two world wars, relations steadily deteriorated. This was partly related to Australia's growing anxieties over Japanese imperialism in the Pacific in the 1930s. Besides, Australia's trade policy showed discrimination against Japan. Though in the middle of the 1930s Japan was Australia's second most important export market (after Britain) and its third largest source of imports, high Australian tariffs, designed to force Japan out of the textile market, caused considerable tension in the relationship. The second cause of friction was Australia's discriminatory immigration laws. WWII brought Japan and Australia into direct military conflict, with Japan becoming the only country that attacked Australia on its own soil. The ferocity of fighting in the Pacific theatre and the maltreatment of Australian prisoners of war left a legacy of bitterness towards Japan among some Australians. An important turning point in relations occurred in 1950-51 when, as a result of the perception of the growing threat of communism in the Pacific, Australia was encouraged by Washington to sign a peace treaty with Japan, receiving in return a guarantee of US protection under the ANZUS treaty.

In the 1950s there was a steady expansion of Australia's economic relationship with Japan. With the signing of the Commerce Agreement in 1957 (amended in 1963), Japan and Australia laid the foundation for a further expansion of their trade relations on a non-discriminatory basis. By the end of the 1960s, the Australian and Japanese economies were becoming increasingly interdependent. In 1966, Japan became Australia's most important export market, which was a historic turn from its traditional dependence on trade with Britain and the US. In the 1970s Australia was Japan's key supplier of foodstuffs. Two important agreements were signed: a cultural agreement signed in 1974, and the Basic Treaty of Friendship and Cooperation in 1976. With the Basic Treaty as a foundation, the relationship since the early 1980s has expanded into new fields.

Political, diplomatic, economic and security relations in the 90s

At the end of 1993, the Australian government organised a month-long festival of Australia ('Celebrate Australia') for promoting an image of Australia as a sophisticated and modern economy.

The relationship between Australia and Japan appears to be comfortable and relaxed in the 1990s. The year 1996 started a three-year period of celebrations and commemorations of several significant anniversaries, including the 40th anniver-

sary of the signing of the 1957 agreement on trade and commerce and the 20th anniversary of the Basic Treaty of Friendship and Cooperation, signed in 1976. Although Japan was hit by an economic recession starting at the beginning of the 90s, in 1996 it continued to enjoy the status of the second largest economy in the world after the USA. Hashimoto's party did not have a majority in Parliament and the ruling party had to depend upon support from other political parties for any reform to take place, which hindered the introduction of reforms. Two-way trade between Australia and Japan, investment and other economic ties continued in their usual way.

Japan was Australia's largest trade partner and its second largest export destination. A visit to Japan in 1996 by the new Australian Prime minister, John Howard, and a reciprocal visit in early 1997 by his Japanese counterpart, the Prime minister Hashimoto Ryutaro, demonstrated the significance of bilateral relations for this key regional relationship.

Vietnam

Country profile (2002)

Official name - Socialist Republic of Vietnam; date of independence – declared 2 September 1945 (from France); total area – 329,560 sq.km; land - 325,360 sq km; capital city – Hanoi; population – 78 million; languages – Vietnamese (official), French, Chinese, English, Khmer; religions - Buddhism, Taoism, Catholic, indigenous beliefs; ethnic composition – Vietnamese 85-90%, Chinese 3%, and the rest - Muong, Thai, Meo, Khmer, Man, Cham; life expectancy 65 years (men)/ 70 years (women); monetary unit – 1 dong = 100 xu; average income – US\$370; main exports – clothing, petroleum, footwear, rice.

President – Tran Duc Luong; Secretary-General of the Communist Party – Nong Duc Manh; Foreign minister – Nguyen Dy Nien.

Vietnam became a unified country in 1976 after indiscriminate destruction and contamination of much of the land during the war, which had brought Vietnam's economy into a deplorable state. Vietnam is a largely agricultural country, with more than two-thirds of its workforce employed on the land. Manh was elected as the party leader in 2000, replacing Le Kha Phieu. Manh has declared that he will fight against corruption and unnecessary bureaucracy in Vietnam, and that he will focus on economic development aiming to turn Vietnam into an industrialised country by 2020.

Historical background

Australia established diplomatic relations with Vietnam during the 1950s, a process which took several years. Full diplomatic relations were established in 1958. The Republic of Vietnam's (RVN) first president, Ngo Dinh Diem, visited Australia in 1957 and Saigon sent the first ambassador to Canberra in 1961. Since the early 1950s a number of Australian officials and scholars perceived the RVN (as well as Cambodia, Laos and Thailand) to be part of an important barrier to the expansion of communism from the People's Republic of China (PRC). Within conservative political circles in Australia and the US in the late 1950s, the RVN was perceived as the first of dominoes, which could have eventually resulted in all of Southeast Asia and Australia falling to communism. Australia sent military advisers to the RVN in 1962 and in 1965 sent combat troops to joint troops from New Zealand, the Philippines, the Republic of South Korea, Thailand and the US in support of South Vietnam.

Australia's involvement in the Vietnam (Second Indochina) war was also motivated by a desire to facilitate closer security ties with the US. Australia's actions relating to Vietnam were largely influenced by the policies of the US. This shadowing of US policy changed with the election of the Whitlam government in 1972, after which Australia embarked on an independent bilateral relationship with both North and South Vietnam. Immediately after coming to power, the Whitlam government formally withdrew Australia's few remaining military forces from the Republic of Vietnam and soon established diplomatic relations with the Democratic Republic of North Vietnam (DRVN). Australia's bilateral relationship with the two Vietnams during the Whitlam government was more in line with Western European countries than Australia's regional neighbours and traditional allies, most of whom maintained relations only with the Republic of Vietnam. The forces of the DRVN gained control of Saigon, and thus the Republic of Vietnam on 30 April 1975. The country was formally unified on 1 July 1976. The victory of the communist Khmer Rouge forces in Cambodia, under Pol Pot on the 17 April 1975 resulted in the formation of the state of Democratic Kampuchea (Cambodia) and the beginning of Pol Pot time.

In the period from 1976 to 1978, repeated communist Khmer incursions into the Vietnamese territory on the Khmer-Vietnamese border finally resulted in the Vietnamese invasion of Democratic Kampuchea on Christmas Day 1978. This action not only resulted in the establishment of a Vietnamese-installed government in Phnom Penh, but also international condemnation, despite the genocide and horrors of the Pol Pot regime. As a result of the Vietnamese action, the Australian government, under Malcolm Fraser, was quick to suspend all Australian develop-

ment aid programs to Vietnam. Formal diplomatic relations were not downgraded, however, and Vietnamese students then studying in Australia under the Colombo Plan were permitted to complete their studies. The policies of the Fraser government towards Vietnam during the late 1970s and early 1980s became more closely aligned with policies of Australia's regional neighbours than the policies of Australia's more traditional allies in Europe and the US. Between 1979 and 1983, the Fraser government joined the ASEAN countries and the US in a policy of the isolation of Vietnam. The isolationist policy of the Australian government towards Vietnam was relaxed under the Hawke government, which came to power in 1983. During the middle of the 1980s, Australia's relations with Vietnam were influenced by an attempt to find a resolution of the Kampuchea conflict, and in this regard Australia's policy continued to be closely aligned with ASEAN's policy towards the three Indochinese states.

During Bill Hayden's tenure as Minister for Foreign Affairs, Australia gradually adopted a forward-looking constructive posture in its relations with Vietnam. The minister for Foreign Affairs and Trade, Gareth Evans, followed the Indonesian policy of confidence building in conflict resolution in Indochina and in the 80s Australia established closer diplomatic contacts with Vietnam, but economic relations were also improved, with a five-fold increase in the value of bilateral trade. However corruption, changing investment laws and rules, primitive infrastructure facilities, deficiencies in the Vietnamese legal system and government bureaucracy turned away a large number of investors who wanted to start business in Vietnam in the late 1980s and the 1990s.

Political, diplomatic, economic and security relations in the 90s

After Vietnam's formal withdrawal of its volunteer troops from Kampuchea in 1989, Australia's bilateral relations with Vietnam improved substantially and developmental aid to Vietnam was increased. But only after the signing of the Cambodian Paris Accords in 1991, which formally ended the conflict in Cambodia, did Australia fully restore its bilateral aid programme in Vietnam. The issue of human rights in Vietnam has always been the main hindrance in Australia's relations with Vietnam. Vietnam cancelled the previously agreed visit to Vietnam by an Australian Parliamentary Consultative Delegation on Human Rights in 1994.

Australian firms were given preference in a number of commercial and economic ventures in Vietnam. An agreement was signed in the middle of the 90s referring to civil aviation cooperation, investment protection and trade and economic cooperation. From a political, economic and cultural perspective, Vietnam was not of main importance to Australia. The newly elected Liberal-National Party Coali-

tion government in Australia witnessed a further erosion of Australia-Vietnam relations by the end of 1996. The main friction in the relationship concerned the new Howard government's cancellation of the Development Import Finance Facility (DIFF) scheme, its desire to cancel the construction of the My Thuan bridge project, and insistence that a delegation of Australian Vietnam veterans be able to visit Long Tan in August 1996 to commemorate the 30th anniversary of the battle of Long Tan on 18 August 1966. Nevertheless, in economic terms, relations were strengthened as the level of bilateral trade reached a record high, although the number of Australian commercial investments in Vietnam decreased. Formal cultural exchanges between Vietnam and Australia were minimal and were relatively insignificant compared with the cultural exchanges between Australia and other Asian countries. While Vietnam was not of major strategic concern to Australia, it was considered an influential regional player. An important aspect of the political relationship between Australia and Vietnam was the presence in 1998 in Australia of 205,000 Vietnamese and Chinese-Vietnamese Australians.

Cambodia

Country profile (2002)

Official name – Kingdom of Cambodia; date of independence – independence declared (from France) 9 November 1949, secured in 1953, ratified at Geneva Conference in 1954; total area - 181,040 sq. km, land - 176,520 sq.km; capital city – Phnom Penh; population – 11 million; languages – Khmer (official), French, 100 indigenous languages; religions – Theravada Buddhism 95.1%, others 5%; ethnic composition – Khmer 89%, Vietnamese 5%, Chinese 2.5%, Cham-Malay 2.5%, Highland minorities 1%; life expectancy – 52 years (men)/ 55years (women); monetary unit – 1 riel = 100 sen; average annual income – US\$260; main exports – clothing, timber, rubber.

Head of state – King Norodom Sihanouk; Prime minister – Hun Sen; Foreign minister – Hor Namhong.

Cambodia is one of the poorest countries in the world. Farming workers constitute 75% of the workforce. The main Mekong River provides fertile, irrigated fields for rice growing. Illegal logging, while dangerous for the environment, does provide badly needed revenue necessary for the development of the country's economy. Hun Sen is the leader of the Cambodian People's party, which governs with the royalist Funcinpec party. In 1997, while Prince Ranariddh of Funcinpec (the co-minister) was abroad, Hun Sen took power in his hands but failed at the election of 1998 to win the majority and had to form another coalition with

Funcinpec. In February 2002, local elections for over 1,600 communes took place in Cambodia. Local elections had not been held for more than 30 years. More than 20 activists, mostly from opposition parties, were killed in the run-up to the elections. Before the 2002 elections, all commune leaders had been appointed by the CPP. The opposition parties such as the royalist Funcinpec and Sam Rainsy party (SRP), had hopes that after these elections the ruling Cambodian People's Party would lose its influence in the country.

Historical background

Australia established a mission in Phnom Penh in 1955 and it thus became possible to develop a close relationship with Cambodia's head of government, Prince Norodom Sihanouk. Australia provided some aid during the 1950s and 1960s and small numbers of Cambodians began to study in Australian schools and universities. However, in the time of 'forward defence' and the Vietnam War, Cambodia was of little interest in Australia. Sihanouk strove to keep his country apart from neighbouring conflicts, but Cambodia was drawn into the conflicts in Indochina after Prince Sihanouk had been overthrown during a coup in March 1970. Australia recognised the republican regime led by general Lon Nol. The Whitlam Labor government maintained this recognition, although it moved to distance Australia from the Lon Nol regime and from US policies. When Khmer Rouge forces defeated the Lon Nol regime and occupied Phnom Penh in 1975, Australia gave recognition to the change in government, but diplomatic representation was never established with the government of Kampuchea. Reports of the brutality of the Khmer Rouge regime gained some attention in Australia and interest increased sharply at the end of 1978, when Vietnamese forces (with some Cambodian allies) invaded Cambodia. The devastation in Cambodia and Cambodian refugees both within and outside the country (especially in Thailand) attracted strong public interest in 1979. This interest had an impact on Australian policy.

The Fraser government along with the ASEAN members refused to accept the legitimacy of Vietnam's invasion and the Australian government withdrew the diplomatic recognition under the public pressure in 1981. The Hawke Labor government came to power with a policy commitment to help to resolve the conflict. The Foreign minister Bill Hayden devoted considerable attention to the Cambodia conflict, both in policy statements and through diplomatic dialogue. Australia, while withholding bilateral aid, increased assistance through non-governmental and multilateral bodies. Australian NGOs expanded their activities and made important contacts, particularly after the establishment in 1986 of the non-official Joint Australian Non-Government Organisations Office (JANGO), which coordinated aid efforts, assisted visitors and increased Australian knowledge of devel-

opments in Cambodia. Vietnam announced in 1989 its decision to withdraw its forces, but there was not a settlement of how the country would be governed. Australia promoted the concept of a United Nations role to provide a transitional administration for free elections which was developed into a detailed set of plans and guidelines in 1990 (Red Book).

Political, diplomatic, economic and security relations in the 90s

Australia-Cambodia relations in 1996 continued to be dominated by Cambodia's efforts to secure economic recovery and administrative development within the framework established by the Paris Agreements, and Australia showed its interest in the progress of the newly re-established Royal Government. There were many visits and consultations. Cambodia's problems in managing development continued to be of major concern to donors throughout the 90s, particularly in the area of forestry.

As a small and underdeveloped economy, Cambodia offered little opportunity for Australian business or investment. Australia's economic involvement in Cambodia remained in the aid programmes and in the activities of several major enterprises. An Australian Business Association of Cambodia (ABAC) was established in Phnom Penh in 1995 with a membership of about 30 businesses. Australian investment in Cambodia was limited to A\$30 million. The difficult business environment and the lack of an effective legal framework, security concerns, and the dominance of Malaysian, Singaporean and Thai investors, who had links throughout the Chinese business network, were not favourable for the increase of Australian investments. Under the agreement of a ten year plan of Telecommunications and Construction in Cambodia, Australian Telstra financed Cambodia's international telecommunications sector network development and provided training and management and business-planning skills to the ministry in return for a share of the ministry's revenue from international telecommunications. Australia was implementing the program of increased assistance in the training of a professional armed force in Cambodia.

By 1976 the Cambodian community in Australia numbered only about 500. However, after the victory of Khmer Rouge forces in 1975, Australia received a substantial number of Cambodian refugees. Between 1975 and 1986 the total number was 12,813 people. Cambodians arrived under the Refugee and Special Humanitarian Programme, primarily from Thailand. In 1991 the Cambodian community comprised 17,555 people. In the middle of the 90s the Cambodian population increased up to 22,000 people.

In 1996 Australia and Cambodia continued to develop a relationship according to the Paris Agreements, marking its fifth anniversary in October of that year. Australia, under the new Liberal-National party government, reaffirmed its support for Cambodia's recovery.

Indonesia

Country profile (2002)

Official name – Republic of Indonesia; date of independence – proclaimed independence 17 August 1945, independence recognised by the Netherlands on 27 December 1949; total area - 5,085,606 sq. km, land – 1,919,443 sq.km; capital city – Jakarta; population – 225 million; languages – Indonesian as well as some 250 other regional languages and dialects, English is also used in business circles; religions – Muslim 87%, Protestant denominations 6%, Roman Catholic 3%, Hindu 2%, Buddhism 1%; ethnic composition – indigenous populations of most of the major islands (Sumatra, Java, Bali, Kalimantan, Sulawesi and West Nusa Tenggara), which together constitute about 96% of the total population, are largely of Malay ethnicity, the remainder of the population is mainly of Melanesian origin; life expectancy – 63 years (men)/ 66 years (women); monetary unit – 1 rupiah = 100 sen; average annual income – US\$600; main exports – oil and gas, plywood, textiles, rubber, palm oil.

President – Megawati Sukarnoputri; Foreign minister – Hasan Wirayudha.

Ethnicity of Indonesia is very diverse, with people ranging from stone-age hunter-gathers to a modern urban elite. Indonesia now faces growing demands for independence among several provinces, where secessionists have been encouraged by East Timor's success in gaining independence in 1999. The Indonesian government led by Megawati Sukarnoputri and separatist rebels in the northern province of Aceh have made a series of moves to end a conflict lasting for decades on the northern tip of Sumatra Island, which has cost thousands of lives. General Suharto who ruled the country from 1965 to 1998, lost power after widespread rioting. General Suharto's policy was to allow army involvement in all levels of government down to village level. Due to this policy, as well as his policy of transferring groups of the population from one place to another, Indonesia has recently faced continuous inter-ethnic and religious conflicts in addition to corruption scandals.

Historical background

Relations between Australia and Indonesia have rarely been smooth or untroubled. After the 1945 proclamation of independence, for five years relations were

good and the Labor government supported the cause of Indonesian independence. By the middle of the 1950s, the relationship became worse because in 1949, instead of the Labor party, the more conservative Liberal-Country party coalition came into power in Australia and there was evidence that Jakarta was moving away from the system of parliamentary government inherited from the Dutch. It became clear that it was becoming more authoritarian and the Communist party of Indonesia (PKI) was going to play a more prominent role in national politics. By the beginning of the 60s, the relationship was not good at all because Australia had refused to support the Indonesian claim to Western New Guinea and backed the formation of the Federation of Malaysia against Jakarta's efforts to break it.

The coup or counter-coup of September-October 1965 which brought to power an army backed regime led by general Suharto brought about another turn in bilateral relations. Australia had good relationships with the right wing elements of the Indonesian army, seeing in them the possibility of resisting the left wing swing of Indonesian politics. Apart from being politically acceptable because of its anti-communism, the new government expressed commitment to restoration of the Indonesian economy through the opening up of the economy to foreign trade and investment. But by the end of the 1960s relations worsened because the Suharto government was not going to improve its record on human rights and corruption.

The Indonesian invasion of East Timor in 1975 and the killing of five Australian journalists in East Timor by Indonesian troops that year was widely criticised by the Australian public. After the publication in 1986 in the Sydney Morning Herald of an article interpreted by Indonesian officials as insulting to Suharto, relations became icy. By the late 1980s, relationships had improved because of the effort on the part of the Foreign minister Gareth Evans to shift the relationship from its narrow focus on political and security issues to one more broadly based. People-to-people contacts were to be promoted through the Australia-Indonesian Institute; more frequent contacts were arranged at the ministerial level and efforts were made to improve trade relations between Canberra and Jakarta. Historically trade was low on the whole. From the end of the 80s, trade grew at an unprecedented rate, increasing threefold for six years since 1988.

Political, diplomatic, economic and security relations in the 90s

In 1995, Indonesia celebrated the 50th anniversary of independence, but it coincided with the date of the killing of the Australian journalists 20 years earlier and the invasion of East Timor. These anniversaries together with the hearing of the Portuguese case against Australia over the Timor Gap Treaty in the International Court of Justice, claims to refugee status by 18 Timorese boat people and a par-

ticularly insensitive choice of an army general as Indonesian ambassador to Australia, were the most important events in the middle of the 90s. East Timor was the dominant issue in Australia-Indonesia relations.

Portugal brought charges against Australia to the International Court of Justice in 1995 in relation to East Timor. The case damaged the Australian position in East Timor. The Portuguese argument was that the Timor Gap Treaty was invalid, since Australia had signed it with Indonesia, which had not had sovereignty over East Timor and thus could not negotiate its borders. Only Portugal had sovereignty over it and thus it was the only power able to negotiate on behalf of the East Timorese people. Indonesia was not represented in the court. Australia claimed that the Treaty was valid anyway, since Indonesia was the sovereign power in East Timor and Portugal had not exercised any control over the territory since 1975 and it was not recognised by any of the Timorese groups as the sovereign power and thus had no legitimate claim to speak on behalf of the East Timorese. But at the same time Australia claimed that it recognised the right of the people of East Timor to self-determination. It was a contradictory position and Evans commented that self-determination could be exercised in a number of ways, including a merger into another sovereignty. The Australian public criticised the government for taking such an ambiguous position. Because of Indonesia's absence, the court didn't issue a verdict.

Australia's proximity to East Timor, the continuing unrest in the territory, and the existence of East Timor support groups in Australia all made Australia the most suitable place for refugees. The Australian Immigration Department declared that any East Timorese born before 1975 were Portuguese citizens and thus could not claim asylum in Australia. Keating confirmed this position. The Government's position drew strong criticism for its hypocrisy because it simultaneously recognised Indonesian sovereignty over East Timor and the rights of East Timorese for self-determination. The government was criticised for sacrificing the interests of Timorese people for the sake of good relations with the Indonesian government.

The Australian Immigration Department refused to give refugee status to 18 Timorese boat people but gave it to George Aditjondro, who was a dissident academic and a member of the staff of Satya Wacana University in Salatiga, Central Java. George Aditjondro came to Australia after his speech in Yogyakarta, which was considered to be insulting to the president. The head of the police in Central Java asked Interpol to assist, but George Aditjondro was officially on a temporary visit to Australia. The Australian Department of Foreign Affairs and Trade made it clear that the Australian-Indonesian treaty on extradition which came into effect in January 1995 was not applicable to this case since it only covered matters which

were offences in both countries and that Indonesian police had no jurisdiction in Australia and thus no power to question Aditjondro.

In the middle of 1994, Indonesia appointed Herman Mantiri to be the Ambassador to Australia. Herman Mantiri had been the Chief of Staff of the Indonesian Armed Forces. Mantiri had resigned by that time, but it became known in Australia that he had served in East Timor and that in 1992 he expressed his positive opinion concerning the government's suppression of the demonstration when unarmed people were killed by the military in Santa Cruz in the cemetery on 12 November 1991. The rumours spread in Australia about Mantiri's appointment and soon Evans found himself in a difficult situation. Evans explained that Mantiri hadn't participated personally in the events in Santa Cruz and he didn't consider Mantiri's remark in the press to be a serious reason for a rejection. But by June, the public indignation was so great about Mantiri's nomination that it became politically unwise to ignore it. In July, Evans began to apply pressure on Jakarta asking for the withdrawal of the candidate, though officially Australia had agreed with the nomination. Mantiri was withdrawn and for some time the position was not filled.

Mantiri was put forward because he had done a lot for improving the relationship between the Australian and Indonesian military forces. The Australian Defence Minister Robert Ray shared this view. By the beginning of 1995 Australia had become the main foreign provider of military training to Indonesia. For three years to June 1994 the number of military personnel from Indonesia increased from 5 to 120. By June 1995 the number was 225 people. The Australian Defence Department did it to strengthen individual contacts and between divisions so that if necessary, they could control or predict the actions of the Indonesian army. But public opinion was that Australia should stop training Indonesian military personnel because they were used to suppress dissidents struggling for human rights.

The greatest surprise was the signing of the treaty between Indonesia and Australia. Keating and Suharto kept it secret until the last moment. It had the aim of mutual consultation between the two countries in the case of the other country's military action, although it didn't have a provision for automatic military assistance if the other was in trouble. It was considered to be the product of Prime Minister Keating's personal relationship with the President Suharto. For Australia, this Agreement was the second treaty-level arrangement it entered after the signing of the Joint Declaration of Principles with Papua New Guinea in 1987.

In some respects the Australian-Indonesian Agreement can be thought of as the culmination of a debate that took place within government circles during 1995

between proponents of the two different conceptual models of Australia's foreign policy approach to the region. Evans's approach emphasised multilateralism, institution building and establishing habits of co-operation between states, which could regulate international behaviour and reduce or control conflicts between parties. Evans argued that the traditional balance of power or 'realpolitik' approach to international security was of declining utility. But the Prime minister's championing of the Agreement on maintaining security reflected a model for regional cooperation based much more closely on the realpolitik considerations than Evans's approach. It was a bilateral instrument, promoting a key strategic relationship regardless of the reaction from other countries.

For both the Australian Labour Party government and Liberal-National party Opposition, trade relations with Indonesia were the most important aspect in the relationship. But at the conference in Adelaide, organised by Amnesty International, the opposition spokesman on foreign affairs Alexander Downer criticised Keating for keeping silent concerning human rights in Indonesia and Vietnam. The Government didn't react to Downer's speech because his opinion didn't coincide with the opinion of the opposition leader John Howard and the leader of the National Party Tim Fisher. All of them claimed that human rights issues needed to be balanced against the other interests Australia had with Indonesia.

In opposition, during 1995, Downer had frequently been critical of the Keating government's attitude to human rights in Indonesia. But in government, Downer and Howard were more flexible. Downer resisted all attempts to make him take a firm stand in the connection with rioting in Jakarta and other Indonesian cities and towns. Downer argued that there was nothing to gain from such an action from Indonesia and besides, all that took place within Indonesia were matters for Indonesia alone to decide.

Australian imports from Indonesia dropped significantly in 1994, but recovered in 1995 growing by over 29%. Australian exports to Indonesia rose by almost 18% in the same year. The trade balance continued to be strongly in Australia's favour with Australian exports to Indonesia exceeding imports by over A\$1 billion. Indonesia was a difficult market to penetrate because of a lack of transparency in the tendering process; absence of protection for intellectual property rights; overstretched infrastructure especially in the power and telecommunication fields; and differences in cultural, social and business practices. Australia ranked sixth among Indonesia's sources of foreign investment. Historically, the bulk of Australian investments in Indonesia were in extractive industries, especially petroleum and coal, but in the 90s a more diverse range of activities included chemi-

cals, food processing, construction, banking and insurance.

The case of Pauline Hanson's speech caused comments in Indonesia about Australia's return to White Australia policy. The Australian government was accused of doing nothing about growing racism promoted by Pauline Hanson and her party. The Howard government paid more attention to defence and security matters than Keating. A poll of Liberal party candidates published as an Australian Candidate Study showed that 76% of them believed that Indonesia was likely to pose a security threat to Australia. Of the Labor party candidates, 36% viewed Indonesia as a threat. The Indonesian Ambassador to Australia, Wiryono Sastrohandoyo, expressed surprise and disappointment at the results of this survey and plenty of articles appeared in the Indonesian newspapers about Australian negative attitudes to Indonesia.

Hong Kong

Country profile (2002)

Official name – Hong Kong; date of independence – ceded to Britain in 1898 on a 99-year lease; returned to China on 1 July 1997; total area - 1,040 sq.km, land - 990 sq.km; population - 6.3 million (July 1996 est.); languages – Cantonese is spoken by 97% of the population, but Mandarin is increasingly used. English is widely used in government, business and education; religions – majority Buddhist, large Daoist and Confucianist element (sometimes mixed together), Christianity 10%; ethnic composition – Chinese 95%, other 5%; life expectancy – 82 years; main exports – clothing, electrical machinery and apparatus, textiles.

Historical background

As early as in the 19th century, there was considerable traffic between Hong Kong and Australia. From its earliest days the port city was connected with Chinese settlement in Australia. Hong Kong was a rocky island, a centre of trade in tea, silk and opium. The island of Victoria was ceded to Britain in 1842, with the Kowloon Peninsula and the New Territories being handed over to Britain in 1898 on a 99-year lease. Chinese free immigrants came to Australia through Hong Kong and other southern Chinese ports to work in Sydney, Melbourne and on the gold-fields. Since they were not allowed to bring their families with them and there were many restrictions on their commercial activities in Australia, they travelled back to China regularly, building up strong links with Hong Kong, Macau, Taishan and other districts of Guangdong province.

Hong Kong was one of a string of foreign ports along the China coast. It was a

minor centre compared with Shanghai, which was one of the great cities of the Pacific before the Pacific War. Even in the days of civil war and unrest, the China market attracted merchants from Australia and around the world. During the war, Hong Kong was occupied by Japan. From the time of the establishment of the People's Republic of China in 1949, Hong Kong was treated as a 'unique window through the bamboo curtain'. During the years of the Cold War, in Hong Kong there were a lot of intelligence officers from around the world who gathered to exchange information about what was going on behind the 'bamboo curtain'. The CCP (Chinese Communist Party) was closely allied with Soviet Russia, but maintained some contacts with the West, particularly through Hong Kong. In the 1960s, for instance, Australian Wheat Board representatives met senior Chinese officials in Hong Kong to negotiate the sale of wheat to China in spite of the American blockade on trade.

As a consequence of the famine in China in the early 1960s, hundreds of thousands of refugees arrived in Hong Kong. The Hong Kong government settled them in subsidised housing. Local businessmen employed them to produce household goods for export to America and the West. Australians and expatriates from other countries settled in the Territory giving Hong Kong its unique cosmopolitan character. Mainland China became more open to the West, creating more opportunities for business in Hong Kong. Australia dropped its White Australia policy and, as a result, immigration to Australia from Hong Kong increased, although large-scale immigration from Hong Kong did not occur until the late 1980s.

Political, diplomatic, economic and security relations in the 90s

In the 90s the link between Hong Kong and Australia was very strong. More than 30,000 Australians lived and worked in Hong Kong. The Territory became one of the largest centres of Australian settlement anywhere in the world outside Australia. In the 90s an estimated hundred thousand Hong Kong people settled in Australia, particularly in Sydney. Hong Kong became the most powerful economic and financial centre of China accounting for 20% of China's GDP. Hong Kong became a centre of international banking and finance, and had the second largest stock market in Asia after Tokyo. During 1996, a special clock was erected by the Chinese government in Beijing's Tiananmen Square to show how many days were left until the handover on 1 July 1997. Hong Kong's political agenda in 1996 was dominated by arguments and discussions regarding transitional arrangements. China appointed a provisional Legislative Council to hold office until elections could be held. The handover of Hong Kong to China on June 1997 took place in the presence of the Chinese President, Jiang Zemin, the Prime minister Li Peng, the British Prime Minister Tony Blair and the Prince of Wales. Chris Patten, the territory's last Governor, bade an emotional farewell to his staff at his official

residence before the colony was officially handed over in the Grand Hall of Hong Kong's Convention centre.

Hong Kong was Australia's fourth largest source of foreign investment; sixth largest destination for foreign investment; sixth largest market for services; sixth largest supplier of services; ninth largest export market; and eleventh largest trading partner. The Hong Kong trade figures should be considered alongside re-exports in both directions. Australia's merchandise exports to Hong Kong were dominated by gold, although the value of exports in this commodity dropped considerably. Gold was a traditional form of company and household saving among Chinese communities, and there were large reprocessing industries based in and around Hong Kong such as jewellery, watch and ornament manufacturers. Other major items in the 90s included seafood, aluminium, wool and telecommunications equipment and copper. There was a growing market for luxury foodstuffs and wines among rich consumers in Hong Kong, China and other parts of East Asia.

The level of Australian investment in Hong Kong remained fairly constant. Over the six years 1900-1996, Hong Kong investment in Australia more than doubled accounting for more than 4% of total foreign investment. Hong Kong businesses could be found in most Australian states. Following the former colony being returned to China in 1997, the issue of how many mainland Chinese residents can be given right of residence in Hong Kong has been one of the most contentious in the territory. In June 1999, the Chinese government overruled a Hong Kong court decision which was made early in 1999 and which granted residency rights to anyone with a Hong Kong parent. In August 2000, a group of residency claimants tried to set fire to themselves in Hong Kong's immigration headquarters.

Papua New Guinea

Country profile (2002)

Official name – Independent State of Papua New Guinea; date of independence – 16 September 1975 (from UN trusteeship under Australian administration); total area – 461,690 sq.km, land - 451,710 sq.km; capital city - Port Moresby; population – 4.6 million; language – more than 830 languages in use, English, Tok Pisin and Motu are official Parliamentary languages; religions – Roman Catholic 22%, Lutheran 16%, Presbyterian/Methodist 8%, Anglican 5%, Evangelist Alliance 4%, Seventh Day Adventist 1%, other Protestant denominations 10%, indigenous beliefs 34%; ethnic composition – Melanesian, Papuan, Negrito, Micronesian, Polynesian; Life expectancy – 57 years (men)/ 59 years (women); monetary unit – 1 kina = 100 toea; average annual income – US\$810; main exports – gold, petroleum, copper, coffee, palm oil, logs.

Head of state – Queen Elizabeth II, as Head of the Commonwealth, represented by Governor-General Sir Silas Atopare; Prime minister – Mekere Morauta; Foreign minister – John Waiko.

Difficult terrain and inadequate infrastructure in New Guinea make exploitation of reserves of petroleum and natural gas slow. Only around 1% of New Guinea is suitable for growing crops. Many tribes live in isolated mountainous areas within a non-monetarised economy, dependent on subsistence agriculture. Separatist rebels from the neighbouring Indonesian province of Irian Jaya have often crossed the border and set their camps in Papua New Guinea. Papua New Guinea had to deal with a separatist movement on its own island of Bougainville in the 1990s. In 1998 the conflict was ended after 9 years of struggle. Mekere Morauta of the People's Democratic Movement became the Prime minister in 1999. He has promised to restore integrity of state institutions and respect for the law. Morauta has also pledged to cut public spending, increase revenue and introduce a programme of privatisation. He has restored relations with the IMF and the World Bank.

Historical background

Historically, defence and security considerations were the primary reason for Australia's colonial involvement in Papua, initially through Britain. Several historical events, two World Wars, the emergence of the Cold War reinforced geographical realities and made Australia keep defence and security considerations at the forefront of the relationship. The Indonesian Konfrontasi policy during Sukarno's presidency also reinforced the predominant Australian attitudes of fear of Asia.

PNG was considered as a natural buffer between Australia and Asia. Papua New Guinea was Australia's only substantial colony. Papua, the southern part of the country, was acquired by Britain in 1884 at the request of Queensland, as a strategy of denial to Germany, which had just begun to colonise the northern part – New Guinea. Britain transferred Papua to the new Commonwealth of Australia in 1906. The German colony of New Guinea stretched along the Northern coast and the smaller islands to the north and east of the main island. In 1914, at the outbreak of war, Australia occupied the German territory of New Guinea, which, after the war, was under Australian administration. After World War II during which Papua New Guineans gave the defending Australians good support, Papua and New Guinea were amalgamated into one colony and administered under a United Nations Trusteeship. In 1973 Papua New Guinea became self-governing. Independence came to the country very peacefully in 1975.

Substantial budgetary support was made by Australia. Under the Prime minister Michael Somare, PNG began independent life. To establish its independent cre-

dentials, PNG joined the UN, the Commonwealth and important regional bodies, such as the South Pacific Commission, and an Assembly of Independent Pacific states, the South Pacific Forum. It established diplomatic relations with a number of countries and it became a member of the ASEAN Regional Forum and the Asia–Pacific Economic Co-operation (APEC). The Prime ministers, Wingti, then Chan, encouraged the policy aimed at closer economic cooperation with Asian countries in the North and trade diversification. As a result, PNG had an increase of investment from Asia. The Joint Declaration of Principles signed in 1987 by the then Prime Ministers, Hawke and Wingti, declared about an annual forum of ministers to review and evaluate the overall direction of relations.

Political, diplomatic, economic and security relations in the 90s

In the 1990s Australia and PNG relations were governed by over 100 treaties, agreements, declarations and understandings designed to regulate and guide their bilateral relations in almost every substantial field: political, economic and security. Queensland, the neighbouring Australian state, also had its share of agreements and understandings with PNG, relating to such matters as trade, education and culture. An intense network of advisory councils, implementing agencies, bilateral meetings and exchange of all kinds came into existence. A number of political leaders in PNG were educated in Australia and a flow of students continued. The Australian Foreign minister Evans kept handling the important political matters and public aspects. The Prime minister Keating attended the annual meetings of the South Pacific Forum. The PNG Finance minister Mr. Haiveta complained that he was under pressure from the World Bank and Australia and that he had to agree to a structural reform package.

There were some accusations made by PNG related to Australia. The cement brought for the New Australian chancellery in Port Moresby was declared harmful for the economy of PNG and was sold. The police of the Australian state of Victoria were accused of killing a woman from PNG. The Australian High Commissioner for PNG was accused that he had damaged confidence in PNG. General Huai, the commander of the PNG Defence Force, saw little benefit in the Defence Cooperation Programme with Australia. In 1990, following the extensive threats to internal security represented by the Bougainville uprising, the PNG Prime minister Rabbie Namalieu raised with the Australian Prime minister Bob Hawke a proposal to review PNG's security arrangement. In 1991 an Agreed Statement on Security Cooperation was signed. The closeness of the Defence relationship was demonstrated by the high level of interaction between the two defence forces during 1993.

Papua New Guinea was very sensitive to criticism. The Prime minister Sir Julius

Chan resented the attacks by Australians who supported an independent Bougainville, and the Australian government's inability to silence them. There was a scandal over the use of Australian-supplied helicopters in Bougainville in a way that the Australians regarded as contrary to the conditions under which they had been provided to the PNG Defence Force.

Sir Julius Chan considered that the aid programme should revert entirely to budget support.

The Ok Tedi mine became a problem. The conflict with BHP (Broken Hill Proprietary Company), which was a main shareholder and manager of the Ok Tedi copper mine in the Western Province adjacent to the West Irian border, brought the parties to the Victorian Supreme Court. The Australian company had built a dam but it collapsed. The non-governmental organisation pressed for a code of commercial conduct and environmental behaviour by which Australian companies operating overseas would have to observe standards comparable to those they were expected to observe in Australia.

A very important agreement with the World Bank and IMF on a programme of structural adjustment was signed. More money was allocated for medical service and education. In each province a governor and advisory body were introduced, and this strengthened the position of the Chan government. In 1995, the moratorium on mining of the seabed in the Strait's protected zone was extended and later agreed to for 3 years. Investment in PNG began to recover; agreements were signed and capital successfully raised for the Lihir gold mine. PNG had the chairmanship of the three principal institutions under the Lome Convention – governing the European Union's aid arrangements with developing countries in Africa, the Caribbean and the Pacific. In 1995, in the connection with PNG 20 years of independence from Australia and 15 years of the end of World War II, Paul Keating opened a memorial in Kokoda, the place of fierce fight during the war. In 1995 PNG was the host of South Pacific Forum where Chan spoke about security development. The Forum criticised France's nuclear testing programme and Sir Julius with Forum endorsement suspended the dialogue with France after the second nuclear testing of France. PNG joined Australia in working for the successful adoption by the UN General Assembly of a resolution condemning all nuclear tests from whatever source. At the end of December, exasperated by the 5th French test, Sir Julius questioned France's presence in the Pacific.

Small-scale fighting continued between rebels on the island of Bougainville and the Government of PNG, with the government variously using force and conciliation in attempts to resolve the conflict. Chan confirmed the policy forbidding secession as an option. The Transitional Government as a provincial government was formed in April 1995 with Theodore Miriung as Premier. Australia organised

(but didn't participate in) the negotiations between the two parties in Cairns in North Queensland. The parties promised to start negotiations, and in December 1995 two rounds of negotiations took place. Both the UN and Commonwealth Secretaries-General were represented at the second round and offered their assistance. This was a significant departure for the PNG government which previously regarded Bougainville as an internal matter. An Economic Adjustment Program was made.

Key References:

The Asia-Australia Survey. 1997-1998. Eds. Bishop B. and McNamara D. Centre for the Study of Australia-Asia Relations. South Melbourne. Macmillan Education Australia PTY LTD. 1997.

The Asia-Australia Survey. 1996-1997. Eds. Trood R. and McNamara D. Centre for Australia-Asia Relations. South Melbourne. Macmillan Education Australia PTY LTD. 1996.

The Asia-Australia Survey. 1995-1996. Eds. Trood R. and McNamara D. Centre for Australia-Asia Relations. South Melbourne. Macmillan Education Australia PTY LTD. 1995.

The Asia-Australia Survey. 1994. Eds. Trood R. and McNamara D. Centre for Australia-Asia Relations. South Melbourne. Macmillan Education Australia PTY LTD. 1994.

Further reading:

Cha V. Abandonment, Entrapment and Neoclassical Realism in Asia: The United States, Japan, and Korea. // *International Studies Quarterly*. Vol. 44. No. 2. June 2000. Pp. 261-293

Crone D. Does Hegemony Matter? The Reorganization of the Pacific Political Economy. // *World Politics*. July 1993. Vol. 45. No. 4. John Hopkins University Press. 1993. P. 501.

Dorney S. Papua New Guinea: People, Politics and History Since 1975. Sydney. Random House. 1990.

Emmerson D. Will Indonesia Survive? // *Foreign Affairs*. July/August. Vol.78. No. 4. 1999. Pp. 107-120.

Hirsch P. Development Dilemmas in Rural Thailand. Singapore. Oxford University Press. 1990.

Hong Kong Remembers. Eds. Blyth S., Wotherspoon I. Hong Kong. Oxford University Press. 1996.

Li Kwoh-ting. Economic Transformation of Taiwan. London. Shephard-Walwyn. 1988.

Mahbubani K. The Pacific Way. // *Foreign Affairs*. Vol. 74. No. 1. January/February 1995. Pp.100-111.

Masakazu Yamazaki. Asia, a Civilization in the Making. // *Foreign Affairs*. Vol. 75. No.4. July/August 1996. Pp.106-118.

Means G. Malaysian Politics, The Second Generation. Singapore. Oxford University Press. 1991.

Pei M. Will China Become Another Indonesia? // *Foreign Policy*. Fall 1999. Pp. 116-120.

Ross R. The 1995-96. Taiwan Strait Confrontation: Coercion, Credibility, and the Use of

Force. Pp. 87-124.

Singapore Changes Guard: Social, Political and Economic Directions in the 1990s. Ed. Rodan G. Melbourne. Longman Cheshire. 1993.

Sohn H.K. Authoritarianism and Opposition in South Korea. London. Routledge. 1990.

Spenser C. Australian Business in Vietnam. Murdoch. Asia Research Centre, Murdoch University. 1993.

Vickery M. Kampuchea: Politics, Economics and Society. Sydney. Allen & Unwin. 1986.

Wurfel D. Filipino Politics: Development and Decay. Ithaca. Cornell University Press. 1988.

Assigned reading

- Aitkin D. Political History Since 1901. // The Australian Encyclopedia. Pp. 2448-2454.
- Argy F. Australia at the Crossroads. Radical Free Market or a Progressive Liberalism? Sydney. Allen & Unwin. 1998.
- Australian Foreign Policy. Into the New Millennium. Ed. Mediansky F. South Melbourne. Macmillan Education Australia Pty Ltd. 1997.
- Bell S. Globalisation, Neoliberalism and the Transformation of the Australian State. //Australian Journal of Political Science. 1997. Vol. 32. No. 3. Australian Political Studies Association. Pp. 345-367.
- Cain F. Menzies in War and Peace. Sydney. Allen & Unwin. 1997.
- Calvocoressi P. World Politics Since 1945. London and New York. Longman. 1996.
- Capling A., Crozier M., and Considine M. Australian Politics in the Global Era. South Melbourne. Longman. 1998.
- Carpenter T. Roiling Asia. //Foreign Affairs. November/December 1998. Vol. 77. No. 6.
- Cha V. D. Abandonment, Entrapment and Neoclassical Realism in Asia: The United States, Japan and Korea. //International Studies Quarterly. 2000. Vol. 44. No. 2. June.
- Clark M. A History of Australia. London. Pimlico. 1995.
- Cotterell A. East Asia. From Chinese Predominance to the Rise of the Pacific Rim. London. Pimlico. 2002.
- Creating Australia: Changing Australian History. Eds. Hudson W. and Bolton G. Sydney. Allen & Unwin. 1997.
- Crone D. Does Hegemony Matter? The Reorganization of the Pacific Political Economy. // World Politics. July 1993. Vol. 45. No. 4. John Hopkins University Press. 1993. P. 501.
- Dalby S. Continent Adrift?: Dissident Security Discourse and the Australian Geopolitical Imagination. //Australian Journal of International Affairs. Vol. 50. No.1. 1996. Pp. 59-75.
- Dean M. and Hindess B. Governing Australia: Studies in Contemporary Rationalities of Government. Cambridge. Cambridge University Press. 1998.
- Edwards R.G. Prime Ministers and Diplomats: The Making of Australian Foreign Policy 1901-1949. Melbourne. Oxford University Press. 1983.

- Evans G., Grant B. *Australia's Foreign Relations*. Melbourne. Melbourne University Press. 1995.
- Freudenberg G. *Certain Grandeur: Gough Whitlam in Politics*. Ringwood. Penguin Books Australia Ltd. 1987.
- George J. and McGibbon Rodd. *Dangerous Liasons: Neoliberal Foreign Policy and Australia's Regional Engagement*. // *Australian Journal of Political Science*. 1998. Vol. 33. No. 3. Pp. 399-420.
- Hanson P. *Pauline Hanson's First Speech in the House of Representatives*, 10 September 1996.
- Harman E. *The National Competition Policy: a Study of the Policy Process and Network*. // *Australian Journal of Political Science*. 1996 Vol. 31. No. 2. Pp. 205-223.
- Higgot R. *Special Issue on Ideas, Policy Networks and International Policy Coordination in the Asia-Pacific*. // *The Pacific Review*. Vol. 7. No. 4. 1994. Pp. 367-379.
- Hofstede G. *Culture and Organizations. Software of the Mind*. London. McGraw-Hill Company. 1992.
- Jackman S. *Pauline Hanson, the Mainstream and Political Elite: the Place of Race in Australian Political Ideology*. // *Australian Journal of Political Science*. 1998. Vol. 33. No. 2. Australian Political Studies Association. Pp. 167-186.
- Our Heritage and Australia's Future*. Ed. Ramsay J. Melbourne. Schwartz & Wilkinson. 1991.
- Painter M. *Economic Policy, Market Liberalism and the 'End of Australian Politics'*. // *Australian Journal of Political Science*. Vol. 31. No. 3. 1996. Australian Political Studies Association. Pp. 287-299.
- Pathways to Asia: The Politics of Engagement*. Ed. Robinson R. Sydney. Allen & Unwin. 1996.
- Schiavone G. *International Organizations. A Dictionary*. Fourth edition. London. Macmillan Reference Ltd. 1997.
- Segal G. *Rethinking the Pacific*. Oxford. 1990.
- Seeking Asia Engagement. Australia in World Affairs. 1991-1995*. Eds. James Cotton and John Ravenhill. Melbourne. Oxford University Press. 1997.
- Stewart J. *Solving the Riddle of Industrial Policy: A Comparative Perspective*. // *Australian Journal of Political Science*. Vo. 31. No.1. 1996. Australian Political Studies Association. Pp. 25-36.
- The Asia-Australia Survey. 1994*. Eds. Trood R. and McNamara D. Centre for Australia-Asia Relations South Melbourne. Macmillan Education Australia PTY LTD. 1994.

The Asia-Australia Survey. 1995-1996. Eds. Trood R. and McNamara D. Centre for Australia-Asia Relations. South Melbourne. Macmillan Education Australia PTY LTD.1995.

The Asia-Australia Survey. 1996-1997. Eds. Trood R. and McNamara D. Centre for Australia-Asia Relations. South Melbourne. Macmillan Education Australia PTY LTD.1996.

The Asia-Australia Survey. 1997-1998. Centre for the Study of Australia-Asia Relations. Eds. Bishop B. and McNamara D. South Melbourne. Macmillan Education Australia PTY LTD.1997.

Thompson R. The Pacific Basin Since 1945. London and New York. Longman. 1994.

Treaty-making and Australia. Globalisation versus Sovereignty? Eds. Alston P. and Chiam M. Sydney. The Federation Press Pty Ltd. 1995.

Further reading

ACFOA Submission to the Joint Standing Committee on Treaties: Inquiry into the Status of the United Nations Convention on the Rights of the Child in Australia. June 1997.

Albinski H. Responding to Asia-Pacific Human Rights Issues: Implications for Australian-American Relations. //Australian Journal of International Affairs 50 (1), April. 1996.

Aldrich R. and Connel J. The Last Colonies. Cambridge, New York, Melbourne. Cambridge University Press. 1998.

ASEAN into the 1990s. Ed. Broinowski A. New York. 1990. Pp. 138-161.

ASEAN-Japan Relations: Trade and Development. Ed. Narongchai Akrasanee. Singapore. 1983.

Australia in a Changing World: New Policy Directions. Ed. Mediansky F. Sydney. Maxwell Macmillan. 1992.

Australia, Minister of Immigration, Local Government and Ethnic Affairs. Media Release. No.15. 1991.

Australia's Trade Policies. Ed. Pomfret R. Melbourne. Oxford University Press. 1995.

Australian Foreign Policy. Ed. Clark C. Melbourne. Cassel. 1973.

Ball D. and Kerr P. Presumptive Engagement: Australia's Asia-Pacific Security Policy in the 1990s. Sydney. Allen & Unwin. 1996.

Bean C. Attitudes Towards Divided Government and Ticket-splitting in Australia and the United States. //Australian Journal of Political Science. 1998.Vol. 33. No.1. Pp. 25-36.

- Beilharz P. *Transforming Labour: Labour Tradition and the Labour Decade in Australia*. Melbourne. Cambridge University Press. 1994.
- Bell C. *Dependent Ally: A Study in Australian Foreign Policy*. Sydney. Allen & Unwin. 1993.
- Bergsten C. F. *The Global Trading System and the Developing Countries in 2000*. //Institute for International Economics. USA. Working Papers 1999. Working Paper 99-6, May.
- Bergsten C.F. *Open Regionalism*. Working paper 97-3. Institute for International Economics. 1997.
- Birrel R. *Immigration Control in Australia*. //The Annals of American Academy of Political and Social Science. *Strategies for Immigration Control: an International Comparison*. July 1994. Vol. 534. London. Pp. 106-117.
- Boyce P.J., Angel J.R. *Diplomacy in the Market Place: Australia in World Affairs, 1981-90*. Melbourne. Longman Cheshire. 1992.
- Boyd G. *Pacific Trade, Investment and Politics*. London. 1989.
- Braithwaite V. and Blamey R. *Consensus, Stability and Meaning in Abstract Social Values*. *Australian Journal of Political Science*. Vol. 33. No. 3. Pp. 363-380.
- Brown D. *The Politics of Reconstructing National Identity: A Corporatist Approach*. //Australian Journal of Political Science. Vol. 32. No. 2. 1997. *Australasian Political Studies Association*. Pp. 225-269.
- Byrnes M. *Australia and the Asia Game*. Sydney. Allen & Unwin. 1994.
- Carney S. *Australia in Accord: Politics and Industrial Relations Under the Hawke Government*. Melbourne. Macmillan. 1988.
- Cheeseman G. *The Search for Self-Reliance: Australian Defence Since Vietnam*. Melbourne. Longman Cheshire.
- Chong-Sik Lee. *Japan and Korea: The Political Dimension*. Stanford. 1985.
- Commonwealth of Australia. *National Strategy for Ecologically Sustainable Development*. Canberra. AGPS. 1992.
- Cumes J.W.C. *A Bunch of Amateurs, the Tragedy of Government and Administration in Australia*. Melbourne. Yarra Books. 1988.
- Defending Australia*. Defence White Paper 1994. Department of Defence. Canberra. AGPS. 1994.

Department of Immigration, Local Government and Ethnic Affairs Instruction Manual. Grant of Residence Status. No. 10. 1988. Australia, Department of Immigration and Ethnic Affairs.

Dittmer L. China in 1989: The Crisis of Incomplete Reform. //Asian Survey XXX. 1990. Pp. 250-234.

Dorney S. Papua New Guinea: People, Politics and History Since 1975. Sydney. Random House. 1990.

Elliot L. International Environmental Politics: Protecting the Antarctic. London. Macmillan. 1994.

Esty D. Greening the GATT: Trade, Environment and the Future. Washington: Institute for International Economics. 1994.

Evans G. and Grant B. Australia's Foreign Relations in the World of the 1990s. Melbourne. Melbourne University Press. 1995.

Evans G. Australia's Regional Security. Ministerial Statement by Senator the Hon. Gareth Evans QC, Minister for Foreign Affairs and Trade, December 1989.

Evans G. Cooperating for Peace: The Global Agenda for the 1990s and Beyond. Sydney. Allen & Unwin. 1993.

Explanatory Notes. Application for Migration to Australia. Form 47N. Department of Immigration and Multicultural Affairs. Commonwealth of Australia. 1998.

Goot M. Whose Mandate? Policy Promises. Strong Bicameralism and Political Opinion. Australian Journal of Political Science. 1999. Vol.34. No.3. Pp 327-352.

Gurry M. Identifying Australia's Region. From Evatt to Evans. //Australian Journal of International Affairs. Vol. 49. No.1. May, 1995.

Hancock W.K. Australia. Brisbane. Jacaranda Press. 1961

Hanke S. How to Establish Monetary Stability in Asia. //The Cato Journal. Washington, D.C. Vol. 17. No. 3. Cato Institute.<http://www.cato.org>

Headey B. and Muller D. Policy Agendas of the Poor, the Public and Elites: a Test of Bachrach and Baratz. //Australian Journal of Political Science. Vol. 31. No.3. Pp. 347-367. 1996.

Henningham S. The Pacific Island States: Security and Sovereignty in the Post Cold War Order. New York. St. Martin's Press. 1995.

Higgot R. and Nossal K. The International Politics of Liminality: Relocating Australia in the Asia Pacific. //Australian Journal of Political Science. 1997. Vol. 32. No.2. Pp. 169-185.

- Hirsch P. *Development Dilemmas in Rural Thailand*. Singapore. Oxford University Press. 1990.
- Hoadley S. *The South Pacific Foreign Affairs Handbook*. Sydney. Allen & Unwin. 1992.
- Hong Kong and 1997: *Strategies for the Future*. Eds. Y.C. Jao, Leung Chi-Keung, Peter Wesley-Smith and Won Siu-Lun. Hong Kong. 1985.
- Horne D. *The Lucky Country*. Ringwood. Penguin. 1964.
- Human Rights and International Relations in the Asia-Pacific Region*. Ed. Tang J. London. Pinter. 1995.
- Inglehart R. *Culture Shift in Advanced Industrial Society*. Princeton N.J. Princeton University Press. 1990.
- Immediate Family and Interdependent Parents*. Department of Immigration and Multicultural Affairs. Migration Fact Sheet 28. P.1.
- Jaensch D. *The Politics of Australia*. South Melbourne: Macmillan Education Australia. 1997.
- Keman H. *Political Stability in Divided Societies. A Rational-Institutional Explanation*. // *Australian Journal of Political Science*. Vol. 34. No. 2. 1999. Pp. 249-268.
- Leithner C. *Electoral Nationalisation, Dealignment and Realignment: Australia and the US. 1900-88*. // *Australian Journal of Political Science*. Vol. 32. No. 2. Pp. 205-222.
- Li Kwoh-ting. *Economic Transformation of Taiwan*. London. Shephard-Walwyn. 1988.
- Liberal Democracy and its Critics*. Eds. Carter A. and Stokes G. Cambridge. Polity Press. 1998.
- Lijphart A. *Australian Democracy: Modifying Majoritarianism*. // *Australian Journal of Political Science*. 1997. Vol. 34. No. 3. Pp. 313-326.
- Living with Dragons: Australia Confronts its Asian Destiny*. Ed. Sheridan G. Sydney. Allen & Unwin in association with Mobil Oil Australia.
- Mahubani K. *The Pacific Way*. // *Foreign Affairs*. Vol. 74. No.1. January/February 1995. Pp.100-111.
- Mahubani K. *An Asia-Pacific Consensus*. // *Foreign Affairs*. Vol . 76. 1997.No. 5. Pp.149-158.
- Masakazu Yamazaki. *Asia, a Civilization in the Making*. // *Foreign Affairs*. Vol.75. No.4. July/August 1996. Pp.106-118.
- Matheson C. *Rationality and Decision-making in Australian Federal Government*. // *Australian Journal of Political Science*.1998.Vol. 33. No.1. Pp. 57-72.

- McAllister I. *Political Behaviour: Citizens, Parties and Elites in Australia*. Melbourne. Longman Cheshire. 1992.
- Means G. *Malaysian Politics, The Second Generation*. Singapore. Oxford University Press. 1991.
- Melleuish G. *Cultural Liberalism in Australia. A Study in Intellectual and Cultural History*. Cambridge. Cambridge University Press. 1995.
- Mulgan R. The Australian Senate as the House of Review. // *Australian Journal of Political Science*. 1996. Vol. 31. No. 2. Pp. 191-204.
- Pei M. Will China Become Another Indonesia? // *Foreign Policy*. Fall 1999. Pp. 116-120.
- Powell J. *A Historical Geography of Modern Australia: The Restive Fringe*. Melbourne. Cambridge University Press. 1988.
- Principles to Enhance Competition and Regulatory Reform. Open and Competitive Markets are the Key Drivers of Economic Efficiency and Consumer Welfare. Attachment to APEC Economic Leaders' Declaration. Auckland, New Zealand. 13 September 1999. APEC Secretariat. Singapore. 1999.
- Purcell M. *Sinking Asia*. Development Issues Series. No. 1. 1999. P.7. <http://www.acfoa.asn.au>
- Qingguo Jia. Changing Relations Across the Taiwan Strait: Beijing's Perceptions. // *Asian Survey*. XXXII. 1992. Pp. 277-89.
- Radelet S. and Sachs J. Asia's Reemergence. *Foreign Affairs*. November/December 1997. Vol. 76. No. 6. Pp. 44-59.
- Richardson J. *The Asia –Pacific: Geopolitical Cauldron or Regional Community?* Working Paper 1994/6. Department of International Relations. Canberra. Research School of Pacific and Asian Studies. The Australian National University. 1994. Pp. 1-18.
- Ross R. The 1995-96. Taiwan Strait Confrontation: Coercion, Credibility, and the Use of Force. Pp. 87-124.
- Scarr D. *The History of the Pacific Islands: Kingdom of the Reefs*. Canberra. 1990.
- Sharman C. Representation of Small Parties and Independents in the Senate. // *Australian Journal of Political Science*. 1999. Vol. 34. No. 3. Pp. 353-361.
- Singapore Changes Guard: Social, Political and Economic Directions in the 1990s*. Ed. Rodan G. Melbourne. Longman Cheshire. 1993.

Smith R. *Politics in Australia*. St. Leonards, NSW. Allen and Unwin. 1997.

Sohn H.K. *Authoritarianism and Opposition in South Korea*. London. Routledge. 1990.

Spenser C. *Australian Business in Vietnam*. Murdoch. Asia Research Centre, Murdoch University. 1993.

Stewart J. Solving the Riddle of Industrial Policy: A Comparative Perspective. //Australian Journal of Political Science. Vol. 31. No.1. 1996. Australian Political Studies Association. Pp. 25-36.

Stone B. Small Parties and the Senate Revisited: The Consequences of the Enlargement of the Senate in 1984. //Australian Journal of Political Science. 1998. Vol. 33. No. 2. Pp. 211-218.

The APEC Challenge. Apec Economic Leaders' Declaration. Auckland, New Zealand, 13 September 1999. APEC Secretariat. Singapore. 1999.

The Pacific in the 1990s: Economic and Strategic Change. Ed. Radvanji J. Lanham. Maryland 1990.

The Unemployment Crisis in Australia. Which Way Out? Ed. Bell S. Cambridge. Cambridge University Press. 2000.

Vickery M. *Kampuchea: Politics, Economics and Society*. Sydney. Allen & Unwin. 1986.

Ward R. *The Australian Legend*. Melbourne. Oxford University Press. 1958.

Wurfel D. *Filipino Politics: Development and Decay*. Ithaca. Cornell University Press. 1988.

Zappala G. Clientelism, Political Culture and Ethnic Politics in Australia. //Australian Journal of Political Science. Vol. 33. No. 3. 1998. Australasian Political Studies Association. Pp. 381-397.

Zappala.G. The Influence of the Ethnic Composition of Australian Federal Electorates on the Parliamentary Representatives of MPs to their Ethnic Sub-constituents. //Australian Journal of Political Science. Vol. 33. No. 2. 1998. Pp.187-209.

Nina Slanevskaya

AUSTRALIA IN THE ASIA-PACIFIC REGION
LECTURE NOTES

Published by NESTOR
29, Politeknicheskaya street
St.Petersburg
195251

Лицензия ЛР № 065394 от 08.09.97

Подписано в печать 24.06.2002
Формат 60x84 1/16.
Объём 10,5 п.л. Тираж 100 экз. Заказ №