Australian Foreign Policy Towards Southeast Asia 1972-1978: In Comparison Between the Whitlam and Fraser Governments

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Contents

Preface

(1) The Liberal-Country Party to the Labor Party
(2) The Labor Party in Power 1972-1975

Conclusion

Preface

In this paper, I shall analyze Australian foreign policy in 1972-1978 by contrasting the Whitlam Administration with that of Fraser and by focussing special attention on Australian relations with Southeast Asia. Without exception, Australian foreign policy is based on its national interests including the advancement of its national security, the preservation of its economic prosperity and the guardianship of its national institutions and values. They are closely related with and are often in competition with one another for their priority.

Moreover, Australia is geographically situated south of the Equator, endowed with much desired-mineral resources and as a matter of fact, is one of great exporters of primary commodities in the world. It is also very much closely connected with the Western group of nations in a number of ways: historical, political, cultural, and racial ties. Furthermore, it is one of industrially-developed countries with its colonial experience in the past and is surrounded by developing countries in the Pacific and Asian region. Its defence has been heavily dependent upon the United States with its substantial economic relationships since World War II.

Thus, in dealing with foreign countries, Australia has two-sided fronts: one is as industrially-developed and West-oriented country; the other, as a great exporter of primary goods and a sympathizer of the cause of the developing countries. Which front Australia is likely to put up depends on current international circumstances and its domestic politics as well as its national interests.
(1) The Liberal-Country Party to the Labor Party

Until December 1972, Australia had been governed for about a quarter of a century by the Liberal-Country Party which had been predominantly under the leadership of Premier Robert G. Mengies. Despite of his ardent convictions that the British political institutions and ways of life were "civilizations themselves," Premier Mengies had been the man who brought Australia into closer relationship with the United States through the A.N.Z.U.S., made Australia aware of the importance of its northern neighbors through the Colombo Plan and formulated a policy of anti-communism trying vainly to ban the Communist Party of Australia. Thus, he had laid the broad framework within which the successive Liberal-Country Party governments came to pursue their foreign policies.

Moreover, the Mengies' Administration had largely coincided with the period of the Cold War during which, in Asia, the People's Republic of China was firmly established in 1949; the Korean War broke out in 1950 and ended in 1953; the Vietnam War was being waged in Indo-china and no end was yet in sight at that time; the Malaysia Dispute and the unsuccessful coup of October 1965 in Indonesia took place. Under these unstable international circumstances, the Liberal-Country Party governments had no choice but to give their priority to security from the threat and the spread of communism over other two alternatives. Communism was then thought as monolithic and inclined to expand to any place where there existed chaos. In addition, the domino theory that all foreign communist movements ought to be stopped at any cost lest one success of them should lead to the success of the rest in especially Southeast Asia, had been prevalent in the minds of those policy makers. Furthermore, throughout the 1950s and 1960s, the so-called forward defence interlocked closely with the fear of communism and the domino theory, could be said to have been the pet concept of Australian defence circles. The concept was that Australia would be best defended in assisting major powers, namely Britain and the United States engaging communist forces in Asia itself.

As the result of these ways of thinking behind, Premier Mengies reacted very quickly to each event which had taken place in Southeast Asia. As soon as the Korean War broke out in June 1950, he decided within a week that "an Australian naval force in Far Eastern Waters" should be placed under "the United States authorities" as a part of the United Nations forces and decided
further that "R. A. A. F. Fighter Squadron stationed in Japan" should be placed at the disposal of the United Nations "through American authorities."

As for the Malaysian dispute in 1963-1966, Premier Mengies stated in the House of Representatives that Australia would do the best to defend Malaysia if Malaysia were attacked. This position had not been changed until the end of the dispute.

Concerning the Vietnam War, the premier began to send "Australian army training team of 30 advisers" as early as July 1962 committing Australia deeper and deeper into the Vietnam quagmire as times went on. His immediate successor, Premier Harold E. Holt committed further to the Vietnam War Australia on the side of the United States declaring in Washington D. C. that Australia would go "all the way with L. B. J." and as a matter of fact, under the Holt Administration the number of the Australian troops committed in Vietnam hit the highest mark reaching 8046 in October 1967. On the other hand, Premier Holt ameliorated the status of Australia somewhat before the eyes of the Asians by admitting non-white immigrants to Australia and showed his better understanding of Asian problems than any previous premier. In January 1968 Mr. John G. Gordon succeeded to premier Holt at his sudden death. He had been rather critical of the policy of the Holt Administration at large and its Vietnam policy in particular. Therefore, three months after he became premier, he began to reverse the Australian commitment to Vietnam by stating that Australia would not increase its troops in Vietnam and in April 1970 proclaimed the withdrawal of Australian troops from Vietnam step by step. In this way he seemed to have pursued rather independent policy. Despite being Oxonian, premier Gorton called himself 'Australian to the bootheels' proposing that 'Waltzing Matilda' should be the Australian national anthem instead of 'God Save the Queen' trying to control foreign investment. Thus he seemed to try to engender Australian nationalism, Australianism whereas he was rather insensitive towards the feelings and difficulties of emerging and small nations, even those with close cultural, economic and administrative links with Australia. Premier Gorton, therefore, failed to maintain the good relations with Asian countries which the late Holt had established and enjoyed. In March 1971, his mismanagement of the army scandal which had brought about a serious conflict between him and his Defence Minister, Malcolm Fraser forced him to vote himself down from the premiership in the end. His Foreign Minister, William McMahon...
succeeded to him as Prime Minister. Premier McMahon called himself 'very anti-communist and anti-socialist' when he took premiership. Thus the foreign policy of the Liberal-Country Party, governments had been centered around the simple-minded anti-communism which had been accepted well by most of the Australian people until 1966. However, as the Vietnam War dragged on and the policy of conscription was introduced, the public at large was sharply divided in these issues and radical demonstrations against the Liberal-Country Party government became more rampant. Moreover, the government of Premier McMahon was heavily criticized for its ambiguous attitude on racism. Furthermore, the public realized that the government had been left behind the tide of current international affairs when the People's Republic of China was accepted into the United Nations, Nixon visited Peking and the opposition party leader, Edward G. Whitlam followed the lead a few months later.

Footnotes:

1) Robert G. Menzies, 1939-1941 and 1949-1966, the Prime Minister of Australia.
12) Gunther, op. cit., p. 124.
Australian Foreign Policy Towards Southeast Asia 1972-1978: In Comparison Between the Whitlam and Fraser Governments

16) Ibid., p. 126.
17) Miller, op. cit., p. 231.
18) Ibid., p. 233.
19) Ibid.


When Mr. Edward G. Whitlam took office of the premiership in December 1972, domestic and international situations in and around Australia were very much favorable for him to formulate his own policy. Domestically, the Australian, who had been increasingly tired of those unimaginative and uncreative policies of the Liberal-Country Party government, seemed to expect that Premier Whitlam would heal up the divided Australia by making a clean break with the past of militarism and racism. Internationally, President Nixon’s withdrawal of American troops from Southeast Asia in general and Vietnam in particular, his rapprochement with the People’s Republic of China and détente with the Soviet Union provided Australia with a chance to assert itself in international politics by adopting its own independent policy. It seems to this writer that favorable international circumstances, if not inclusive, influenced domestic politics very much in electing Mr. Whitlam as the Prime Minister and in giving him much leeway to realize what he had stated in his campaign platform.

First of all, Premier Whitlam tried to change the heretofore security-oriented policy of the previous government, which was considered to have given Australia a militarist posture, by withdrawing its combat troops from the Asian mainland. President Nixon’s removal of American ground forces from Vietnam had enabled the Liberal-Country Party government to draw back all the Australian combatant troops from Vietnam. More importantly, the year of 1972 witnessed many a colorful events, such as President Nixon’s visit to China and his conclusion of the so-called SALT I agreement with the Soviet Union, which engendered a peaceful and euphoric atmosphere in the world. Moreover, American reaching of an agreement with North Vietnam in January 1973 prompted Premier
Whitlam to pull back the remaining Australian ground forces which had still been in Singapore under the Five Power Agreement and ANZUK, while Malaysia was retaining “two squadrons of Mirages” under the same arrangements. Even though the removal was displeasing to the government of Singapore, yet it was done without much ado.

Moreover, the prevailing international situations, even though the Labor Party had long supported ANZUS, helped the Prime Minister not only trim Australian militaristic posture in Southeast Asia, but also rectify its much over dependent relations with the United States of America. He succeeded in revising the so-called Battle-Barwick Agreement of 1963 under which the United States had been given exclusive control over a naval communication station at North West Cape in Western Australia. The purpose of this station had been seriously discussed between the Liberal-Country Party and the Labor Party and the status of it had been heatedly contested in Australian Parliament. In January 1974, Mr. Barnard, Australian Minister for Defense, concluded a new agreement in Washington. In this, the United States agreed to the joint use of the station, to the Australian participation in its operation with an Australian deputy commander and to the building of a separate Australian communication center at the station as well as to the giving to Australia of more information about “strategic and operational developments relevant to the station”. Moreover, it gave to Australian control over two other American monitoring installations of nuclear tests.

These new arrangements were well accepted by moderate factions of the Labor Party who had held feelings of being insulted by “the existence on Australian soil of a foreign installation to which the Australian government had no right of access.” These were, however, not satisfactory to radical leftwingers who had wished the North West Cape station abolished or a refusal by Australia over any communications between the United States and its naval ships. In this way, Premier Whitlam succeeded in realizing his ideas, supported by the Labor Party as its own, in those areas over which the Australian government had relatively power advantage.

In other points, Premier Whitlam found himself in a dilemma between his wishes and international politics. On one hand, he supported the idea of a ‘zone of peace’ in the Indian Ocean originally proposed by Sri Lanka and accordingly opposed the proposition of expanding use of Diego Garcia by American
forces. Thus, when he visited India in June 1973, he endorsed specifically the idea of the 'zone of peace' in the joint communique. On the other hand, he sent Mr. Barnard, Defense Minister to the United States in January 1974 for the purpose of holding talks with the Secretary of Defense of the United States about the future status of American installations in Australia, particularly the U. S. naval communication station at Northwest Cape. In the joint statement, the importance of the station was noted in saying that "the communication station served as a key element in a complex system of communications supporting the global balance." They agreed that "bilateral consultations would be strengthened to ensure that the Australian government had full and timely information about strategic and operational developments relevant to the station and of significance for Australian national interests" and "the station would be operated as a joint facility."

Thus ideologically, Premier Whitlam committed himself in upholding the idea of the non-aligned---the zone of peace in the Indian Ocean. However, the reality of international politics forced him continually to allow the existence of the station and its operation. Moreover, he could not rid the Indian Ocean of the U. S. navy in face of the increasing activities of the Soviet navy there. The Premier had no choice but to compromise himself with the realities against his wishes.

Another instance may be taken up to illustrate that the prevailing international relations did not allow Premier Whitlam to get what he desired even though he had a mind for it. In January 1973, a month after taking office he proposed in the annual summer school of the Australian Institute of Political Science that a new round table was needed for Asia in order to have consultations and co-operations since both SEATO (Southeast Asian Treaty Organization), which had been mainly formed to contain the People’s Republic of China, that is to say, an anti-Chinese alliance and ASPAC (Asian and Pacific Council), in which Taiwan had been included as its member, became out of date in face of the emergence of a new situation in Asia. Admitting that ASEAN (Association of Southeast Asian Nations) was a viable sub-regional entity neither to be enlarged nor changed, he envisioned a larger association "genuinely representative of the region, without ideological overtones, conceived as an initiative to help free the region of great power rivalries that have bedevilled its progress for decades and designed to insulate the region against ideological interference from"
the great powers.” He seemed to have in mind a real consultative body consisting of Australia, Japan and China as well as the ASEAN countries but excluding India and the Soviet Union.

Premier Whitlam appeared to make every effort to have his proposal understood and accepted by those countries where he visited. To his disappointment, however, he found that the inclusion of China in the new body seemed to be objectionable to other Asian countries. Without doubt, India and the Soviet Union must have been annoyed by being excluded from it. Japan had not yet adjusted her relations with China completely, still having many problems to be solved, so she may well have hesitated to join a body in which China was included as a prominent member. The ASEAN countries were generally skeptical of such a broad body which would be inclusive of China and might overshadow any usefulness of ASEAN. Especially Indonesia among them was adamantly opposed to the association, of which China was a prominent member, due to the lingering, bitter memory of the Coup of 1965. If the association of this kind had been realized to bring those hitherto alienated Asian countries together, Australia, especially Premier Whitlam could have been admired and recognized as its leader. What fitted Australia, however, did not necessarily fit anyone else. Each country had rationales of its own for being more hesitant and provisional in its approach to China. Malaysia and Singapore were not sure of the loyalty of their Chinese populations in case they reached their rapprochement with China. Having experienced the traumatic and tragic coup of 1965, Indonesia needed not only assurances that China should abstain from agitating Indonesian communists and meddling in Indonesian affairs, but also recognition that Indonesia was a major Asian country in its own right. Thailand and the Philippines had been deeply involved in the Vietnam war through American bases in their territories, so they could do nothing but be cautious. In this way, the premier was “in the position of asking too much too soon of his Asian associates,” in spite of his statement, “We shall be patient and punctilious in our consultation and prepared at every turn to take account of and participate in the genuine aspirations of the region.”

Of all the ASEAN countries, Indonesia was the most important country in Australian foreign policy making under the Whitlam administration. In his policy speech, he counted Australian “closer relations with our nearest and largest neighbour, Indonesia” as the third priority in his foreign policy.
Australia had considered and treated Indonesia as an important nation since its independence, but Premier Whitlam seemed to put much more emphasis on his relations with Indonesia than any other premiers. When the boundary disputes emerged between Indonesia and Papua New Guinea, the Whitlam government exerted its influence over the government of the latter in order to "ensure a close and cordial relationship between Jakarta and Port Moresby." The Indonesian government wanted to tackle its internal security problems in its New Guinea through the understanding and co-operation of the Papua New Guinean government. In November 1974, thus, the border agreements were made between the two governments, in which the Indonesian authorities were assisted to pursue West Papuan insurgents. In a sense, the Australian Labor government acted according as its national interests dictated to without paying its due attention to the feelings of small Papua New Guinea in order that it might maintain closer and friendlier relations with Indonesia. Although Australia had regarded the making of "a secure, united and friendly Papua New Guinea" as its second foreign policy priority, yet it preferred the third priority to the second in terms of Realpolitik.

The annexation of East Timor by Indonesia was another example that Australia chose pragmatism before the principle of self-determination when it had to choose between them. Due to the revolution of April 1974 in Portugal, future status of the Portuguese colony, East Timor came into question. Indonesia, holding the western half of Timor, hoped that East Timor would consent to be incorporated into the Republic. The Indonesian national radio, therefore, began to broadcast its program to the East Timorese that they would be happier in free and independent Indonesia than in a colonial territory and were urged to join their brothers in Indonesia. Indonesia seems to have believed that there were only two alternatives left for East Timor to choose; one was to consent to its incorporation, the other was to remain as a part of Portugal.

Portugal, leaving future destiny of East Timor to the East Timorese, suggested them that they had three options to decide; one was to be incorporated into Indonesia, the second was to associate continually with Portugal and the third was to be independent in future. Under this situation, there were three factions in East Timor; one stood for mergence with Indonesia, the second continual association with Portugal and the third, for ultimate independence in future. Each of them vied with each other for backing from major powers in
Although Australia was not a direct party to the Timor dispute, yet Australia came to be deeply involved in the dispute due to its ambiguous attitude as well as its geographical contiguity. After the meeting of September 1974 between Premier Whitlam and President Soeharto of Indonesia, Australian policy on Timor was made public in a background briefing by the Department of Foreign Affairs. It consisted of two contradicted statements. While the premier doubted the viability of an independent Timor and considered it a potential threat to the stability of the area. At the same time, he emphasized that the future status of Timor should be based on the principle of self-determination.

In this way, the Australian policy on Timor aroused controversy throughout the country. Even his Foreign Minister, Senator Willesee appeared to have somewhat different view from that of Premier Whitlam as to the Timor dispute. However the premier, unmoved and unaffected by those controversies stuck to his reported policy. Indonesia, therefore, thought that its intentions on Timor were understood by Australia and escalated its actions, ending up in its actual military intervention in December 1975. Meanwhile Australia did not do anything to calm the situation and, thus, gave its tacit understanding to the Indonesian action. Moreover, in order not to make its relations with Indonesia strained, Australia hesitated to investigate the reasons why several Australian journalists were killed in the border area.

In this sense, Premier Whitlam preferred Australian national interests—in this case, the maintenance of close and cordial relations with Indonesia—to the general principle of self-determination, the self-determination of the Timorese.

As for economic issues, especially resource development and export, the labor government took very assertive and nationalistic approach which had been well expounded by Premier Whitlam in his first official visit to the United States in August 1973. According to his statement, he unfolded five major objectives which the government was supposed to pursue concerning mineral development and export. Namely, Australia would like to (1) secure its future energy and industrial needs, (2) assume accountability for the effect of mining on Aboriginal people, (3) increase its share in ownership and development of its own mineral resources, (4) process its own minerals within Australia and (5) demand a fair price for these commodities in world markets.

However, in pursuing these objectives, which were contradicted one another,
without considering an order of their priorities, Australia came to be confronted with many difficulties and had to compromise its intentions with realities. For instance, in order to demand a fair price for its mineral resources, Australia, encouraged by the seeming success of the OPEC, joined various associations of producers of bauxite, iron ore, tin, nickel, silver, lead, zinc and manganese, because Australia was one of five major producers of these minerals and, at the same time, a holder of large deposit of exportable coal and uranium.

In comparison with the OPEC, these associations consisted of various countries which were different in their stages of development from one another and, at the same time, were different in their purposes of joining them. Some members of them demanded a new international economic order should be established in order to redistribute the world's wealth. Even though the labor government were ideologically and economically sympathetic towards them, yet it kept itself aloof from them and tried to play the role of a honest moderator between consumers and producers. It seems to the writer that Australia believed that its unique position which Australia held as a member of both the consumers and producers, helped it to take the initiative to solve their differences. The developing countries, however, regarded Australia as one of the developed countries. In this way, its actions were severely restricted contrary to its intentions.

Some other objectives also prevented Australia from developing its economy in despite of its expectations because of the disunity of opinions on how to pursue these objectives in the Cabinet, the oppositions of foreign and domestic interests to various restrictions arisen from pursuing these objectives and the prevailing fluctuations of international economy.

Another instance, in which the labor government made an impression of clean break with the past on its people at first and then it failed its people in compromising itself with other interests in course of time, was its African policy especially towards South Africa. In order to make Australia's international image less racist, the government made efforts in changing its voting pattern in the United Nations through going along with the Third World, in showing its understanding towards the African position at the Commonwealth heads of government meeting in Ottawa in 1973, in criticizing South Africa and in banning South African sporting teams. Its actions were thought so fresh and contrasted sharply with those of the previous governments that the Whitlam government
was welcome with much expectation and favor at first. The government, however, was not able to break its ties with South Africa because the latter was one of the best customers for its industrial products and it was also a key member of the International Wool Secretariat which was to publicize wool products, encourage scientific research and to improve markets. This showed that its economic interests were still dominant factor to decide its ultimate internal behavior.

Moreover, to what extent the labor government was willing to approve the actions of the OAU and the non-aligned countries to remove the white governments in Southern Africa was well illustrated in the speech given by Australian Minister of Foreign Affair, Senator Willesee in the UN General Assembly in October 1973.

We understand frustrations that have led the OAU and the non-aligned countries to adopt the position that armed struggle is essential to end colonialism and racial discrimination. While we sympathize with the aims of the National Liberation Movements in Southern Africa, we ourselves stop short of endorsing the use of force to attain these and indeed any other objectives.

It could be said that Premier Whitlam and his government acted as if they were internationalists sometimes and some other time, as if they were pragmatists without principles as their interests directed them. As the Labor government tried to push its plan for the self-sufficiency of energy and industrial needs, Australia’s interests came to collide with those of multi-national corporations and other foreign investors. As the result of this collision, foreign capital investment in Australia were withheld in spite of some conciliatory measures taken belatedly by the authorities concerned. Therefore, the Labor government had to seek oversea loans from Arab states in order to finance its plan, but this attempt failed. And this was developed into the so-called loans affair which was said to be one of the main reasons why the Whitlam government was dismissed by the Governor-General in November 1975.

Thus the Labor government nationalistic policy boomeranged.

The Labor Party in Power: 1972-1975

1) Miller op. cit., P. 427, however, July 1974.

2) Trevor R. Reese, Australia, New Zealand, and the United states: A Survey of

4) Ibid., p. 430.
9) Ibid., p. 429.
11) Ibid., 593.
13) Ibid.
14) Greenwood, op. cit., p. 593.
16) Ibid., p. 31.
17) Ibid., p. 30.
21) Patience and Head, op. cit., p. 272.
26) Miller, op. cit., p. 433.
28) Ibid., p. 434.
29) Patience and Head, op. cit., p. 239.
The raging stagflation of the time, the slowdown of Australia's economic growth, the impasses in the Senate and the dismissal of the Whitlam government drove the Labor party to the devastating defeat in the election on December 13, 1975. Mr. John Malcom Fraser of the Liberal-National Country party succeeded to Mr. E. G. Whitlam as the Prime Minister of Australia. The new Prime Minister, who had been "an exponent of the theory of national peril" and also the Defence Minister in 1970-1971 in the Gorton government, was a believer of power politics and the balance of power. He regarded the Soviet Union as the most possible violator of the global balance of power. Thus he stated:

Reasonable people can however reasonably conclude that the Soviet Union still seeks to expand its influence throughout the world in order to achieve Soviet primacy...It is reasonable to ask: why does the Soviet Union desire a military power far greater than any needed to secure her own frontiers, or the expanded frontiers embraced by the Warsaw powers? In this way, his foreign policy was devised to prevent the Soviet Union from achieving preponderance in the global balance of power, to which Australia's relations with other countries such as the ASEAN countries, the People's Republic of China and the United States were converged and coordinated.

Above all, Premier Fraser considered the United States as the only power capable of providing a balance to the Soviet Union and immediately restored the American primacy in the formation of Australia's foreign policy. Reaffirming Australia's trust in the United States global strategy, he insisted that in order to lead the free world again, the United States should regain its "self-confidence and sense of purpose" which had been severely undermined through the Vietnam war, Watergate and "undue world criticism" of it. In this line of thinking, the Fraser government offered its naval facilities at Cockburn Sound, the Cocos islands and elsewhere for use by American naval vessels, agreed to build an Omega navigation station in Gippsland, Victoria in September and decided to grant another ten-year extension to the American space defence facility in October. Thus the Australian government did everything within its power to help the United States to counter the Soviet expansion in the Indian Ocean. At the same time, the United States continue apace to construct its naval facility at Diego Garcia under the Carter Administration. It seems to the writer that
during the Carter government the United States gradually regained its self-confidence and sense of purpose and was finally ready to act.

As for the People's Republic of China, Prime Minister Fraser came to regard China as the very important partner besides the United States and Japan to deter the expansion of Soviet influence. During his visit to China, therefore, he tried to have Chinese leaders understand and support the Australian foreign policy that Southeast Asia should be stabilized through the co-operation of China, the United States, Japan and Australia. Otherwise the Vietnam regime might intervene in the region as a proxy of the Soviet Union just as Cuba had done in Angola. The Prime Minister, however, did not state clearly how this co-operation of the four countries would be worked out. In short, the Australian government took advantage of the Sino-Soviet rivalry and asked China side with Australia lest the Soviet Union should extend its influence to Southeast Asia.

Premier Fraser believed that he had succeeded in persuading the Chinese leaders to support his foreign policy. He stated:

A realistic view requires us to recognize that despite ideological differences, there are important areas where our interests overlap... Australia and China have a like interest in seeing that the Soviet power in the Pacific and Southeast Asia is balanced by the powers of other major states or by appropriate regional arrangements. We can therefore expect Chinese support for our own views on the need for an effective American presence in the Pacific and Indian Oceans. Such support has in fact been given. 6)

Like this, Premier Fraser overturned the heretofore equi-distant diplomacy between China and Russia which his predecessor Whitlam had meticulously cultivated during the Labor party in office. This sudden change from the traditional foreign policy of anti-communism that the successive Liberal-National Country party governments before him had followed and from even the equi-distant diplomacy of the Whitlam government seems to have displayed not only Fraser's way of realism, but have also reflected his resolute leadership in the conduct of foreign policy.

As to ASEAN, both the Whitlam and Fraser governments regarded ASEAN as "the linchpin of their Southeast Asian policies." So there were striking likeness in their policies towards Southeast Asia. Especially their approaches to the East Timor issue were almost identical. Neither of them, however, tried
to intervene in it and find a solution to it. Just as the Whitlam government had let Indonesia do what it had wanted to do with Timor only to maintain close and cordial relations with the Indonesian government, the Fraser government followed the lead of its predecessor.

When Indonesia invaded East Timor on December 7, 1975, Mr. Andrew S. Peacock deplored the Indonesian invasion which had completely destroyed "the decolonization process" according to him. But, while supporting the principle of self-determination and seeming to be in favor of actions by the United Nations, Foreign Minister Peacock was unwilling to "undertake any practical initiative" which might offend the Indonesian government.

For the most part of the first year administration, the Fraser government had manifested public disgust at the Indonesian annexation of East Timor by force and at the way in which dissidents were suppressed. But by October it determined that "little would be gained and likely much lost in Australian-Indonesian relations" if it kept on criticizing Indonesia openly. In this manner, the Australian government decided to refrain from blaming Indonesia without pardoning the Indonesian doing and giving its recognition to Indonesian sovereignty over East Timor. The Fraser government, therefore, lost the chance of exerting influence at its disposal as a member of the Inter-Government Group on Indonesia and a very important friend who had provided the Suharto government with economic and military assistances.

Moreover when Premier Fraser visited Indonesia in October 1976, he did not mention of anything which might displease President Suharto, let alone the principle of self-determination. The Prime Minister also put the friendly and sincere relations with Indonesia above the self-determination principle. Hence Canberra sacrificed poor Timor for friendship with Jakarta. It could be said that Whitlam's pragmatism and Fraser's realism overlapped neatly as far as their policies towards Indonesia were concerned.

Furthermore, in the Decolonization Committee of the United Nations General Assembly, a resolution was introduced opposing to the annexation of East Timor into Indonesia in November. The resolution was adopted easily in spite of the negative vote of the United States. Australia abstained from voting. Nonetheless this inaction was regarded by the Jakarta government with displeasure "as smacking of lack of friendly support."

In January 1978, the Fraser government decided to give its official recognition
to the integration of East Timor into Indonesia. It was said in some quarters of Australia that the recognition had been influenced by "the Indonesian desk in the Department of Foreign Affairs, the Australian/Indonesian business lobby, transnational companies and other governments." They further argued that Indonesia controlled only one-third of East Timor against the official assumption that it controlled the whole area of East Timor effectively. However, these arguments and criticism were not able to induce the Australian government to change its point of view.

As for economic issues, the economic policy of the Liberal-National Country party government was much more unprohibitive especially in the fields of foreign investment and the export of raw materials. At the first International Conference on Economic Co-operation in December 1975, Australia announced a much more reconciliatory policy, stressing interdependence of producers and consumers as the most important characteristic and especially making reference to the necessity for a good "balance on such issues as pricing, access to markets and security of supply."

This new resources policy was soon reflected in relations with Australia and Japan. While the Whitlam government intervened in Australian mineral price negotiations with Japan in order to obtain higher prices for export, the Japanese government rejected such Australian practice. Disaccords over resources policy were an important cause, which kept Australia from concluding the so-called Nippon-Australia Relations Agreement. The Fraser government, however, suggested in its official statement that the government would not intervene in the development and sale of mineral resources by the mining companies. Moreover it heartened Japanese interests by stating that Australia might relinquish "the investment guidelines which required at least 50 per cent equity for new projects." Premier Fraser further revealed in his following announcements that Japanese investment would be welcome in Australia "working in partnership with Australian capital." As to Australia's affiliation in producer organizations, he made every effort to emphasize that "nothing would be done to prejudice the interests of the major important countries."

Thus the new Australian economic policy engendered friendly and cordial atmosphere in relations with Japan, which finally led both countries to the conclusion of a series of important negotiations, such as the Australia-Japan cultural agreement in February, the institution of the Australia-Japan Foundation.
in April and the Basic Treaty of Friendship and Co-operation in June 1976. In the following years, however, the seeming happy Australian-Japan relations came to experience up and down through economic issues.

Concerning Australian economic relations with ASEAN, Australia’s economic policy towards the ASEAN countries did not work very well although the Fraser government had committed itself to the development and stability of them. So the ASEAN summit conference and the following special conference between the ASEAN heads and Prime Minister Fraser in August 1977 indicated that “an emerging crisis in Australia’s trade relations.” In spite of frequent complaints of Australian high tariff and quota impositions by the ASEAN countries, Australia refused to heed them in order to protect its own manufacturers’ interests that were confronting increasing competition with those of the region as well as South Korea and Taiwan. This protectionism divided even the Cabinet members of Australia; Foreign Minister Peacock and Treasurer Phillip Lynch on one side and Prime Minister Fraser and the Minister for Industry and Commerce, Senator Robert C. Cotton on the other. However the views of the former were overridden by the latter.

It was ironical that Australian foreign policy and economic policy based on Fraser’s realism were collided with each other in their execution. The Australian protectionism continued to be exposed to the criticism from the ASEAN countries.

2) Patience and Head, op. cit., p. 254.
3) Ibid., p 263.
6) Ibid., p. 12 and Patience and Head op. cit., p. 269.
7) Patience and Head, cit., p. 270.
9) Patience and Head, op. cit., p. 273.
14) Patience and Head, op. cit., p. 278.
15) Ibid.
16) Ibid., p. 279.
17) Australian Department of Foreign Affairs, Annual Report for Year 1976, pp. 34-36.
18) Patience and Head, op. cit., p. 280.

Conclusion

As the Whitlam government, supported by the existing international circumstances of the time, Australian domestic politics and others, succeeded in making its foreign policies of the Labor Party's ideals, such as the concepts of self-reliance, anti-militarism, multi-racialism and the redistribution of wealth, easily at least in the beginning, so it inflated hopes and expectations of the Australians who had already been tired of the Conservative governments. The concept of self-reliance brought forth the idea of economic self-sufficiency of energy and industrial needs. That of anti-militarism made Australia much more independent in its defence of the United States. That of multiracialism made Australia look less racist in the eyes of the world. That of the redistribution of wealth introduced the two contradicting policies of nationalists and internationalists. The former prompted Australia to intervene in dealings of mineral pricing and foreign investment and ownership, and the latter made Australia join in various producer associations.

However, international conditions became severe especially after the so-called oil crisis in 1973 and Australian economy came to be confronted with unemployment problems and general slowdown of its growth. Therefore, the concepts of the Labor party were not executed to the full. The Australians, who had inflated their hopes and expectations, were disappointed at the Labor party. And, in this way, the Labor party lost their popular support and ended up in the defeat of the election in December 1975.
By taking advantage of international instability and economic difficulties, the Fraser government returned to the Australian conservative values of the past. It recognized the Soviet Union's expansionism as the major threat to Australia and the United States as the only reliable power capable of checking the Soviet Union. The L-NPC party government decided to continue the policy towards the People's Republic of China which the Whitlam government had initiated and invited China to join in efforts of the United States and Australia to deter the Soviet Union. In this line of thought, first of all, Australia tried to persuade the United States to play much more active role in defending Southeast Asia again. Then the Fraser government encouraged foreign interests to take part in its economic activities. However it refused to listen to the complaints of high tariff and quota imposition on imported goods from Southeast Asia by countries concerned.

Although both the Whitlam and Fraser governments had the common thought of disliking radical changes of things and keeping the status quo of their invested interests, yet the former took much more internationalist's attitude in comparison with the realistic attitude of the latter. However, they were limited in the execution of their ideas by the existing international conditions, domestic politics and their perceptions of danger.