

Australia and intergovernmental organisations from 1919 to the 1960s

Professor Peter Carroll

University of Tasmania

Peter.Carroll@utas.edu.au

Abstract

This paper argues that the study of Australia's involvement with international governmental organisations has been neglected. It outlines that involvement from 1919 to the 1960s, arguing that Australia was a 'conscientious, responsible but distant member' of the League and the ILO, taking few initiatives and opposing efforts to change its role. Far greater attention was devoted to enhancing Australia's influence in the British Empire, seen as essential for continuing Australian security. That distant membership changed after 1945. It saw the rapid development of a considerable commitment to the UN system, followed by an equally rapid decline as the very limited capacity of the UN to cope with the issues posed by the Cold War became apparent. It was replaced by an increasing, Australian focus on regional IGOs, not only in the Asia-Pacific area, but those that developed in the North-Atlantic area, such as the OEEC and the EEC, culminating in its membership of the OECD.

International governmental organisations (IGOs) are important means to the end of foreign policies. Yet, while references to the major global and regional IGOs are frequent in studies of Australian foreign policy, they have rarely been their major focus, with the exception of the UNO (and its predecessor the League of Nations), the GATT/WTO and the International Labour Organisation (ILO). As far as the author is aware, for example, there have been no major, book length studies of Australia's activities in relation to the IMF, World Bank, FAO or UNESCO, to name only few of those with Australian membership. This is despite the fact that, as Ungerer notes, middle powers such as Australia typically have a preference for working through IGOs and promoting international legal norms (Ungerer 2007: 539).

The aim of this paper is to outline the history of Australia's involvement with IGOs to the 1960s. It is divided into three major sections, followed by a conclusion. The first section examines the development of Australian foreign policy pre-1939, indicating that much of the early experience of Australian decision makers with external affairs was gained within three major IGOs, the League of Nations, the ILO and the British Empire as it commenced its metamorphosis into the Commonwealth of Nations. The second examines the growing Australian involvement with IGOs and the changing position of Australian governments regarding the Commonwealth, the United Nations and its specialised agencies in the post-1945 period. The third section focuses on Australia's growing concern for European integration in the 1950s and its implications for Australian interests.

Pre-1939 IGOs and foreign policy

In the years before 1914 and for most of the period up to 1939, successive Australian governments, Labour and conservative, attempted to achieve their foreign policy goals primarily by influencing British policy. They accepted the convention of a single, imperial foreign policy and the overall responsibility for its making and implementation by the British government, hopefully taking into account Australia's interests, especially in the Pacific. This is not to argue that Australian governments were keen to see a quasi-federal constitution for intra-imperial relations (Edwards 1983, 62). Rather, the aim was to ensure a full consultation by British governments

with their Australian and other counterparts before the making of major decisions involving their interests, an aim pursued with varying degrees of success.

Despite this dependent stance and limited diplomatic capacity, as Lloyd notes, most of the British Dominions, including Australia, became, if slowly and at differing rates, international actors shortly after the First World War when they became founder members of the League of Nations, the ILO and the Permanent Court of International Justice (Lloyd 2001, 10). In regard to Australia, from the outset its sovereign status and foreign policy thus developed very much in the context of the growing importance of IGOs. Multilateral and bilateral activities went, as it were, hand in hand from the onset of Australia's emergence as an international actor, though with a continuing tension between the two and a distinct tendency to view multilateral relations as of lesser, but still significant, importance. Indeed, in a very real sense Australia's international activities developed within the bounds of an emerging IGO, that is, what became the British Commonwealth, as it slowly cast off its imperial origins. It provided, at least in retrospect, a rather 'soft', introduction to the world of international relations as the imperial heritage ensured much in the way of common bonds between its members, especially the 'old', Dominions, making intra-Commonwealth relations in the pre-1939 years rather more open and direct than was the diplomatic norm.

As well as the traditional reliance on Britain and the other Dominions for defence purposes, the 1930s saw the emerging Commonwealth of Nations developing a more pronounced economic dimension, hastened by the Depression. In particular it saw the development of what became the sterling area and a more complex system of trading preferences. The impact of the 1932 Ottawa Agreement for Australia was to enable rapid increases in imports of Australian agricultural production for the British market, supporting the slow process of economic recovery as the 1930s progressed (Room 2000). This expanded system of preferences lasted until the 1970s, though it declined rapidly from the 1950s. It was Australia's first major involvement with multilateral economic diplomacy on a large scale.

Similar developments took place in the financial realm. Dominion currencies, with the exception of Canada's, were pegged to sterling before the onset of the Depression.

The Depression brought about an increasing involvement by the Australian Government into this system, negotiating frequently with the British government and the Bank of England (Attard 2000). In essence, the combined impact of the expanded system of preferences and the increasingly integrated sterling area created a Commonwealth that was an even more discriminatory trading bloc than had been the case.

The importance of the Commonwealth for Australia, despite these developments, should not be over-estimated. The Ottawa negotiations had been difficult and divisive, and the sterling area was not coterminous with the Commonwealth. While war-time pressures led to the formalisation of the sterling area and a deepening of the bonds between its members, with sterling becoming non-convertible and hard currency rationed on the basis of a USD and gold pool, it faced with a series of crises in the post-1945 years. Moreover, the Commonwealth lacked a separate secretariat with, in effect, British departments (particularly the Dominions Office) fulfilling that role, (see Lloyd 1997, 346-50).

Australia and the League of Nations

As with the Commonwealth, Hudson concluded that Australia's membership of the League was 'a gentle introduction into world politics' (1980, 186). Successive Australian governments had ambivalent views as to the value of the League. Prime Minister 'Billy' Hughes, for example, was somewhat sympathetic with its aims but not prepared for a moment to cede any of Australia's newly won autonomy to an IGO and sceptical as to its potential for ensuring world peace (Twomey 2000). In this his views were largely at one with those of the British Cabinet and the Dominion leaders, which had felt as early as 1917 that there would be a post war need to reinvigorate the Empire, doubting that a League of Nations 'would be a reliable substitute for the Royal Navy' (Meaney 2009, 266). Hughes' view of the League was narrowly instrumental, seeing it as a means for the furtherance of Australian interests and he was very critical of those arguing the internationalist position (Meaney 2009, 265).

Hughes' view was clear in his successful efforts to gain Australian control over New Guinea, a former German colony, in large part as a bulwark against possible Japanese

expansion, though also for its potential economic benefits. While successful, it was a success that led to regular and largely unwelcome League assessments of Australia's mandate and difficulties with Germany (Twomey 2000). Hughes was also concerned at the potentially adverse implications of the League for the continuation of the 'White Australia' policy, working hard and successfully to exclude the Japanese proposal for a 'racial equality' clause in the League's Covenant (Twomey 2000). It was a concern that continued in the 1920s under the Bruce and Scully governments and that persisted until the end of the White Australia policy under the Whitlam government.

Prime Minister Stanley Bruce was more positive in his views than was Hughes, but he also opposed any attempt to make the League a supranational body and was well aware of its inability to provide for collective security (Hudson 1980, 4-5). He did not, however, oppose attempts to make the League more effective, arguing, for example, in favour of Germany's admission in 1925 (Lee 2010a, 60). In later years, especially after he became Australian High Commissioner in London, an increasingly respected Bruce often represented Australia at the League's annual Assembly and, from 1933-36 as a member of its Council. Initially unenthusiastic about the League and its prospects, his negative experience of protectionism in the 1930-33 period led him to increasingly argue for greater international economic cooperation within the context of the League. Also, he played an important role in pushing the League to take action on public health issues, particularly as regards the importance of nutrition and in 1939, at the request of Joseph Avenol, the Secretary-General, he chaired a committee of experts to advise on the reform of the League (Lee 2010b).

Despite the gathering evidence of the League's limitations, the increasing workload involved led to Senator Millen recommending as early as 1921 that a foreign section be created in the Prime Minister's Department, with a 'competent officer', deputed to deal with League of Nations and ILO matters (Ainsworth 2002). Despite this early development the foreign policy capacity of Australian governments remained very limited. At the end of 1936 the DEA had a staff of only ten officers and four typists in Canberra and three officers and two typists in London, though it grew slowly but steadily from this base.

Australia and the ILO

While Australia was a founding member of the ILO, the conservative governments that were in office during its early years were by no means enthusiastic or strongly supportive, failing to attend the first Labour Conference in Washington in 1919, then again in 1922 and deciding not to appoint a permanent representative in Geneva. Prime Minister Hughes regarded the ILO's Constitution as 'unworkable', later regarding the organisation as largely irrelevant to Australia's higher living standards and industrial conditions (Paterson 2003, 43). Hughes' successor as Prime Minister, Stanley Bruce, also lacked enthusiasm for the ILO. He argued that the ILO's conventions and recommendations were largely irrelevant (Paterson 2003, 49).

While Hughes and Bruce were not enamoured of the ILO they soon became aware that its activities needed to be monitored and where necessary opposed, ideally by the united and coordinated efforts of delegations from the Empire. In 1921, for example, the ILO supported a draft Convention opposing the use of white lead and similar substances in the internal painting of buildings and considered the importance of disinfecting wool infected with anthrax spores. Both were opposed by the Australian representatives, including the worker representative. The incident led to the British government's agreement that attempts should be made by pre-ILO meetings of Empire delegations to develop common voting positions in the ILO (Paterson 2003, 51).

In this context it is perhaps not surprising that up to 1931 Australia had ratified only one ILO convention. This was despite the fact that Sir Robert Garran, Secretary of the Attorney General's Department, advised that there were 'strong grounds', for believing that the Commonwealth government had the authority to make laws enforcing international treaties that it had agreed, even where they customarily covered issues normally the responsibility of the state governments (Garran 1921). In contrast to the positions taken by the Hughes and Bruce governments, the Scullin ALP government of 1929-1932 took a more positive view of the ILO, strongly supported by the union movement, with Scullin becoming the first Australian Prime Minister to visit the ILO's headquarters in Geneva. It ratified four conventions in just over two years, but was succeeded by the conservative governments of the 1930s,

which returned for the most part to the positions of the Hughes and Bruce governments.

In summary, as Hudson notes, Australia was a ‘conscientious, responsible but distant member’ of the League, taking few substantial initiatives and largely opposing efforts to significantly change its role (Hudson 1980, 6). It lacked the administrative capacity to undertake a consistently more active role and, for the most part, was content to follow the British lead in League affairs. Much the same could be said of Australia’s membership of the ILO. However, far greater attention and effort was devoted by Australian governments to enhancing Australia’s role and influence in the British Empire. The experience of operating in the Empire, then Commonwealth, the League and the ILO meant that Australian decision makers had a degree of familiarity with multilateral negotiating environments when faced with the new American drive to multilateralism, both during and after the Second World War.

Post-1945 IGOs and foreign policy

As noted, in the period to 1939 there was a distinct ambivalence as to the value of IGOs in the minds of Australian government decision makers. In the years from 1939 to the election of the first post-1945 Coalition government in 1949 this ambivalence at first declined substantially, with a considerable commitment to the new UN system, then re-emerged as the very limited capacity of the UN system and its associated set of specialised agencies to cope with the issues posed by the Cold War became apparent.

Australia and the Commonwealth post-1945

The Curtin, Chifley and post-war Menzies governments all saw an important, continuing defence, trade and financial involvement for Australia in the Commonwealth (Bongiorno 2000, 42-3, Lee 1990, 1995). Prime Minister Curtin was also keen to see the development of a formal and separate secretariat to provide a solid, administrative base for the Commonwealth, continuing an Australian tradition that went back to Deakin, but was unsuccessful in his efforts to persuade his Commonwealth colleagues, especially Churchill (Edwards 1983, 156-8). The

Australian goal was an 'equal partnership', in a Commonwealth that was an association of independent states, a position developed at length by Evatt (Ede 2008, 14-29).

However, the status and value of the Commonwealth was declining. In regard to defence, the experience of the Second World War had shown once and for all that neither Britain nor the broader Commonwealth, on their own, could ensure Australian security. Hence, while Chifley and Evatt agreed to the concept of coordinated Commonwealth defence, with Australia taking major responsibility for its own region, they did not agree to Australian forces undertaking defence commitments outside of the South Pacific (Lee 1992, 448). Nor, in the immediate post-1945 years were they keen to support the British policy of Western Union against the Soviet Union. Rather, their attention focused increasingly upon gaining a close relationship with the United States, especially with their eventual realisation that the UN, as with the League, could not provide for an effective system of collective security (Millar 1978, 200).

The Menzies' governments continued, more successfully, to develop a closer relationship with the US, especially after the Korean War, resulting in the ANZUS pact. They also accepted, at least initially, the British argument that a global war with the USSR was most likely to take place in Europe and the Middle East. Hence, it was agreed that Australian forces would be likely to fight in the Middle East, though a final decision as to the actual deployment of Australian forces would not be made until the time arose (Lee 1992, 452).

In contrast to defence, the post-1945 value of the Commonwealth was greater in relation to trade and the sterling area, although the Curtin government was at first prepared to see a reduction in Commonwealth preferences, provided that it was accompanied by a compensating reduction in trade barriers by other countries, as proposed by the US in its push for a multilateral world. However, this could not be achieved in relation to agriculture and, combined with a US reluctance to place a priority on policies designed to maintain full employment and the importance of maintaining the value of Australian sterling balances held in London, it led the Chifley governments to re-emphasise the importance of the Ottawa Agreement, the sterling area and their potential for promoting economic growth (Lee 1990).

Despite Menzies' personal attachment to the Commonwealth, his governments were increasingly critical of the sterling area and Commonwealth preferences for their often adverse impact on Australia's economic development, and gradually moved back to the Curtin government's earlier policy of working for the incorporation of the sterling area within the multilateral framework urged by the US. In a January 1952 conference of Commonwealth Finance ministers, Australian Treasurer Fadden, in opposing the British defence of the merits of the sterling area, the need for economies in the use of USD and the imposition of import restrictions, argued strongly for a collective approach to the US for aid, aimed at achieving unrestricted convertibility between sterling and the USD. While unsuccessful, the concept was later adopted and put to the US in 1953, though again unsuccessfully. In the meantime the departments of Treasury, External Affairs, Commerce and Agriculture were advising firmly against British moves that would, if adopted by Australia, move away from the GATT principle of non-discrimination and the aim of freer currency convertibility (Schedvin 1992, 182, Lee 1992, 462).

As the 1950s progressed the decreasing value and changing nature of the Commonwealth rapidly became clearer. As Lloyd notes, after Suez,

...the Commonwealth connection counted for little. The meetings there were either appallingly dull or nastily argumentative, especially when Krishna Menon was on hand for India (Lloyd 2001, 22).

Australia, the UN and the specialised agencies

The years immediately after 1945 saw the development of the United Nations and its specialised agencies, grouped loosely under its ambit. In contrast to its earlier experience in relation to the League and the ILO, Australian representatives played a fuller role in these developments, commencing during the war years. They also undertook a far more systematic consideration of the potential value of the new body and its agencies, based largely on the work of the Department of Post-War Reconstruction (DPWR), under HC 'Nugget' Coombs and responsible to Ben Chifley as Treasurer.

Evatt, as Minister for External Affairs, played a leading role in the development of Australia's policy in relation to the UN. He strongly supported the vision and aims for the UN. At the same time he was, in somewhat contradictory fashion, also to use it in a narrowly instrumental fashion in defence of what he saw as Australian national interests. He proposed, successfully, an amendment to the UN's Charter, Article 2 (7), that deleted the Security Council's authority under Articles 39 and 40, to make recommendations or take provisional measures regarding the domestic jurisdiction of a state when a threat to the peace arose within that jurisdiction. Under Evatt's amendment, the Council's authority to intervene would be restricted to situations requiring extreme military measures such as those authorised in Article 42. As Ede notes, the primary motive driving Evatt's proposal was to prevent the Council involving itself with the domestic causes of aggression. As he informed Chifley, without the amendment it might be possible for an 'Asiatic Power', to object to Australia's White Australia policy on the grounds that it threatened international peace (Ede 2008, 37-8). In restricting the authority of the Council, Evatt's amendment, restricted the authority of the UN to engage in a whole range of issues, simply because they lay within the domestic jurisdiction of a member (Ede 2008, 39).

Evatt was keen to see the UN's Economic and Social Council (ECOSOC), playing a central role in guiding the work of the specialised agencies, particularly in relation to the full employment goal. ECOSOC, together with the General Assembly, Security Council, Trusteeship Council, International Court of Justice and the Secretariat, constituted the six 'principal' organs of the United Nations. It had been intended as a relatively minor body compared to the Security Council but, following pressure from the middle and smaller countries at the 1945 San Francisco Conference, a pressure largely shaped and led by Evatt, it was elevated to the status of a principal organ. However, the elevation in status was not matched by any authority to make decisions binding on the members, or the specialised agencies.

At ECOSOC's first session, in January–February 1946, two contrasting views regarding its role were revealed. The first consisted of those in favour of attempting to shape the specialised agencies and the commissions of ECOSOC into a tightly integrated set of subordinate organisations operating under its direct policy guidance, for the most part supported by the Australian representatives. The second,

unsurprisingly, consisted of those who did not favour such a centralised approach, including for the most part the industrialised and larger member states. The latter prevailed. An increasingly disillusioned Evatt noted when he asked of the UN's General Assembly on 18 September 1947, 'Is the Economic and Social Council to be all harness and no horse?' The answer, he suggested, for the most part, was 'yes' (New York Times 1947).

An article written fifty years after these events by Arthur Tange, at the time one of DEA's appointments to the Australian delegation to the United Nations and later to be its Secretary, noted that

I began to recognise these realities after sitting in sessions of the ECOSOC and, after returning to the Department in Canberra in the late forties, observing the lack of discernible impact of UN recommendations on the formulation of Australia's fiscal and trade policies in other departments which retained sole responsibility for them (Tange 1996, 266).

The change to a Coalition government under Menzies in Australia following the 1949 federal elections led to the appointment of Percy Spender as the minister for external affairs and a distinct downgrading of the importance of the United Nations and ECOSOC in government policy until the election of a Labor government in 1972, under the prime ministership of EG Whitlam (Beaumont et al 2003).

Australia and European IGOs

The downgrading of the importance of the UN and most of its specialised agencies was accompanied by Australia's increasing involvement with regionally focused IGOs, both in the Asia-Pacific area and in Western Europe. In this section the focus is upon the growing interest in the latter area, one that has been somewhat neglected in the literature, with the exception of the EEC.

Australian political and economic relations with the countries of mainland Europe, east or west, were very limited in the 1940s and earlier 1950s; even though Europe's political significance in the context of the Cold War was very much appreciated. Moreover, much of the political and economic intelligence available to Australian

decision makers came 'second hand', via the good offices of the British government and its extensive array of contacts in Europe, although the network of Australian embassies and consulates was growing. This situation soon changed, sparked off by the development of a number of important, regional IGOs in the European and North Atlantic area.

The first major example of a new, Western European regionalism was the OEEC, established in 1948 to help ensure the success of the European Recovery Program (Marshall Plan aid) and to pursue regional economic cooperation in order to achieve a 'sound' European economy, increasingly important as a base for defence in the face of the growing Soviet threat. The OEEC reflected the British desire for a more traditional, intergovernmental organisation in which authority would clearly reside in the hands of the delegates from national governments and a secretariat that was clearly subordinate to the delegates. The French, in contrast, were keen to see an element of supranationalism injected into the organisation, with a secretariat empowered to initiate major policy initiatives, a view that also emerged in the 1950 Schuman Plan and the European Coal and Steel Community (ECSC). This was intended to lock the West German government into an international organisation powerful enough to ensure it would never again be a substantial threat to French interests (Lovett, 1996). However, the British position was largely adopted, but the differences remained and were to surface repeatedly in the OEEC and, to a gradually diminishing extent, the OECD.

While never a member of the OEEC, Australian governments had a distinct interest in the organisation from the start, given its location for the new European Payments Union (EPU) and a Code of Liberalisation. It was an interest that sprang out of: one, Australia's membership of the sterling area and its related trading interests in the system of Commonwealth preferences; two, the positions that might be adopted by OEEC members in GATT trade negotiations, based upon earlier discussions within the context of the OEEC.

The EPU, signed in 1950, was an agreement under which the members of the OEEC settled their payments surpluses and deficits with one another on a multilateral basis (see Ransom 2010, Flexner 1957). Its basic aim, especially as promoted by the USA,

was to persuade its members to remove quantitative restrictions on intra-European trade by providing a more efficient, multilateral payments system. After lengthy and difficult discussions, it was agreed that the sterling area would be incorporated in the EPU. The arrangement was of concern for Australia as: one, it might threaten the value of Australia's sterling holdings, which constituted about 90% of its total reserves until the end of the 1940s, when it began to run down the proportion that was held in sterling (Schenk 2010, 89); and, two, it might divert British capital to OEEC markets rather than the Australian. The latter was of particular concern given successive Australian governments' focus on economic development and the need for capital to that end, most of which came from Britain. However, as soon became apparent, the EPU did not threaten Australian interests as it was applied solely to current account transactions. Indeed, it may have provided an incentive for European members of the EPU to import Australian primary produce by enabling them to use for payment the sterling balances accumulated in the EPU.

The OEEC's Code of Liberalisation came into being shortly after the establishment of the EPU in 1950, as a scheme for the gradual removal of quantitative restrictions on intra-European trade that was to accompany the EPU. It was an agreement whose rapid development contrasted sharply with similar, painfully slow efforts to free up trade in the GATT, where the stalled Torquay Round of negotiations was taking place. In combination with the EPU, the Code gained substantial success in the elimination of quantitative restrictions on trade, though progress was uneven and, at times, difficult (see Kock, 1969, Brusse, 1997).

Australian views in relation to the Code of Liberalisation were mixed. On the one hand the possible achievement of a reduction in barriers to trade in line with the Code had some promise, although trade in agricultural products, the area of most interest to Australia, was excluded from the Code's coverage. On the other hand, there was the danger that OEEC members might more effectively organise their negotiating positions in GATT on the basis of earlier consultations within the OEEC, to the possible disadvantage of Australian interests, especially in relation to its continuing efforts to include trade in agriculture within GATT's ambit, which most OEEC members opposed. Equally as important was the fact that the Code's success in getting its members to reduce barriers to intra-European trade in manufactured

products would, if extended to the GATT, pose a significant problem for Australian efforts to continue to protect its developing industry with a range of trade barriers. At a meeting of GATT in January 1955, for example, Britain and the USA proposed that the Code be extended to GATT members. While the proposal was rejected, it was an example of exactly the kind of development that Australian negotiators in the Department of Trade feared (Lynch, 1997, 143-44).

Competitive European integration

While Australian interest in European economic integration was established by the end of the 1940s, monitoring developments to protect those interests became more difficult in the 1950s as the members of the OEEC split, increasingly acrimoniously, into two broad camps. The first consisted of those who favoured a greater degree of economic and political integration based on a supranational authority, in essence the future members of the EEC. The second consisted of those, particularly the British, who favoured the continuation of the OEEC, and who became members of EFTA. The USA and Canada, only associate members of the OEEC, looked on with concern at the growing split between its allies, as did Australia.

France, Belgium, West Germany, Italy, Luxembourg and the Netherlands, broadly satisfied with the performance of the European Coal and Steel Community, were keen to see further progress in a supranational direction and, faced with British opposition, met at Messina in 1955 to consider prospects for a broader, common market. The British government was to attend the Messina talks but, in November 1955 announced its withdrawal. Moreover, it then proposed that a looser, Free Trade Area (FTA), be established within the context of the existing OEEC, where it was chair of the Council and hoped to better control the agenda (Griffiths, 1997, 236-7). The ploy was immediately recognised for what it was by the Six, an attempt to 'sideline Messina and smother it', and the US expressed its concern (Griffiths, 1997, 237).

As might be expected, the OEEC discussions regarding the proposed FTA were difficult, increasingly bitter and, eventually, unsuccessful (see chapter 18 in Griffiths 1997).

It seemed that the OEEC was doomed. However, US and Canadian concern at the extent of divisions in Western Europe in the face of the continuing Soviet threat, especially given its new moves in less developed countries, led to a US proposal to continue the existence of the OEEC in a new format with modified functions, what became the OECD (Griffiths 1997, 244).

Australia the EEC, FTA and the OECD

As the process of European integration became more challenging during the 1950s the task for Australian decision makers necessarily became more complex and of more concern. In summary, they were faced with a situation in which the protection afforded to their trade and monetary interests in Western Europe by the leadership of British governments keen to retain the role of sterling as a major currency and the Commonwealth as a major trading block became increasingly less certain. Moreover, Ludlow notes, having relied for the most part upon British representatives to protect Australian interests within the OEEC, at a time of growing uncertainty the Australian government came to realise that it lacked well established ties with most of the states of Western Europe, especially those in the EEC, other than those gained within the context of the conflict-ridden GATT negotiations and the UN specialised agencies, notably the IMF and World Bank (Ludlow 2001, 285).

Australian government were sympathetic to European integration, at least of the 'milder', type favoured by British governments and embodied in the OEEC. Its interest in, and support for, the FTA grew as its representatives became aware that the Six seemed likely to increase controls over agricultural trade in the EEC. John Bunting, the new Secretary of the Department of the Prime Minister, for example, noted that Australia would get a greater benefit from membership of such an FTA than it would in the Commonwealth. Such was the extent of interest that it was suggested that Australian representatives should participate directly in the FTA discussions, a proposal acceptable to the Netherlands, Germany and Denmark. However, the British government rejected the proposal on the grounds that it would tend to draw unwelcome attention to the British negotiating positions on trade in agriculture and tariff barriers (Singleton and Robertson 2002, 160).

The British rejection of the proposal was part of a pattern of British resistance to the more direct and frequent involvement of Australia in such discussions. In 1959, for example, at the Commonwealth Liaison Committee meeting, the Australian and New Zealand representatives proposed that a 'collective' approach to the EEC be developed by Commonwealth members that, if successful, would enable greater access to the EEC market for their exports. A study group was established to see if a joint trade strategy could be agreed, but it was unsuccessful, lacking significant support from the British government, as well as the Canadians and most of the African and Asian members. Further, while the study group discussions were underway, much to the irritation of the Australian government, the formation of EFTA was announced, without consultation with Commonwealth governments (Singleton and Robertson 2002, 163-64).

Such resistance to fuller Australian participation, or at least the lack of support by the British government, also tended to reinforce slowly growing concerns as to the extent to which it fully represented Australian or broader Commonwealth interests in multilateral settings. There was, for example, considerable Australian irritation when it was discovered that the British government had given an exchange guarantee to the Western European holders of sterling under the European Monetary Agreement (the successor to the EPU), but had neither informed, offered or given such a guarantee to Australia, with its much larger holdings of sterling. It was only after repeated representations by Australia that the British government decided to withdraw the guarantee, causing considerable resentment to the European recipients of the guarantee.

Hence, at the end of the 1950s, the Australian government was faced with an economically divided Europe in the shape of the EEC and EFTA, a failed attempt to create an FTA within the OEEC that now threatened the latter's very existence, and growing concerns as to the British position in relation to these developments and the role of the Commonwealth and the sterling area. The extent of Australian concerns for developments in European integration, especially as regards its exclusion from the EEC and EFTA, led finally to a decision to join the OECD, the OEEC's successor. As a small, relatively isolated state, membership of the OECD at least offered some potential for influencing the views of the major powers in international economic and

financial matters. This was appealing, given Australia's relative lack of success in influencing decisions within GATT and the IMF, and for the prospects it offered of closer engagement with the members of the EEC and the European Commission.

Conclusion

As indicated, Australia's involvement in multilateral activities and IGOs goes back to the earliest days of Australian involvement in international affairs, accompanying a more traditional focus on bilateral relationships. While the perception of the importance of its multilateral activities has varied over time, they expanded substantially after 1945, at first focused on the UN and the specialised agencies then on the new European IGOs.

Australia was not a member of any one of the new European bodies, so that Australian decision makers were increasingly isolated from important discussions held within their boundaries. In essence, one of the key means by which a middle power such as Australia could exercise a degree of international influence – working within IGOs - was not available to it as regards developments in the North Atlantic and Western European area. This relative isolation was exacerbated by the increasingly obvious decline in the value of the Commonwealth, disillusionment with the UN, an Australian perception that British governments were not taking Australian interests sufficiently into consideration and, of course, the feeling of betrayal that accompanied the first British application for membership of the EEC.

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The Organization of the Petroleum Exporting Countries (OPEC) is a permanent, intergovernmental Organization, created at the Baghdad Conference on September 10–14, 1960, by Iran, Iraq, Kuwait, Saudi Arabia and Venezuela. OPEC's formation by five oil-producing developing countries in Baghdad in September 1960 occurred at a time of transition in the international economic and political landscape, with extensive decolonisation and the birth of many new independent states in the developing world. The international oil market was dominated by the "Seven Sisters" multinational companies and was largely separate from that of the former Soviet Union (FSU) and other centrally planned economies (CPEs).