

FRASER AND CHINA



Prime Ministers Series
August 2015

FRONT COVER

Deng Xiaoping and Malcolm Fraser
Beijing, August 1982

Image courtesy of Denis White

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INTRODUCTION

On August 17 2015 the Australia-China Relations Institute (ACRI) presented the third instalment of our 'Prime Ministers Series' dedicated to highlighting the China policies of Australian Prime Ministers.

Malcolm Fraser was Prime Minister from November 1975 to March 1983. In June 1976 his first extended overseas visit as Prime Minister was to Japan and China rather than to Britain or the United States.

Fraser had a history of hostility towards China as a Liberal backbencher and then as Minister for the Army and Minister for Defence. As Prime Minister, Fraser pursued the relationship between Australia and China as a priority, marking the beginning of bipartisanship in Australia's China policy.

Our eminent panellists, Associate Professor James Curran and Professor John Fitzgerald, discuss the evolution of Fraser's attitude to China. Their analysis situates Fraser's China policy within his broader view of international affairs, covering the period from when he was elected Member for Wannon to the years after his Prime Ministership ended.

The transcript of this discussion is supplemented by two extended research papers. The paper by ACRI researcher Hannah Bretherton traces the evolution of Fraser's China policy. The analysis includes reference to a briefing note dated June 2 1976, the day after his landmark 'Australia and the World Situation' speech, which set out a defence of Fraser's apparently sudden conversion to a positive view of China.

ACRI would like to thank Professor John Fitzgerald for his permission to include the transcript of his 2007 RG Neale Lecture. Professor Fitzgerald's work is an invaluable assessment of documents held in the National Archives of Australia relating to Fraser's first trip to China.

ACRI exists to illuminate the Australia-China relationship. I am certain you will find in these pages a vivid sense of the remarkable and enduring role Malcolm Fraser played in the development of the relationship between Australia and China.

Professor the Honourable Bob Carr
ACRI Director and Professor of International Relations
University of Technology Sydney

FRASER AND CHINA: TRANSCRIPT OF PANEL DISCUSSION

Melbourne, August 17 2015

Chair – Professor the Honourable Bob Carr: Ladies and gentlemen, could I welcome you all this evening. The Australia-China Relations Institute at the University of Technology Sydney, is a new think tank – we've been going for about a year – devoted to illuminating the relationship between Australia and China. This is our first function in Melbourne.

This is a tribute to Malcolm Fraser. I was looking forward to interviewing him. I had conversations with him during the time I was Foreign Minister and jointly promoting our books, including at the Melbourne Writers Festival. I never dreamt that he would leave us so abruptly. One of the saddest things about his departure was that he still had so much more to say; he was eager to contribute to the debate on Australia's future, and in particular, on this question. We're going to explore what he was saying in the last 10 years and I think we'll find some roots, some pre-echoes, in his very earliest comments.

And it's good that we've got part of the Fraser official family here: Petro Georgiou, a senior adviser in the Fraser Government who travelled to China with the Prime Minister in 1976 and served in Federal Parliament himself, and Ian Renard, senior adviser in the Fraser Government, former Chancellor of the University of Melbourne. Unfortunately, Mrs Tamie Fraser is unable to attend tonight. She was planning to come but a bereavement in the family has prevented that taking place. Reviewing the material we've got to discuss, I think she'd be warmed and delighted by the tribute we're able to pay to her late friend and husband's public service. It's very sad that we're not doing this with Malcolm; it's very sad that we can't be talking about him with Tamie present as I had hoped.

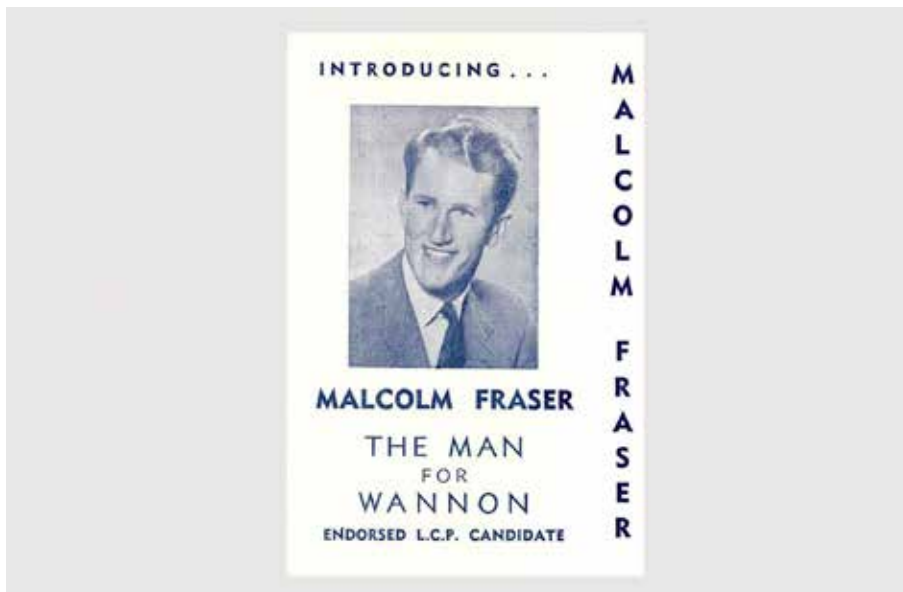
Special thanks to John Denton, Partner and CEO of Corrs Chambers Westgarth. Thank you very much for hosting this.

John Rose, Bob Carr,
Petro Georgiou and
Ian Renard
David White / ACRI



Welcome to our panellists: Professor John Fitzgerald, Director of the Asia-Pacific Centre for Social Impact and Philanthropy at Swinburne University, with a particular focus these days on Chinese in Australia and Associate Professor James Curran, Department of History at the University of Sydney and the author of a terrific book *Unholy Fury*. As I said in a review of the book in *The Sydney Morning Herald*, I haven't read in a long time a better book on Australian politics and a wonderful illumination of the questions that we face in Australian foreign policy today, which we will plunge into now.

From cold warrior to advocate of a strategic partnership with China, Malcolm Fraser was part of this journey, this narrative of self-discovery involving Australia and China. He laid down very practical building blocks in the Australia-China relationship and he was involved with some interesting pre-echoes of challenges we face today in foreign policy and in the China relationship. But none of this could have been foreseen in the speeches that were given by the 25-year-old Member for Wannon in 1955. James? You've looked at this.



Election Poster
1954

Fraser Collection
Melbourne Univeristy

Associate Professor James Curran: I think one of the most interesting and insightful appraisals of Malcolm Fraser that I ever read was in Paul Hasluck's book *The Chance of Politics*, an absolute classic. In his chapter on Fraser, he says, 'He at least is a man who believes in something and works at his beliefs'. And I think we can see this very clearly in Fraser: there's an evolution to the development of his worldview and his intellectual history, his ideas about Australia and its place in the world. And when he is elected to parliament in '55, he is in many ways a staunch cold warrior. That's not surprising. Communism is the great threat. He had been in England in the late '40s. As a student at Oxford University he'd witnessed Clement Attlee's introduction of socialism. He felt that creeping socialism was a slippery slope into 'bloody communism', as he used to put it at that time. And even just before, in 1954, when he was the endorsed candidate for Wannan, he gives an Australia Day speech in which he uses some of this fairly traditional language – nothing too remarkable about it being expressed by an Australian politician at this time – 'these teeming millions in Asia to our north ... there are 500 million people up there living on little more than a pannikin of rice a day. How much better they'd be,' he says, 'with Australia in their hands'. And intriguingly in that same speech he also says,

... when he is elected to Parliament in '55, he is in many ways a staunch cold warrior.

James Curran

'We cannot rely on American protection forever. Our pride and our independence as Australians will not allow it'.

Carr: A pre-echo of what he was saying in his recent book.

Curran: Exactly. But I think between his entry into parliament in '55, through to about the late '60s, that is a fairly standard Cold War view on key things like the situation in West Berlin, or the Cuban Missile Crisis – these are great examples for Fraser of how the West needs to let its communist enemies know that it's prepared to use force. And China needs to learn this lesson as well – that's the kind of rhetoric you're getting. And then of course with the entry into Vietnam that takes on a new level.

His intellectual history, I think, very early on, is characterised by this view of history that he has with him from Oxford University. When he's at Oxford, he reads Arnold Toynbee's *A Study of History*. Now this is a 12-volume collection, a panoramic view of the rise and fall of

civilisations and the thesis was fairly simply stated: that whether or not civilisations survive is dependent on how they respond to particular challenges that are thrown up to them. And this was where the phrase 'life was not meant to be easy' came from. There's this metaphysic that Fraser talks about that had a very deep influence on him. And so he interprets world events

in many ways through that prism. Throughout that first period, it's all about the folly of appeasement, the fact that communism only understands force and aggression and then when he moves into the second period, which I characterise as his foreign policy from 1969 through to when he becomes Prime Minister, he's a very harsh critic of détente. And he's also very concerned at the prospect of American withdrawal from Asia. When the Nixon doctrine is announced in '69, Fraser, who'd been one of the great hawks on Vietnam, was very, very disappointed with American policy. He was disappointed that the Australian Government wasn't being consulted by Presidents Johnson and Nixon over the withdrawal of America troops and also, in common with a number of other Asian allies in the region, in fear

When the Nixon doctrine is announced in '69, Fraser, who'd been one of the great hawks on Vietnam, was very, very disappointed with American policy.

James Curran

and trepidation that the Nixon doctrine of July '69 symbolised an American retreat from Asia.



American forces
evacuating Saigon
March 1973

AP

Carr: Maybe some people in the audience weren't reading *Time* magazine in 1969 – you might spell out the Nixon doctrine, the Guam doctrine.

Curran: It was initially referred to as the Guam doctrine, a very simple, almost bland statement that Richard Nixon gave on the tiny Pacific island of Guam when he was there to witness the splashdown of the Apollo moon craft. He basically said that from now on, whilst the United States would stick to its treaty commitments in the region, the US' Asian allies would henceforth be expected to stand more on their own two feet in terms of self defence. Yes, America would honour its treaty obligations; yes, if there was a nuclear conflagration, America would step in, but by and large, Nixon was saying America will not again get involved in a land war on the mainland of Asia. And as you can imagine, it created ripples of fear and paranoia about American credibility and about American commitment to the region.

**... but by and large, Nixon was saying
America will not again get involved in a land
war on the mainland of Asia.**

James Curran

Now, I would argue that Fraser saw that as a much bigger betrayal of Australia than Britain failing to send the fleet in 1942 at the Fall of Singapore. I think it had a profound shock for Fraser, much more than Britain going into Europe. Britain had tried to get into Europe in the early '60s and it had pulled its troops from east of Suez in mid-'65, and these were tectonic shocks, if you like, to the Australian strategic imagination. Well, Malcolm Fraser said, 'We should have expected this of Britain and there's no point being dewy-eyed about it and reaching for the nearest copy of Rudyard Kipling. This is simply what is going to happen. We should welcome a multi-racial Commonwealth' – he was right in support of that from the very beginning. He didn't bring a kind of nostalgic air, an air of abandonment and recrimination to Britain's actions in Europe and also Southeast Asia. But I do think on the Nixon doctrine, and on American policy in Vietnam, this was a big shock for Fraser and it caused him to start to think, 'How should Australia face some formidable uncertainties in its region?' He said in 1971 in a very important speech, Remembrance Day, as Defence Minister, 'We're facing a future and we can't yet fully foresee what it's going to hold for us'. The whole edifice of Australia's Cold War policy had collapsed – that is, keeping the Americans and the British engaged in Southeast Asia. And he is, I think, one of the most thoughtful politicians in that generation to start thinking about what that means for Australia's engagement with the region, and also how it should think about its relationships with its former great and powerful friends.

Carr: In 1971, Gough Whitlam as Opposition Leader brazenly goes to Beijing and it's high risk. What does Malcolm Fraser have to say about that?

Minister for the Army
Malcolm Fraser arriving
at Saigon Airport
June 1967

Australian War Memorial
Collection





**Richard Nixon campaigning
in Pennsylvania
July 1968**

US National Archives
Oliver F. Atkins (NARA)

Curran: Well, he denounces it. I think in common with many of his conservative colleagues – given how much China and fear of China had been the kind of araldite that bounded the conservative worldview together and that also bound together the two major treaties, ANZUS and the Southeast Asian Treaty Organisation – I don't think Fraser had had the time yet to reassess the old fears about communist China. There'd been enough signs coming out of Washington, which, to be fair, I think Gough Whitlam had been reading. From as early as '65, '66, there were a number of inquiries in Washington about China policy needing to change. Then, of course, you have Richard Nixon's article in *Foreign Affairs* as a presidential candidate in '67, then the announcement by Nixon that he's going to go to China in '71 at the same time, virtually, that Whitlam is in China as Opposition Leader. Now, Fraser denounces it. He calls Whitlam 'the Chinese candidate'. He says, 'This man is a disgrace to Australia; he's been pursuing secret agreements with the Chinese'. And even when Whitlam comes back, a group of high profile conservatives meet in Melbourne and discuss China and the title of the seminar, in many ways, shows you that the old language is still there: 'China: the Looming Presence'.

I don't think Fraser had had the time yet to reassess the old fears about communist China.

James Curran

Carr: Where was it held? There ought to be a little historic plaque on the front of the premises ...

Curran: That I don't know but I know that the contents of the discussion – Gordon Freeth, Malcolm Fraser, Andrew Peacock – were relayed back to the American embassy, and there was a full report given to Washington, and basically the American number two in the embassy in Canberra said, 'This stalwart group of conservatives who are long used to dependence on the United States and fear of China find the topic of China barely digestible'. Now, I'm sure many people are aware of Billy McMahon's reaction, but yes, the key point is that Fraser denounced Whitlam's visit to China in the most strident terms possible.

Carr: Let's leap ahead as we must to 1976. Fraser is Prime Minister and the question arises of where he will go on his first overseas visit – and it is a big choice for Australian prime ministers. But how remarkable that he chose to go first – back in 1976 – not to the US and not to London, but to China and Japan.

Curran: That's right.

Carr: There were pointers to that in a speech he gave, and John, you should leap in here: Fraser's June 1 1976 speech. It was a speech of a foreign policy realist.

Premier Hua Guofeng and
Prime Minister Malcolm Fraser
Beijing, June 1976

Malcolm Fraser Collection,
University of Melbourne



Professor John Fitzgerald: That's right. The State of the World Speech, as it was called, was really a new statement by a coalition government about Australia's relations with the region – its position in the region. It was crafted by Fraser and a group of advisers, based on some papers that Owen Harries had been writing in August. Fraser didn't really trust at that point the Foreign Affairs and Trade establishment, which he saw as still carrying forward the Whitlam legacy, so he brought his own people on board and bearing in mind some of the lessons of that earlier period, his study of history and so on, it's a grand strategic vision of where the world's going, what the current challenges are and what Australia needs to do about it. And basically it says that the gravest threat facing Australia, facing the world in the post-Vietnam era, was that of Soviet expansion.

Fraser didn't really trust at that point the Foreign Affairs and Trade establishment, which he saw as still carrying forward the Whitlam legacy.

John Fitzgerald

Some of us will remember this. At that time, there was considerable concern about Russian naval vessels – ports were being built as Russian naval bases and so on. And the response to this in the United States was détente – the United States had, in a sense, been weakened by the war and was not in a position to confront what Fraser saw as the new Soviet expansions. And so he formed the view that US policy was wrong, and as we know, he'd been disappointed, much as McMahon had been humiliated by the 1971 experience. He was not nostalgic about the US relationship though he thought it critically important. But he thought US policy was wrong. If the alliance was to be sustained as it should, the US needed to redirect itself away from détente and Australia needed to work with China, which had been dropping hints to Australia since '71 that the big problem was Russia: this détente's not working, hey you guys, you're not listening.

And in fact the Whitlam Government hadn't listened. The Whitlam Government was kind of visionary. If one listens to a presentation by any Labor Foreign Minister on the relationship these days, it begins with Whitlam's visit, Mick Young extending his big shearer's hand across the workers of the world, uniting at this point, and Zhou Enlai's going, 'No, no, no, it's all about Russia, it's all about Russia; it's not the workers of the world'. And so there were, on the Australian part,

sort of visionary expectations on the part of Whitlam which were not actually being met on the Chinese side, which was far more realistic and strategic in thinking about its relationship with Australia. And so Zhou Enlai then, and later, others – Hua Guofeng who met with Fraser during his visit in 1976 – basically repeated the mantra, ‘The problem is the Soviet Union. The key strategic error is détente. You’ve got to go and tell the Americans to stop’. And he did.

**Malcolm and Tamie Fraser
at a welcoming ceremony
June 1976**

National Archives Australia



Carr: Let’s just pause there and wrap up comments on that speech because it preceded his visit. Is there anything you want to add to the significance of that speech? As John describes it, here we’ve got a Liberal Prime Minister way back then, hinting that, quote, ‘We take the world as it comes, not as we’d like it’, subscribing to a foreign policy realism, putting ideology to one side.

Curran: Yes, that’s the most remarkable point about the speech, I think, that national interest trumped ideology and the natural question to flow from it was what had happened to the view – the Australian view – of China as the source of all the disturbances and insurgencies in the region? So yes, obviously the Whitlam change, as John has said, was treated as a great symbol of national release.

If you read some of Stephen FitzGerald's comments at the time talking about 'discovering China meant there was more to heaven and earth than Britain and America' – Whitlam wanted China to symbolise this new era of Australian engagement with Asia. This was to be the flagship of it in many ways, even though his language on Japan was very strong. I think Fraser realises that with the change in American policy, with Whitlam officially recognising China, he can't turn that clock back. But he's going to, I think, approach China for his own realist purposes and look at the way in which China can be used to counter the great Soviet bear and in particular, his fear of what the Soviets were doing at that time in the Indian Ocean. So it's a very significant speech and it lays the groundwork for the visit.

Carr: John, he was asked in May '76, prior to the trip, in an interview with *The Age* journalist Allan Barnes, 'You're choosing to go to China before going to the US or Britain. What's this all about?' And he says, 'My reason for wanting to go to Japan and China first ... traditionally Australian Prime Ministers have gone to Britain or gone to Washington, but the world changes'.



**Malcolm and Tamie Fraser
Beijing, June 1976**

Fraser Collection,
Melbourne University

Curran: That's right, yes.

Carr: And that's a very significant statement and I think something of a symbol of the Fraser view, where he was taking Australia. It's a vision, isn't it?

... the world has changed for him. It's not a vision of a great new world; it's a frightening new world.

John Fitzgerald

Fitzgerald: It's kind of a vision. It seems to me on the Labor side there's a vision of Australia in Asia. On his side, there's a vision of Australia in the world and the strategic implications for our engagement with Asia – that's what I mean by realist and I think that's what he means by realist. It's strongly informed by a broader strategic vision. Now, the world has changed for him.

It's not a vision of a great new world; it's a frightening new world. We can't really trust our allies as we thought we could. Much as he's a great supporter of the US alliance, as we said, he doesn't over-romanticise it. His concern is that unless Australia gets its policy right in the region, Australia faces even graver security challenges and during the visit the conversation is around strategic issues. There's very little discussion of trade, oddly enough. I mean, if we look at the relationship now it would appear to be essentially about trade and a little bit of security, diplomacy, people-to-people ties. But at that time – and Fraser was basing this on the submissions he'd received from his department before he left – there's very little focus on trade, very little expectation that China would be a significant trading partner with Australia over the next few decades.

Prime Minister Malcolm Fraser and
Vice Chairman Deng Xiaoping
Beijing, August 1982

John Oxley Library,
State Library of Queensland



And it was really, if I may just touch on it, what has changed in the world. Stephen Fitzgerald and his crew in the Australian embassy are, in 1976, writing three or four really important reports on where

China's going to be by the year 2000. These reports say by the year 2000, China will be equal to Japan or eclipse Japan in importance to Australia for trade, that China will be a key player geostrategically in the region. And back in Canberra, the view on the margins of the documents is 'harrumph'. The language is not very accepting. And so Stephen FitzGerald wasn't getting this vision of where China was heading across. I think the projections for Japan were that it would be about four times China's GDP by the year 2000. As we know, in fact, China accelerated at 10 percent per year over a period of over 30 years. This is exactly what's set out in Steve FitzGerald's memo.

His concern is that unless Australia gets its policy right in the region, Australia faces even graver security challenges and during the visit the conversation is around strategic issues.

John Fitzgerald

Carr: That's remarkable. This is 1976. Zhou Enlai dies in January, Mao later in the year, the year of the Tangshan earthquake. It's pretty bright of our ambassador in Beijing to say in those circumstances, before Deng Xiaoping has announced his economic reforms – that's way off, three years off – that China is going to get there economically.

Fitzgerald: Would you have believed him?

Carr: No, I wouldn't. I think few people would have. Stephen FitzGerald's got a book coming out and we'll quiz him about this, but it's a great tribute to him and his team that they were saying these things about an economic revolution that was far from certain.

Fitzgerald: Now, the interesting thing was Fraser was not getting that in Canberra and so it was a surprise to him, in a way.

Carr: And I think it brought Whitlam's Ambassador Stephen FitzGerald together with the new Prime Minister.

Fitzgerald: That's right. And it formed a new relationship – a very important relationship – in governing the relationship with China for years to come. And Alan Renouf, of course, was fired from the department – I think stepped down – shortly after his return. He'd been supplying the alternative advice. And there are other stories there.

John Fitzgerald
David White / ACRI



Carr: Stephen FitzGerald said in one conversation with us, when we had him with another ambassador talking about their experiences, that he thought there were people in the Department of Foreign Affairs at this time who believed that the China-Russia schism was not authentic and wouldn't last. And they didn't like the idea of their Prime Minister going up to China and recruiting the Chinese as allies

against the Soviets. Now, let's come to this very interesting thing that happened during the Fraser visit: the idea of a four-power pact. It looks fascinating from where we are today – a pact involving the US and China, Japan and Australia, directed at the expansionary, totalitarian Soviet Union. Can we just unpack this – where did it come from, to what extent was it Fraser's position, and what authenticity, what value, did it have?

... in a conversation with Chinese Premier Hua Guofeng Fraser had in some way alluded to the potential for defence cooperation, some kind of cooperation, between Australia, the United States, China and Japan in countering Soviet expansionism ...

James Curran

Curran: Well, yes. It's a tricky situation and I know John has looked very carefully at these files and that there are people in the room who were on the visit as well, but the suggestion is, as I understand it, that in a conversation with Chinese Premier Hua Guofeng Fraser had in some way alluded to the potential for defence cooperation, some kind of cooperation, between Australia, the United States, China and Japan in countering Soviet expansionism and that the transcripts of

that conversation were leaked – there were a couple of leaks – and that this was duly reported to the press. It created a huge storm, and ironically enough, the way the press reported it was that Fraser had gone all the way with Hua, you know, to steal the expression from Holt being ‘All the way with LBJ’, all of a sudden we were now dealing with a Prime Minister who was being too subservient to China. Other headlines were, ‘Fraser has taken the speedboat to China’ – he’s given up Australian independence. This after, as you say, he said the world has changed and we can’t go back to this simplistic path of just relying on Britain and America – all of a sudden, as a result of this transcript being leaked – there’s all sorts of hilarious stories about Andrew Peacock running along the Great Wall of China to let the Prime Minister know, in a safari suit with KT26s, that this transcript had been leaked.

But I think one of the most interesting things about it is that, again, Fraser was doing this, no matter how loose or woolly the idea was, without consulting the Americans. And that is unthinkable for an Australian Prime Minister even a few years previously, I think, certainly pre-Whitlam.

Carr: Can we get John’s assessment of this notion of a four-power pact, where it came from, how strongly Fraser adhered to it and who leaked it? I mean, it’s always hard to pinpoint leaks – it’s always very hard in politics to do that, but there is a view around that it was people in DFAT who believed that China and Russia would get together again and it was a folly to try to recruit them.

Fitzgerald: That’s quite right. So there is some kind of talk about a new strategic arrangement, although whether or not the term four-power pact was used is disputed. I recall at the time, one of the files suggests that in fact Fraser never mentioned this in conversation, any part. There’s no transcript record of this – and there are pretty extensive transcripts, because they were leaked too. There’s another whole lot of leaks, that were accidentally leaked, which pretty well reveal everything that was discussed and there’s no mention of it there either. Nevertheless, it’s Peter Costigan who breaks the story and I believe Alan Renouf said at that time that the Prime Minister had discussed a possible four-power pact with Peter Costigan in advance

SPEED BOAT TO CHINA

MR FRASER has been decidedly more frank with China's leaders than he has been with the Australian people.

And more generous with our friendship than he had right or reason to be.

For his private thoughts in Peking, Chairman Fraser now has much to answer — at home.

Secrecy in foreign affairs is not new. What will shock many Australians is the speed with which the direction and emphasis of policy have been changed.

The main policy baggage Mr Fraser took to Peking was an obsession with Russian naval power.

He now agrees with China that a zone of peace in the Indian Ocean, while being a noble idea, has little chance of success.

But he has put Australia unmistakably in the Chinese camp against Russia.

There was no need to go so far in surrendering our healthy independence to one side of a big power struggle.

There was no need to be so scornful of American efforts to ease tensions with the Soviet Union, and so comforting to his Chinese hosts.

The disclosure of Mr Fraser's private comments in Peking may be his embarrassing bad luck.

Most Australians who still know who their friends are will find it a blessing.

The Sun
Sydney, June 24 1976

National Archives of Australia

of the visit, that he might raise that. So quite what happened, I don't know. We'd need to ask somebody perhaps who was there.

So I think the story of the leaks is a story about a struggle over a vision for – a strategic assessment about – where China and Australia are going.

John Fitzgerald

The upshot of it is, there were two major leaks. For one, Stephen FitzGerald and the embassy are blamed and Renouf's trying to have him fired; for the other Alan Renouf is blamed, the four-power pact. Which one is going to go for the leak? Leaks are leaks. This was actually

a struggle over a vision for China, a vision that said, 'This Russian-Chinese split is not going to last – it's just a struggle within the leadership. As soon as they're over it, they'll be great mates with Russia again. Australia should not be aligning so closely with China'. Or another vision which said, 'Actually, this is long-term. China wants to engage with us because it feels it's encircled by Japan and the US and Soviet Russia and that Australia can assist China in negotiating its way around this encirclement'. And it's Renouf who loses his position. So I think the story of the leaks is a story about a struggle over a vision for – a strategic assessment about – where China and Australia are going.

The Sun
Sydney, June 24 1976

National Archives of Australia



Carr: There are all sorts of pre-echoes here. You've got a Liberal Prime Minister who's settled on a foreign policy based on realism: let's put ideology aside and let's have a successful relationship with China. But here's a break with where we are now. Trade is not a big part of this. Trade hardly figures in it. It is, in a sense, a national security concern: let's work with China because the bigger threat – the big threat – is the Soviet Union.

Curran: He had a reputation in this period for giving quite alarmist speeches about the threat of Soviet communism, particularly in the Indian Ocean, and he feared that America didn't have sufficient will under the leadership of Jimmy Carter. As you mentioned before, he was a big critic of détente and he's reaching out to the Third World at the same time because he understands that is becoming a strategic battleground for US-Soviet rivalry and he gets this reputation – one journalist calls him kind of a 'raging Jeremiah of imminent doom' – and even talks with British Prime Minister Callahan in the late '70s and says, 'Look, I'm still fearful of American abandonment of Australia in the Asia-Pacific. Who will be there to protect us?'

His fears of the Soviet Union take on a more concrete form, obviously, with the Russian invasion of Afghanistan in '79 / '80 and then with the whole problem of the Moscow Olympics. And this is again where you see Fraser – there's almost a sense, I think, of vindication, because so much of his career has been warning about the inherent weakness in western democracies if they don't have sufficient will to meet the communist challenge. And he's constantly, as I said, talking about the danger of appeasement; he uses all the lessons of the 1930s to warn against what the Soviets are up to and then when the invasion happens, he says, 'This is exactly what I said would happen. The Russians' – as he says to Hua Guofeng in that transcript – 'remain Russians and over the years their activities have not changed very much'. So I still think it's, broadly speaking, this realist power politics. China can be used: 'the enemy of my enemy is my friend.'

China is the great imponderable and just because a country has a different philosophical or ideological background doesn't mean you can't have relationships with them.

Prime Minister Malcolm Fraser, 1976

That's really one of the key messages to come out of Fraser's visit. He talks about going to China 'to learn' in 1976; he says, 'China is the great imponderable and just because a country has a different philosophical or ideological background doesn't mean you can't have relationships with them'. So there is a kind of tentativeness there as well, I think.

Carr: Let's home in on the foreign reaction to what the Australian Prime Minister was up to in China. The leaks would have had Washington and, I suppose, London, full of speculation about the direction Fraser was taking and while he might have complained in years past about Washington's lack of consultation with Australia, none of this was happening with consultation with Washington, was it? It was an initiative by the Australian Prime Minister.

President Jimmy Carter,
Prime Minister Malcolm Fraser
and Minister for Foreign Affairs
Andrew Peacock
White House, September 1980
National Archives



Curran: No. In many ways some of the problems America had had with Gough Whitlam had prepared them for an Australian Prime Minister who was going to propose more independent postures from time to time and certainly Brent Scowcroft had briefed Gerald Ford to basically say, 'Look, we should expect this. Fraser is not going to return the Australian Government, the Liberal-Country Party Coalition, back to the kind of pre-Whitlam days'.

Nevertheless, the Americans and the British, broadly speaking, were saying, 'Fraser has departed from our kind of joint position on how to deal with the Chinese and that's not helpful because it shows that there may well be some kind of split in the western camp'.

So they didn't like it when Australia departed from an agreed US-UK position. And the British High Commissioner, Donald Tebbit, in Canberra in '76 – let me just read you his quote - this is after Fraser comes back from China: 'For so tough and hard-headed a man, Mr Fraser's response to his China exposure seems to be something of an emotional experience. However, it's based on my opinion on a somewhat similar assessment of the Russians to that held by the Chinese and by the realisation that in the longer run, it will make a great difference to Australia how Chinese influence in Southeast Asia and the Pacific is exercised'. Now that's the British reaction – well, one aspect of it.

Around the region, because Fraser in his conversations with the Chinese Premier had seen fit to offer commentary on Indonesian political stability, or lack of it, India's neutrality and what he thought of that, how NATO wasn't strong enough – it wasn't strong enough to stand up to the Soviet threat, the European community wasn't sufficiently cohesive – he did a tour d'horizon of the world, basically, and pointed out all the problems. So it created a flurry of diplomatic activity to try and repair some of the damage. And the press called it a kind of lone ranger style – the *Financial Review* said, 'This is Mr Fraser's lone ranger style of Australian foreign policy and he's just undone all the good work that has been done'. The press, I think, got a bit carried away and they tended to see in one leak – a leak's a leak, as John said – a kind of catastrophic view that Australian foreign policy's collapsed under the weight of one conversation, but nevertheless the visit created some diplomatic repercussions throughout the region.

... the visit created some diplomatic repercussions throughout the region.

James Curran

Carr: John?

Fitzgerald: In Southeast Asia there was some comfort derived from one commitment he secured from Hua Guofeng – that China would no longer conduct party-to-party relations with partners in the region. And that was very important. I think many in Foreign Affairs and possibly Prime Minister Fraser himself thought that was the key takeaway for international relations – that China had made a public

commitment no longer to support party-to-party ties. Now, given what had happened in Vietnam, that was very important, that China would conduct its relations throughout the region on a state-to-state basis. Why that matters is that throughout Southeast Asia there was some concern that the Chinese Communist Party operated through front organisations to promote state policy in a clandestine way. In effect it was saying we shan't be doing this – well, it wasn't saying we wouldn't do it clandestinely –

Carr: It won't be backing insurgents in Southeast Asia.

Fitzgerald: That's right, in effect.

Premier Zhao Ziyang
and Prime Minister
Malcolm Fraser
Beijing, August 1982

Hugh Alexander Dunn Papers
John Oxley Library
State Library of Queensland



Carr: I'm just looking at the summary of Fraser's China policy. The diplomatic flamboyance of the visit – you've made that case well. But look at what was to follow: there were a lot of good building blocks in Australia-China policy. In 1978, the Australia-China Council. An annual growth rate in trade of 12.3 percent – that was in from '77 to '84. Australia becomes China's fourth-biggest source of imports by 1980 – mainly wheat, but they opened up the sugar trade. A visit by China's Minister for Cultural Relations in 1981 and commitments made the next year on technical cooperation. Fraser's second visit in 1982 – it was only for two days, and he was struck with a terrible flu, but there was good diplomacy. For the first time, a western banquet was given in Beijing for the Chinese hierarchy and the Beijing diplomatic corps saw great symbolism in that, according to one report by an Australian journalist.

... China had made a public commitment no longer to support party-to-party ties.

John Fitzgerald

And he said something about the US and China over Taiwan. He said, 'I believe it would be a very serious matter indeed if there were a major falling out between China and the US. There are many interests that both countries do hold in common and a capacity to work together to promote peace and stability in the Pacific'. He handed over to the incoming Hawke Government in March 1983 a pretty robust Australia-China relationship. Do you agree, John?

Fitzgerald: I would. From the China visit in 1976 through to Hawke's accession to power in '83, trade had been progressively growing and under Prime Minister Fraser's leadership, state-to-state visits. The Zhao Ziyang visit, which was in '83, was very important in the trade relationship and helped to build with Prime Minister Hawke a new series of quite personal relationships, not only with Zhao Ziyang but with Hu Yaobang, and then a new vision, shall we say, for the Australia-China relationship, founded on mutuality of trading relationships, and some in this room played an important part in developing those relationships back then.

Carr: One of the big differences between China policy in our time and China policy then is a subject that interests you and in which you've done work and written a book, and that is the growth of the Chinese community in Australia, reflected in our audience tonight.

Fitzgerald: That's right. If we're reflecting back now on the Fraser years and the relationship, I think we have to be very conscious of one of the most marvellous and most impactful outcomes of the expanding relationship, the growth in the Chinese Australian community, which now approximates people of Chinese descent of about one million in this country, who are playing a critically important part in Australia's engagement not just with China but with Singapore, with Taiwan, with Hong Kong, with the states of Southeast Asia. And again, this wasn't anticipated in the report – in Fraser's visit. At that time the Department of Immigration did submit a paper for his consideration but it never made its way into discussion. It did say that Australia would welcome immigration from China as Australia was growing on a non-discriminatory basis. This needed to be pointed out, but it doesn't appear to have been pointed out as forcefully as it might. Nevertheless,

since then, alongside trade, one of the enormous benefits to Australia has been the growth of a highly skilled community contributing to Australia.

Carr: But what a difference: 30,000 Chinese-born Australians in Fraser's years, a million in this community today.

Fitzgerald: That's not just from China, of course. About half of that number comes from China. Now, interestingly, the Department of Foreign Affairs and Trade, in its most recent public diplomacy strategy, has declared a commitment to diaspora diplomacy in the region.

Fraser and China
Melbourne, August 2015
David White / ACRI



This is the first time Australia has made a commitment to engaging its communities in the relationships with the region and I think that marks a new step forward. And I would say, although Prime Minister Fraser hadn't anticipated it at that time in the visit to China, nevertheless, his position on boat people, on refugees, on opening Australia to broader Asian immigration – putting flesh on the bones of multiculturalism – has really enabled this to take place, following the expansion of relationships with China and the region.

Carr: I remember a conversation I had with him just after I became Foreign Minister. He flew up to Sydney. I think he was very eager to impress his view. And he said, 'Imagine Australia's position if America's involved in a land war with China and it loses and America

decides to vacate the region'. The fact that this idea was in his mind is really explained by the ground we've covered. In the late '60s, as Defence Minister, he was focused on the prospect that America might be leaving the region after the difficulty of conducting a land war in Asia. So this has been a theme and you're saying, pressing even further back into Fraser archaeology, it's related to his focus on the rise and fall of civilisation, the Toynbee view of human history.

Curran: Yes, I think this is very significant. To understand Fraser you have to understand Arnold Toynbee's view on challenge and response and how central that was to his analysis of world events. I think his views on the current strategic situation were, in many ways, formed out of a sense of disillusionment with what he subsequently learned about American policy in Vietnam, but also, more critically, about the direction of American foreign policy at the end of the Cold War and when America was the sole superpower and how it chose to use its position in the world. And that, in many ways, was probably more critical to Fraser coming to this view that Australia had to basically extricate itself from the alliance. He warned, essentially, of the dangers of ongoing integration between the Australian and US military and basically made the point that Australia is facing a situation where it might not practically be able to say 'No' in any kind of military contingency, because of this close integration.

Carr: Because we had a ship embedded in the American fleet in Japan.

Curran: ... in the American fleet. The commander of the Pacific Land Army. The base in Darwin. Pine Gap he believes is being used in a more aggressive way than it has in the past. His fundamental view is that American nationalism, what he calls American exceptionalism, has been warped in the post-'91 era. You remember George H W Bush saying in his 1991 State of the Union Address, 'By the grace of God America has won the Cold War'. Now, Fraser I think had a lot of time for the fact that H W Bush didn't go all the way into Baghdad in the First Gulf War but his big problem was the way in which America –

... China's position in the region has changed in a way that I don't think Fraser was prepared to concede.

John Fitzgerald

now this is getting into another tricky agreement – had supposedly promised that it would not expand or support the expansion of the EU or NATO further east than a reunified Germany and that this was the way that you handled the end of the Cold War: you don't gloat over the fragmentation of the great Soviet bear. This is a realist policy. You manage the transition that way. But his argument is that Bush, Clinton and beyond have betrayed those initial agreements.

Carr: What stands out for you, John, about the Malcolm Fraser we heard of in the last few years, in particular his book, which effectively advocated, or explicitly advocated, Australia getting out of its security agreement with the United States?

Fitzgerald: Whatever we might think of that, I think it's a great testament to history – training in history – for Australian political leaders. The Toynbee vision, I think, is a very important one. I'm not sure that all of our prime ministers have had a breadth and depth of vision that matched that.

But I do think the relationship has changed. I mean, China's position in the region has changed in a way that I don't think Fraser was prepared to concede. This obsession with the United States betraying its commitments is matched by a vision of a benign China which has never gone to war. You know that story. That's not actually how China's behaving at the present time – or occasionally. China has made its position quite clear on a number of issues, including the South China Sea. It's not going to surrender territorial claims to seven-eighths, more or less, of the South China Sea. There's evidence that it's building platforms in that area. China's extending its soft power through its Chinese communities abroad despite what might have been said way back in 1976 – 'We shan't conduct party-to-party relations'. Nevertheless, China sees its communities overseas as a force supporting China's foreign policies. We saw at the time of the Olympics in this country that the embassy was prepared to mobilise Chinese in Australia in ways that offended the Australian public around the right to protest. And this is a little bit concerning, I would have thought, and I'm not sure he's quite prepared to concede that the way China's behaving now isn't the behaviour of a benign power. That's not to say China's long-term behaviour won't be benign.

China's undergoing some significant transitions and challenges of its own. But I don't think he was prepared to face up to what China might become in the future. He was more concerned with the United States, where it had gone wrong.

Carr: What do the Americans think of a former Australian Prime Minister, a former coalition Prime Minister of Australia, talking so critically about their country and questioning – strongly criticising – the Australian security treaty with the US?

Curran: At the time of the Whitlam-Nixon fracas, there was a journalist at *The New York Times*, I think Anthony Lewis, who wrote about the Swedish and Australian criticism of Nixon. He talked about what he called the Americans' 'morbid oversensitivity'. Now, a couple of weeks ago the ANU released a report, *The ANZUS Alliance in an ascending Asia*, and one of the authors was Mike Green, who's a very prominent Asia expert – he used to be head of the National Security Council, Asia Policy, under George W Bush – a Japan expert. One of the things he spoke about was the concern in Washington at what they see as the danger of abandonment. That is, that Washington fears Australia will abandon it for China. He cited as examples of Washington's concern Malcolm Fraser's book *Dangerous Allies*, Paul Keating's remarks following Obama's 2011 speech to parliament in which he gave more substance to the pivot and announced the Darwin rotation. I think Malcolm Turnbull and Clive Palmer were quite critical – they were among the few parliamentarians who were critical of that move. So there is a sense, Mike Green said, that Washington is very sensitive and aware that Australia is one of the few countries in the region that is engaging in such, as he put it, strident criticism of American policy in Asia, and, as he put it, this kind of binary – I think he was being deliberately provocative, I'm sure he wouldn't mind me saying that – about where Australia goes. Does it go with its major economic partner or does it go with its strategic guarantor? It's not that simple and he knows that. But it was quite interesting to hear a senior American policymaker talk about the American fear of abandonment which has been such a strong theme in Australian policy from the late '60s.

President Barack Obama
addresses the
Australian Parliament
November 2011
AP Photo



The other thing I thought was interesting – and problematic – about Fraser’s book, *Dangerous Allies*, was that the history he drew on, his history of Australian foreign and defence policy, was in a sense pre-cooked to support his change of opinion on the United States and the alliance now and so what you got was a very kind of one-sided view that Australia had always been in lockstep with its great and powerful friends. And ironically enough, for a politician who stressed the national interest, at hardly any time in that book does he talk about instances where Australian governments of both political persuasions have had a different view to the Americans or the British about Australia’s distinctive Asia-Pacific-centred interests that have caused a great deal of tension between Australia and the British and the Americans at various times. But Malcolm Fraser’s history, as I say, was pre-cooked to support the argument to walk out on the alliance.

Carr: Well, that’s been a great survey of our subject. We’re honoured to have people here who were in the Fraser office when this history was being made and before I call on one of them to comment or question our panel, can I just draw your attention to this document, which I think you’ll find very useful as a summary. It’s been prepared by Hannah Bretherton of our staff, one of our scholars. It’s a very useful account and we’ll certainly get this with a tape of tonight’s discussion to Mrs Tamie Fraser.

Petro Georgiou, you were there, you were present during this.

Petro Georgiou: I just wanted to make a couple of observations. One: the 1976 speech and trade. I don't think it's an accurate characterisation to say there was nothing about trade in it. There was a whole dimension of that particular speech that was about North-South relations, which was a real issue with Fraser both in terms of North-South but also in terms of what he regarded as the victimisation of Australia by the EU. Two: on the issue of the Soviet Union, I think it's true to say that Malcolm was very concerned about the Soviet Union. His concern was, I think, primarily about the central strategic balance in Europe, not so much about the Indian Ocean. Three: the major focus on Malcolm's '76 speech and the major criticism was that he had been unduly harsh on the US, not the spin to China, but that he was demanding the US realise the limitations of détente, which they subsequently did, and that was his major focus. It was about détente, the military threat from the Soviet Union to Europe, and I think that those things need to be put into the balance. Who leaked what, why – there are always leaks.

... the major focus on Malcolm's '76 speech and the major criticism was that he had been unduly harsh on the US ...

Petro Georgiou

Curran: Would you agree, in that speech, Petro, he also said, when he talked about the United States, 'Our interests will not always be necessarily identical'.

Georgiou: Yes. Now you pick on another point. Malcolm Fraser, I think, while wanting a strong US, was throughout his prime ministership and through his history as a minister, always really autonomous of the US. There are any number of examples and even when someone like me said, 'You really didn't mean – you didn't mean to say that; you didn't understand that the CIA had been involved in Diem's¹ assassination', because I knew it when I was at high school, his point was quite legitimately rooted in the fact that he didn't understand the process whereby that decision had been made. And as I said, I actually spoke to him nicely about this and he had a very plausible explanation about what he hadn't understood at the time.

¹ Ngo Dinh Diem, President of South Vietnam

Carr: Thank you Petro. Another question or comment?

Philip Ayres: Thank you for organising this. I did a biography of Malcolm Fraser – it came out in 1987 and as part of that I talked to Gerald Ford in Rancho Mirage during his retirement and I asked him about the four-power pact idea. Fraser, after he visited China and Japan, then did go to Washington for talks with President Ford. And Ford told me that he thought Fraser’s four-power pact idea was narrow and although he didn’t use this word, I read him to imply that he thought it was irresponsible and that a power of the magnitude of the United States, faced with a power with the nuclear capacity of the Soviet Union couldn’t afford to look at the world in such simplistic terms – that he had negotiated with Brezhnev in talks in Vladivostok to reduce the nuclear arsenal of both sides and that as far as he was concerned, it was the responsibility of the President of the United States to balance the forces on all sides to America’s advantage, rather than ganging up in a ridiculous four-power pact. The other thing that I just wanted to mention is that in 1965 when Fraser was Minister for the Army, I think it was, he, on a visit to Indonesia, went out of his way to call on the head of the Chairman of the Communist Party of Indonesia, D N Aidit in Jakarta, at Aidit’s home.

President Gerald Ford and
Soviet General Secretary
Leonid Brezhnev sign a
Joint Communiqué following
talks on the limitation of
strategic offensive arms
Vladivostok, USSR
November 1974

Courtesy Gerald R. Ford Library



Aidit’s PKI was aligned with Moscow then and that indicates to me that even during that Cold War intensity and the Vietnam War heating up, Fraser was willing to go and sit with the head of the Indonesian

Communist Party to hear what he had to say. And I think that's interesting.

Carr: They're two terrific observations. Thank you Phil. Further questions and comments?

Jane Orton: I'd just like to point out that in the area of education, Malcolm Fraser was the first person, as Minister of Education, to commission a full-scale study of what Australian children were learning at school about Asia and it came out in '72. It's known as the *Auchmuty Report* and it's the first of a long line, alas. About every decade somebody decides to do another one of those, but he was actually already thinking and planning ahead for future generations.

Curran: Yes, I'm sure Philip's done this research because I used Philip's book – devoured Philip's book – when I was doing my PhD, which looked at prime ministers and their intellectual histories. One of the things I did was sit down and read in the files in the national archives as many of Fraser's essays at Oxford as I possibly could. He was greatly influenced by the philosopher Gilbert Ryle and in some of his early speeches in the parliament he talks about the need to focus on the humanities. One of his great concerns about the Cold War is that there is this kind of race driven by science and technology to get missiles and satellites, to put it bluntly, and he's greatly concerned as a young parliamentarian that this is going to come at the expense of 'learning to live together'. I think that's significant because when you look at the language of Australian leaders on engagement with Asia, Holt was the first to really break the mould of the prime ministerial pilgrimage and go to Asia first rather than London and Washington. But Holt – and this is quite understandable, it's not a criticism – is talking about the great change in Australia's outlook on the world. He says, 'Well, when I was thinking about Asia as a child, it was basically in terms of a postage stamp. You'd get these exotic postage stamps from Asia and that's all we knew about it'. And that's not surprising, given these leaders were

One of his great concerns about the Cold War is that there is this kind of race driven by science and technology to get missiles and satellites, to put it bluntly, and he's greatly concerned as a young parliamentarian that this is going to come at the expense of learning to live together.

James Curran

creatures of their culture; they'd grown up in a world where British-race patriotism defined them and where Asia and Asians were to be kept at arm's length. So it doesn't surprise me that he had that strong view.

Jane Orton: I just have to say that at Holt's funeral, Prince Charles and LBJ came to it and every other head of government was Asian.

Curran: Southeast Asian, yes.

Carr: I would like to invite our host tonight, John Denton, Partner and CEO of Corrs, to make the closing remarks of this function which he has so graciously hosted this evening

John Denton: Thanks very much, Bob. At Corrs, we aim to be the most globally connected law firm based in Australia. But to be connected, we want to be substantively connected and you can only have substantive connections if you're prepared to actually build genuine relationships. And frankly, you can only have genuine relationships if you're prepared to seek to understand that which forms the interest of the great political economies which comprise this region and more globally. We see the relationship we have with Bob at UTS ACRI as part of that – we see ourselves as a centre for civic discourse in this city, as we see ourselves as a centre for civic discourse in our Sydney office, in our Brisbane office and in our Perth office, but more importantly, we see ourselves as part of the great global discourses that take place, and I think we bring something to it – not just wonderful premises, but actually open minds and a genuine interest in what's going on. I think one of the promises of ACRI is that you will illuminate the relationship, and I think very quickly ACRI's been able to establish itself as an important intermediary in discussions about the Australia-China

relationship, and James and John, I think you've been able to contribute to that today. One of the most interesting observations you made on the way through, I think, panellists, was about the changing nature of the discourse which is emerging in the US on China, and James, you and I were talking about it briefly before, where I think

... I think there is a question now about the way in which the relationship is being framed as a peaceful rise, particularly given the focus taking place on economic interests.

John Denton

there is a question now about the way in which the relationship is being framed as a peaceful rise, particularly given the focus taking place on economic interests. What's interesting, when I hear what you say about Mike Green's comments about that sense of abandonment, is if you watch carefully the way the discourse is moving in Washington – of course, in Washington there's always this security optique on these sorts of relationships – you can see some of the language moving in the articles in *Foreign Affairs*, the discussions taking place in the Brookings Institute and elsewhere, which is starting to have a much harder edge and words like containment are being used. There is a shift that seems to be going on in political discourse and the optique in which this relationship is seen.



John Denton

David White / ACRI

The question that may emerge as that optique perhaps actually gets some solidity around it, is where does Australia sit and stand? At the moment our interest, of course, is we do not have to make a choice that is in our national interest, but it will be interesting to keep abreast of that and we can only do so with the kind of focused attention that Bob and your institution and the actual worthy attempts and continuing scholarship of people like you, James and John. Thanks very much for joining us tonight.

Carr: A reminder of a future function to be hosted here: the Premier of Victoria giving a keynote address on the Victoria-China relationship. We've got the details of that for you and we'd welcome you to be present at that very important occasion. Thanks for being with us tonight and thanks again to our two panellists.

THE PANELLISTS



Professor the Honourable Bob Carr is Director of the Australia-China Relations Institute at the University of Technology Sydney, a think tank focused on Australia-China relations. He was Australia's Minister for Foreign Affairs from March 2012 to September 2013. He is also the longest continuously serving Premier of New South Wales, holding office from 1995 to 2005.

Bob Carr is the author of *Thoughtlines* (2002), *What Australia Means to Me* (2003), *My Reading Life* (2008) and *Diary of a Foreign Minister* (2014).



Professor John Fitzgerald
Director, Asia-Pacific Centre for Social Impact & Philanthropy
Swinburne University of Technology

Professor John Fitzgerald is the Director of the Asia-Pacific Centre for Social Investment & Philanthropy at Swinburne University and Florence Williams Chair in the Centre for Social Impact. He also serves concurrently as President of the Australian Academy of the Humanities. Before joining Swinburne in 2013 John served five years as Representative of The Ford Foundation in Beijing where he directed the Foundation's China operations. Previously he was Head of the School of Social Sciences at La Trobe University and directed the International Centre of Excellence in Asia-Pacific Studies at the Australian National University. In Canberra he served as Chair of the Education Committee of the Australia-China Council of the Australian Department of Foreign Affairs and Trade, and as chair of the Committee for National and International Cooperation of the Australian Research Council. His most recent book, *Big White Lie: Chinese Australians in White Australia*, was awarded the Ernest Scott Prize for most distinguished work on Australian or New Zealand History by the Australian Historical Association in 2008 and was shortlisted for the Prime Minister's History Prize, Queensland Premier's Prize for Non-Fiction and NSW Premier's History Prize.



Associate Professor James Curran
Department of History, University of Sydney

Associate Professor James Curran teaches courses in Australian political culture and foreign policy and the history of America's relations with the world at the University of Sydney. He is also the University of Sydney's Deputy Pro-Dean for Teaching and Learning in the Faculty of Arts. In 2013 he was the Keith Cameron Professor of Australian History at University College Dublin, and in 2010 held the DFAT/ Fulbright Professional Scholarship in Australia-US Alliance Studies at Georgetown University in Washington DC. His most recent book *Unholy Fury: Nixon and Whitlam at War* (2015, Melbourne University Press), funded by the ARC Discovery Projects scheme, explores the history of the Australia-US Alliance in the age of Richard Nixon and Gough Whitlam. Prior to joining academia, he served in various roles in the Australian Public Service, including in the Prime Minister's Department and the Office of National Assessments.

MALCOLM FRASER'S CHINA POLICY 1975 – 1983: A TIMELINE

1975

- > May 30: six months before he took office, Fraser announced his desire to visit China¹
- > November 11: Fraser became Prime Minister following the dismissal of Gough Whitlam; Liberal-Country Party Coalition elected on December 13 with a resounding majority

1976

- > June: Fraser visits Japan (14 - 19), China (20 - 27) and Hong Kong (28 - 29)

Key events in China

- > January 8: death of Zhou Enlai
- > July 28: Tangshan earthquake
- > September 9: death of Mao Zedong
- > October 6: the Gang of Four (Jing Qing, Zhang Chunqiao, Yao Wenyuan, Wang Hongwen) arrested

1977

- > two-way exchange occurred between journalists of both countries

1978

- > Deng Xiaoping begins economic reforms
- > the Fraser Government established the Australia-China Council
- > between 1977 and 1984 trade with China grew from \$525.5 million to \$1.2 billion meaning the total trade over that period more than doubled – reflecting an annual growth rate of 12.3 percent²

¹ Alan Renouf, 1986, *Malcolm Fraser and Australian Foreign Policy*

² Australian Bureau of Statistics, *Trade Statistics, 1977-1984*

1980

- > April: the Fraser Cabinet decided on a full expansion of the relationship; this involved negotiating a protocol to the 1973 trade agreement, expanding credit through the Export Finance Insurance Corporation, establishing a development assistance programme, furthering exchanges in the fields of agriculture, health, the social sciences and humanities, setting up a regular series of official talks, and negotiating an expanded cultural agreement³
- > the first sister city agreements were signed between Australian states and Chinese provinces
- > an exchange of defence attachés was also agreed on, not as part of a 'defence relationship', but as 'part of the normal relationship with a friendly country in the region'⁴
- > May: Chinese Vice Premier Li Xiannian visited Australia; on May 11, the last day of Mr. Li's visit, Fraser said, 'Today, our developing relationship with China is rapidly moving us towards a relationship similar to that which we have established with Japan'
- > China became Australia's fifth largest export market and Australia became China's fourth biggest source of imports⁵
- > Australia's main export in 1980 was wheat, but during Li Xiannian's visit Fraser announced the largest ever block sale of Australian sugar to China; Australia was also the sole supplier of iron ore for the Baoshan steel plant, Shanghai⁶

1981

- > April: Huang Zhen, Chinese Minister for Cultural Relations with Foreign Countries, paid a visit to Australia during which the two governments signed the Agreement on Cultural Cooperation between China and Australia⁷

³ Fung, E. K 1986, Australia's Relations with China in the 1980s, *Australian Journal of Politics and History*, 32:2

⁴ Kent, A 2008, Australia-China Relations, 1966-1996: A critical overview, *Australian Journal of Politics and History*, 42:3

⁵ Fung, E. K 1986, Australia's Relations with China in the 1980s, *Australian Journal of Politics and History*, 32:2

⁶ Ibid

⁷ Ibid

- > Australia became China's first development assistance donor under the Programme of Technical Cooperation⁸
- > in 1980-1981 Australian exports were \$671million and two-way trade totalled \$941million⁹

1982

- > August 6: Fraser visited China for the second time as Prime Minister for two days¹⁰
- > Fraser met with Vice Chairman Deng Xiaoping, Premier Zhao Ziyang and Vice Premier Wan Li; on the agenda was creating a North-South Dialogue for developed countries to help developing countries; an agreement was made for a \$20 million Australian embassy in Beijing; also discussed was the turmoil in Cambodia and the role of ASEAN in the region; Fraser also took the opportunity to urge better relations between the US, China and Japan¹¹
- > Premier Zhao Ziyang accepted Fraser's invitation to visit Australia; he would be the first Chinese Premier to do so, in April 1983, but as a guest of the Hawke Government, a month after Fraser's Prime Ministership had ended¹²

1983

- > March 5: Bob Hawke wins the election

⁸ Ibid

⁹ *The Mercury*, 'A mission of value' August 3 1982

¹⁰ National Archives of Australia, Media Clippings, Fraser Overseas Visit to China, 1982

¹¹ Philip Ayres, 1987, *Malcolm Fraser*

¹² Ibid



THE EVOLUTION OF MALCOLM FRASER'S CHINA POLICY

by Hannah Bretherton

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FRASER AND THE WORLD SITUATION

On June 1 1976 Prime Minister Malcolm Fraser addressed the House of Representatives on 'Australia and the World Situation'. It was a seminal speech outlining the Fraser Government's foreign policy just 19 days prior to the Prime Minister's first overseas visit. The destination was not a usual choice for a conservative Australian Prime Minister.¹ Rather than Britain or the United States it was Japan and China that warranted Fraser's first ports-of-call. In deliberate symbolism, Fraser was shifting his attention to Asia, and in particular, to China.² In response to Prime Minister Fraser's speech, Opposition Leader Gough Whitlam stated, 'If we look back on the Prime Minister's statements on China we will see how sudden and remarkable his conversion to the cause of Sino-Australia friendship has been'.³ What Whitlam was referring to was 'one of the most intriguing aspects of the government's approach to foreign policy ... Mr. Fraser's apparent enthusiasm for closer relations with Peking'.⁴ It was a policy shift that rendered a sense of bipartisanship in Australia's relationship with China.

Recently reviewed documents from the National Archives of Australia (NAA) enlarge on this scarcely explored period of Australia's China policy. While there are studies that canvas the Fraser Government's foreign policy, none delve into this particular anomaly: the remarkable transformation of Malcolm Fraser's views on China. Alan Renouf, Head of the Department of Foreign Affairs from 1974 to 1977, wrote a useful timeline called *Malcolm Fraser and Australian Foreign Policy* in 1986.⁵ For the only book dedicated to Fraser's foreign policy to date, however, its focus on China and Asia more generally is limited. It features chapters on the Soviet Union, the US, Africa and the British Commonwealth, yet China is relegated to the section on 'Relations with other countries' along with Japan and ASEAN nations.

¹ Coral Bell, *Dependent Ally – a study in Australian Foreign Policy* (Melbourne, 1988) p.143

² Malcolm Fraser and Margaret Simons, *Malcolm Fraser – The Political Memoirs* (Melbourne, 2010)

³ Gough Whitlam, 'Question to Australia and the World Situation Speech', Commonwealth Parliamentary Debates (CPD), House of Representatives, 1 June 1976

⁴ Joseph Camilleri, 'Fraser's Foreign Policy – the first twelve months', *Current Affairs Bulletin*, January 1977

⁵ Alan Renouf, *Malcolm Fraser and Australian Foreign Policy* (Sydney, 1986)

Fraser and Simons' semi-autobiographical account mentions Fraser's first trip to China as Prime Minister and does not attempt to document his China policy in any depth⁶; Philip Ayres' biography has similar offerings.⁷ Fung and Mackerras⁸, Andrews⁹ and FitzGerald's¹⁰ respective works on Australia-China relations cover Fraser's era in a broader context. Camilleri¹¹ details Fraser's first year in government and both Ann Kent¹² and former Ambassador to China Garry Woodard¹³ provide general overviews of the bilateral relationship that include the Fraser years. The present study mines the most pertinent details from each to form a more focussed synthesis.

In most of these studies Fraser's statements on China are situated within a chronological assessment of his approach to foreign affairs; China is mentioned as a means of contextualising the international setting rather than featured on its own. A more specific, contemporary contribution to this topic is Curran's chapter in Reilly and Yuan's book *Australia and China at 40*.¹⁴ Curran provides an engaging and succinct chronicle of Fraser's policy reversal and this study aims to build on that. John Fitzgerald's RG Neale Lecture in 2007, reprinted with this paper, marked the release of archives relevant to this study. Fitzgerald's oration offered fresh insight into the auguries contained in submissions by Ambassador Stephen FitzGerald and his team during the 1970s as well as the details of events during Prime Minister Fraser's visit to China in 1976. It was during research on Fraser's China policy that the author requested some of these documents from the NAA to be examined and made publically available. The discovery of de-classified briefing notes enliven an understanding of just how significant Fraser's China progression was. This study consolidates the existing scholarship on Fraser's foreign policy to present a linear

⁶ Malcolm Fraser and Margaret Simons, *The Political Memoirs*

⁷ Philip Ayres, *Malcolm Fraser – a biography* (Melbourne, 1987)

⁸ Edmund S.K Fung and Colin Mackerras, *From Fear to Friendship – Australia's Policies towards the People's Republic of China, 1966-1982* (Queensland, 1985)

⁹ E.M Andrews, *Australia and China – the ambiguous relationship* (Melbourne, 1985)

¹⁰ Stephen FitzGerald, *China and the World* (Canberra, 1977)

¹¹ Camilleri, 'Fraser's Foreign Policy'

¹² Ann Kent, 'Australia-China Relations, 1966- 1996: A Critical Overview', *The Australian Journal of Politics and History*, Vol 42 No 3, (1996)

¹³ Garry Woodard, 'Relations between Australia and the People's Republic of China: An Individual Perspective', *The Australian Journal of Chinese Affairs*, No. 17 (Jan., 1987), pp. 143-152

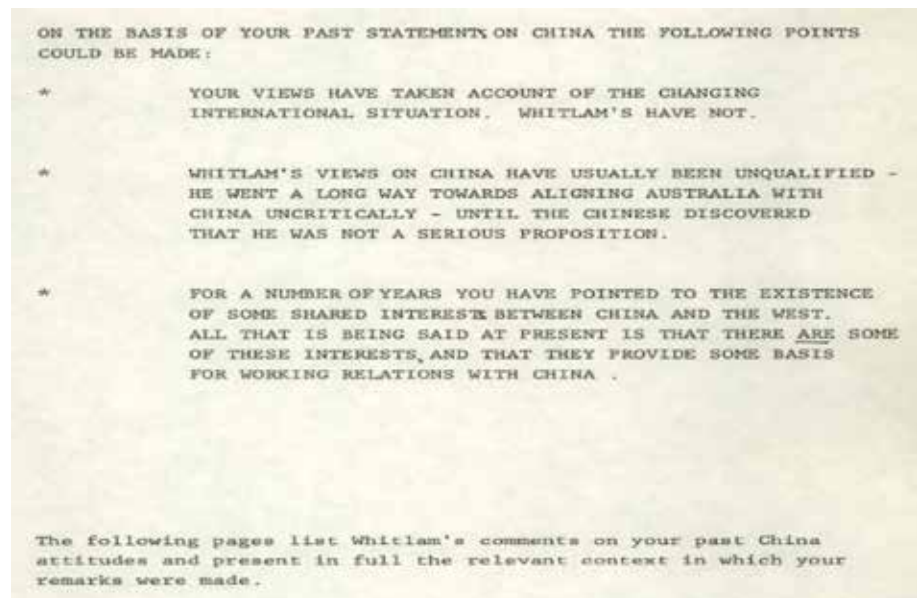
¹⁴ James Curran in James Reilly and Jingdong Yuan (eds), *Australia and China at 40*, (Sydney, 2012)

tale of his views on China and how they culminated into an effective China policy.

The archival documents from the NAA include briefing notes advising the Prime Minister on how he might justify his newfound approach to China. The notes were written on June 2 1976, the day after Fraser delivered his cardinal foreign policy speech outlining his new government's stance. They do not identify an author, but the tone and substance indicates that a staff member had been asked to construct a defence of Fraser's previous views on China. As Renouf pointed out, 'Fraser had a history of hostility to China' and the new Prime Minister's advisors would have recognised this.¹⁵ Thus the briefing was not just in reaction to accusations made by the Leader of the Opposition the previous night, it was also written to ward off any further criticism of inconsistencies in the Prime Minister's China policy.

The NAA documents outline three arguments that might have aided the Prime Minister in justifying his position [Figure 1]¹⁶.

Personal papers of
Prime Minister Fraser, China
[relates to official visit 1976],
Series Number M1276
National Archives of Australia



It is important to note that these notes put forth ideas that *could* explain Malcolm Fraser's previous views on China but these may or may not align with what actually underpinned his shift in stance.

¹⁵ Renouf, *Malcolm Fraser and Australian Foreign Policy*, p. 154

¹⁶ National Archives of Australia, Personal Papers of Prime Minister Fraser, China [relates to official visit 1976], Series Number M1276

Therefore this study seeks to analyse the meaning and implications of these points which serve as the basis of the structure of this article. The 'changing international situation' reflects Fraser's views of Taiwan and the impact of communist ideology in the context of the Cold War. The reference to Gough Whitlam 'aligning Australia with China uncritically' is unpacked by examining the Liberal Party's condemnation of the way Gough Whitlam undertook normalising relations with China in 1972. This article also explores the 'shared interests between China and the West' that Fraser capitalised on to strengthen Australia-China relations. By deconstructing these three points this study reveals the process by which Fraser arrived at a pragmatic position on China. It looks at the contributions the Fraser Government made to Australia-China relations and adds to the scholarship by offering a consolidated approach to events in the bilateral relationship during Fraser's tenure. Malcolm Fraser's transformation from ideological opponent to pragmatic supporter is a journey worth documenting in order to gain an understanding of Australia's relationship with China during the time of his leadership. To trace the evolution of his China policy, Malcolm Fraser's earliest remarks on China must be unearthed.

THE CHANGING INTERNATIONAL SITUATION

Malcolm Fraser's emphatic opposition to China is illustrated in his early statements as a young member of parliament. 'Today I want to talk about Red China' Fraser declared in a press statement in 1959. 'I don't think Australia would gain anything from recognition of Communist China', he argued.¹⁷ Fraser outlined the two major reasons the Liberal Party refused to normalise relations with Beijing (Peking). In part it was due to its two-Chinas policy of recognising Taiwan, as well as sensitivities about adversely affecting its alliance relationship with the United States.¹⁸ At this time Australia did not formally recognise the People's Republic of China (PRC) as a sovereign country. Chiang Kai-shek, the leader of the Republic of China (ROC)¹⁹ claimed sovereignty over all of China. The Liberal Party saw the PRC

¹⁷ Malcolm Fraser, 'Press Statement: Red China', September 27 1959, University of Melbourne Archives

¹⁸ Pitty offers a comprehensive assessment of the issues forestalling the Liberal Party's move towards recognition of China

¹⁹ During the 1950s and 1960s the ROC was often referred to as Formosa; it is now commonly known as Taiwan

and ROC as two separate countries – an approach that didn't suit either the government in Beijing or the leaders in Taipei.

Pitty stresses the importance of the Taiwan issue in the Liberal Party's China policy and this study shows that it was a recurring sticking point for Fraser.²⁰ In a press statement in 1961 Fraser again raised the issue saying that if China were to ignore the wishes of 10 million people in Formosa (Taiwan) it would be 'plain evidence to the whole world that the Chinese don't want peace'.²¹ As a young backbencher during the 1950s and 1960s – he was 25 years old when he was elected in 1955 – Fraser was remarkably outspoken on a number of foreign policy issues. His steadfast loyalty to the Liberal Party position on China is unsurprising, but noting this may help contextualise his early statements on that country. In contrast Gough Whitlam had been arguing since 1954 that Australia's stance on Formosa was 'not only unrealistic but menacing'.²² It was this attitude that allowed him to precede President Nixon in laying the groundwork for recognition of China in 1971.²³ The Liberal Party maintained a consistent policy on Taiwan in the 'international situation' and Fraser's statements reflect that he was not in a position to sway from it.

In 1959 Fraser spoke of another motivation for standing firm on non-recognition: that recognising China could mean a 'blow to the morale' of those fighting communism in Asia.²⁴ Like many in 'the West' at the time, Fraser believed that communism was a 'monolithic, worldwide and evil ideology'.²⁵ Maintaining staunch opposition to China was seen as an integral part of the Cold War. It was this justification during the 1960s that led to an atmosphere where 'threats to Australia's security were exaggerated beyond belief, especially with regards to

²⁰ Roderic Pitty, 'Way Behind in Following the USA over China: The Lack of any Liberal Tradition in Australian Foreign Policy, 1970-72', *Australian Journal of Politics and History*, Vol 51, No 3, 2005, pp. 440-450

²¹ Malcolm Fraser, 'Press Statement: Events at Home and Abroad', March 12 1961, University of Melbourne Archives

²² Graham Freudenberg, *A Certain Grandeur: Gough Whitlam in Politics*, (Melbourne 1977)

²³ Gough Whitlam travelled to China in 1971 as Leader of the Opposition. The purpose of his trip was to discuss the Labor Party's policy with Chinese leaders – a 'one China' policy that recognised the Government in Beijing as the sole leader of China, including Taiwan. It was this approach that enabled him to normalize Australia's relationship with China upon becoming Prime Minister in 1972.

²⁴ Fraser, 'Red China'

²⁵ Malcolm Fraser, *Dangerous Allies*, p.177 (Melbourne, 2014)

China'.²⁶ During this time Fraser's rhetorical assertions to this effect increased. In 1963 Fraser argued against the Labor Party's position that China need not be feared.²⁷ One year later after a visit to the US, Fraser posited that a war between China and America was a 'distinct possibility'.²⁸ In his early years in parliament Fraser showed signs that he supported a hard-line China policy.

Of course Fraser's statements cannot be isolated from the Liberal Party's trajectory towards involvement in the war in Vietnam: the fear of Communist China helped consolidate Australia's efforts in supporting the American position. In 1964, Attorney-General and Minister for External Affairs Garfield Barwick urged:

We must accept, I believe, for the present that China constitutes the greatest threat to the security of the region in which we live. Indeed, there is no other major threat at this time.²⁹

The same year Fraser continued to express concern through the prism of a domino theory arguing that the Vietnam War was part of China's strategy of ideological domination. In 1965 he said that if China 'wins in South Vietnam, she will never accept the possibility of some kind of co-existence between her Communist regime and the West'.³⁰ Fraser and his party believed that standing firm against China would help the US win the war in Vietnam.

In 1966 Fraser was made Minister for the Army and was less free to voice his foreign policy views.³¹ This position, along with his subsequent appointment as Minister for Defence in 1969, was complicated by the fact that public opinion against Australia's involvement in the Vietnam War was increasing.³² Protests in the United States and around the world were commonplace. It seemed that for many people around the world, ending the fight in Vietnam was more important than sustaining the war against China's supposed communist imperialism. As the first point in the briefing notes alludes, dynamics in the 'international

²⁶ Pitty, 'Way Behind', p.440

²⁷ Renouf, *Malcolm Fraser and Australian Foreign Policy*, p.41

²⁸ *Ibid* p.43

²⁹ Andrews, *Australia and China*, p.181

³⁰ Malcolm Fraser, Question: Vietnam Speech, [CPD, House, 6 May 1965]

³¹ Renouf, *Malcolm Fraser and Australian Foreign Policy*, p.43

³² Fraser and Simons, *the Politics Memoirs*, p.165

system' were changing. But towards the late 1960s it was still unclear whether or not Fraser took this into account as the briefing notes claim.

In August 1968 Labor frontbencher Jim Cairns pointed out during a budget debate in parliament that then-Prime Minister John Gorton was softening his stance on China. Cairns observed, 'We have recently gone through a period in which we have been taught to think in terms of the downward thrust of China towards Australia'. But Cairns believed there was an apparent shift in Liberal Party policy under Gorton: referring to a speech made by the Prime Minister a few days earlier, he noted, 'This is a new emphasis. There is no panic; there is no tension: there is no reference to yellow or red hordes ... I am gratified that Government spokesmen in their Party room are now saying what I've been saying here for five years'.³³ The debate proceeds with Liberal Party members denying this assertion. But in the late 1960s and early 1970s there undeniably was a shift in attitude with regards to the threat of Communist China within Australia.

On October 6 1970 a Gallup poll found 49 percent of Australians were in favour of recognising China with 35 percent opposed.³⁴ Despite the domestic landscape softening, Fraser's defence statement in 1970 remained firm:

The Chinese have been taught to see themselves as the sole repository of the true Communist doctrine and practice. China is developing a nuclear capability. She continues to give encouragement and support to revolutionary movements in neighbouring countries.³⁵

The speech reflected Fraser's tenacity in articulating his foreign policy vision, something he had consistently shown since he entered parliament in 1955. But in this case his anti-China sentiments could not be explained merely by towing the party line. In fact Fraser had flouted his colleague William McMahon's fury over this part of the speech. As Foreign Minister, McMahon argued that Fraser was impinging on his

³³ Jim Cairns, Appropriation Bil (No.1 968-969L: Second Reading, Budget Debate, (CPD, House, 29 August 1968)

³⁴ Andrews, *Australia and China*, p.203

³⁵ Malcolm Fraser, Strategic Setting, Ministerial Statement, (CPD, House, 10 March 1970)

portfolio and demanded he cut the entire first section on the state of the world. The 'fierce confrontation' that ensued between the two was to no avail and Fraser's ministerial statement remained intact.³⁶ Given that Fraser was already at odds with his Foreign Minister over statements on China, perhaps he could have seized the chance to slightly sway from his party and soften his China rhetoric. But despite the claim within the briefing notes that Fraser's views had taken the international situation into consideration it seemed that as late as 1970 he had not. The next section hypothesises one reason why this might have been so.

WHITLAM ALIGNING AUSTRALIA UNCRITICALLY

The second point in the briefing document argues that Gough Whitlam's views on China were 'unqualified' and that he 'went a long way towards aligning Australia with China uncritically'. This study shows that despite the changing international situation Fraser was still highly critical of China and the Liberal Party refused to move towards recognition. Perhaps the stubbornness of the Liberal Party was elicited by the need to play the opposition against Whitlam; figuratively when still in government and literally when it found itself up against a Labor Whitlam Government in 1972.

By 1971 international opinion on China had clearly changed. In October China was admitted to the United Nations.³⁷ A number of countries, including Canada and Italy, had normalized relations with China the previous year.³⁸ In fact the US had already signalled a possible change in stance even earlier by sending the Pakistani President to China as an emissary in 1969.³⁹ Despite this the Liberal Party missed the cues. It lacked the prescience to change its policy and Fraser was no exception. In August 1971 the Leader of the Opposition Gough Whitlam had just returned from his unorthodox trip to China. Fraser, who was then Minister for Education and Science, wasted no time in launching a political strike. He accused Whitlam of being 'a Chinese candidate for the next Australian elections' and claimed that the Opposition Leader had 'denigrated the Australia-United States alliance'.⁴⁰

³⁶ Fraser and Simons, *The Political Memoirs*, p.180

³⁷ Fung and Mackerras, *From Fear to Friendship*, p. 70

³⁸ Ibid

³⁹ Pitty, 'Way Behind', p.442

⁴⁰ Malcolm Fraser, Suspension of Standing Orders, International Affairs Speech, (CPD, House, 19 August 1971)

While Whitlam was in China so too was US Secretary of State and National Security Advisor Henry Kissinger, conducting secret talks on behalf of President Nixon. According to Renouf, the Liberal Party's vociferous contempt for Whitlam's China trip was a reaction to the embarrassment it suffered in failing to see that on China, the US was discreetly leading the way.⁴¹ Without any of the major political parties in Australia having knowledge of the US' plan, the Liberal Party saw Whitlam's bold initiative as 'aligning Australia uncritically'.

Therefore a closer look at Fraser's 1971 speech reveals that his inflammatory rhetoric may have simply been a political device for attacking the opposition. Fraser proclaimed that Whitlam was 'the Chinese advocate for the Chinese cause in Australia and around the world', that he had 'shown a total misunderstanding of world politics' and asserted 'the man is a disgrace to Australia'. Yet he also pointed out, 'We all want normal relationships with China but we do not want to be in a competition to get to Peking first at the price of friends and interests vital to Australia and other small countries'.⁴² Fraser argued that rather than conceding to China's wishes they should be used as bargaining chips for normalisation, stating,

The United States has a very clear weapon in its hand in trying to negotiate sensible solutions to some of the problems with China. If the waters are muddied, if the pass is sold long before the negotiations with the President and China begin in earnest, there will be no chance of that.⁴³

The essence of Fraser's argument was that the US and Australia needed to approach closer relations with China but he urged caution in doing so without any leverage. Following Kissinger's visit Fraser knew that the US was softening its stance on China and that it would therefore be in Australia's interests to follow suit. This suggests that perhaps the reason why he didn't immediately start issuing more friendly pronouncements is because he had to maintain resistance to Gough Whitlam's approach.

⁴¹ Renouf, *Malcolm Fraser and Australian Foreign Policy*, p.48

⁴² Malcolm Fraser (CPD, House, 19 August 1971)

⁴³ Malcolm Fraser (CPD, House, 19 August 1971)

Fraser's 1971 speech epitomised McMahon's foreign policy ethos – to hamper any proactive initiatives and replicate the US' stance on international affairs, or as Fraser put it, 'we are concerned to conduct foreign policy relationships with responsibility'. Fraser showed clear concern for upsetting Nixon's China plan and perhaps felt anxious that Whitlam was on track to do so: 'President Nixon is trying to bring China within the ambit of nations and to normalise relationships with China but at the same time preserving those other relationships, friendships and alliances'. The 'other relationships' may have been an allusion to Taiwan. Despite the attempt to advocate the US' interests however, 'the policy in Washington was being changed so quickly that Australia was struggling to keep pace'.⁴⁴ President Nixon was transforming the US' China policy in order to address its changing foreign policy interests: 'Nixon knew the only way to get out of Vietnam was to end the strategic competition with China, which had dragged America into the war in the first place'.⁴⁵ Beginning the process of normalisation between the US and China was also a tactical part of gaining strength in the Cold War; Sino-American cooperation would be a blow to the Soviet Union and that suited both the US and China's interests.

The Liberal Party had not yet had the time to process these changes and 'reassess its old fears about the 'red peril'.⁴⁶ Fraser's conclusion to the 1971 address shows no sign of relenting to a more open China policy:

The Leader of the Opposition has ignored China's support for revolutionary warfare; he has ignored China's blatant support and pursuit of nuclear policies; he has ignored the fact that China is building strategic military roads in Asia that could be used to invade Thailand through Laos or through Nepal and which could be used for invasions in other areas; he has ignored the basic interests of Korea, Japan, Taiwan, the Philippines, South East Asian countries and Australia.⁴⁷

⁴⁴ Curran, *Australia and China*, p.29

⁴⁵ Hugh White, 'Power Shift: Australia's Future between Washington and Beijing', *Quarterly Essay*, No 39, 2010, pp 110-118.

⁴⁶ Curran, *Australia and China*, p.29

⁴⁷ Malcolm Fraser (CPD, House, 19 August 1971)

The strength of this statement suggests more than just a denouncement of the opposing party's policies. It is clear that in 1971 Fraser's anti-China rhetoric was still in full-force.

The next time Fraser spoke in parliament on Australia-China relations he was a member of the Opposition. The Labor Party led by Gough Whitlam had won the federal election on December 2 1972. In February 1973 Fraser declared:

One would not quibble with the recognition of China. There was a mandate for that, but no mandate for the method and manner in which it was done - no mandate for doing it, without consultation with allies and friends to our north, in a way that was going to upset countries to our north.⁴⁸

Fraser now obviously had no problem with recognition of China but this statement illustrates his need to maintain opposition against the Whitlam Government's approach. Perhaps Fraser's preferred method would have somehow included Taiwan. Nonetheless it was a futile point as Whitlam had already resolved the Taiwan issue and if the Liberal Party had remained in power it would have been obliged to do the same. As Fung and Mackerras note, 'What is clear is that the ALP victory saved the Liberals the trouble of a climb-down before the Chinese on the question of Taiwan'.⁴⁹

As revealed in the NAA documents Fraser's charge that Whitlam was 'aligning Australia with China uncritically' was made mainly in regard to Taiwan and reflected the Liberal Party's reluctance to step out ahead of the US. After nearly two decades of resistance it seemed that Fraser was struggling to warm to Australia and China's flourishing relationship. On August 2 1973 he opined 'In recent years, many nations have made many concessions to China. Many, including Australia, have radically changed their policies but so far there has not been one concession from China'.⁵⁰ Two years later, as Leader of the Opposition, Fraser was beginning to yield as he announced his

⁴⁸ Malcolm Fraser (CPD, House, 28 February 1973)

⁴⁹ Fung and Mackerras, *From Fear to Friendship*, p.166

⁵⁰ Fung & Mackerras, *From Fear to Friendship*

desire to visit China.⁵¹ Six months later on November 11 1975 Malcolm Fraser became Prime Minister.

SHARED INTERESTS BETWEEN CHINA AND THE WEST

As Prime Minister, Malcolm Fraser capitalised on Australia and China's shared interests to pursue a pragmatic and productive bilateral relationship. Despite previous inclinations Fraser fervently pursued a strong relationship with China that 'went much further than the Labor Party'.⁵² What motivated this sensational transformation? The answer lay somewhat inconspicuously in Fraser's 1971 speech five years before – 'China's growing fear of the Soviet Union'.⁵³ As the briefing notes claim Fraser had 'for some years' recognised shared interests and this particular interest was to become a principle foundation of the relationship under Fraser's leadership.

Prime Minister Fraser's inaugural foreign policy speech on June 1 1976 openly articulated this position:

China is clearly concerned at the Soviet role on her northern and southern frontiers. Australia and China have a like interest in seeing that Soviet power in the Pacific and South East Asia is balanced by the power of other major states or by appropriate regional arrangements.⁵⁴

In stark contrast to his previous foreign policy statements Fraser's June 1 speech went on to praise and encourage Australia-China relations:

In moving towards a world in which peace is secure a vital part must be played by the People's Republic of China ... We look forward to a continuation of good working relationships with the Chinese Government both now and in the future.

⁵¹ Andrews, *Australia and China*, p.218

⁵² Andrews, *Australia and China*, p.220

⁵³ Malcolm Fraser (CPD, House, 19 August 1971)

⁵⁴ Malcolm Fraser (CPD, House 1 June 1976)

This evolution was noted by political commentators of the day. *The Australian* published a cartoon that was illustrative of Fraser's policy shift [Figure 2]⁵⁵ on June 22 1976:

Larry Pickering cartoon
The Australian, June 1976



Fraser's address, however, did align with previous thinking in that it portrayed a realist assessment of China:

In many respects China remains a great unknown in international affairs ... China's attitude and view of the world are often far removed from our own ... China continues to give support to insurgencies in South-East Asia. Australia does not support interference by great powers in the domestic affairs of smaller states.

He qualified this last observation with, 'Nevertheless, constructive relations do not depend on agreement on all aspects of relations but on the development of those areas where there are common interests'. Fraser now saw closer relations with China a necessary attribute of Australia's national interests. Far from eliciting fear of 'Red China' Fraser downplayed the role of ideology saying that 'It cannot be the guiding principle of our policy'. The threat of a Soviet victory in the Cold War was more than enough for Fraser to put his

⁵⁵ Cartoon by Larry Pickering, *The Australian*, 22 June 1976

China concerns aside. As for China, Fraser's distrust of détente and fear of Soviet aggression 'may well have made him in Peking's eyes the very model of an Australian Prime Minister'.⁵⁶ This sudden mutual affinity had the makings of a successful China policy under Malcolm Fraser's leadership.

FRASER IN CHINA

Malcolm Fraser visited China for the first time as Prime Minister between June 20 and June 27 1976. The visit marked the beginning of bipartisanship in Australia's relationship with China.⁵⁷ The warm welcome Mr and Mrs Fraser received from senior Chinese figures matched the zeal China had for closer relations with Australia. The shared interests that motivated this reception were made clear by the *People's Daily* report on the day of his arrival:

In contemporary world affairs, the Australian government is most concerned about the peace and security of the Asian and Pacific region. It has time and again exposed the global expansionist policies of Soviet social-imperialism; strongly denounced the naval expansion of the Soviet Union in the Indian and Pacific Oceans; and pointed out that the Soviet Union is the main threat to peace and security in this region.⁵⁸

Unsurprisingly this impression prompted an adverse response from the Soviet Union and its allies whose representatives in China publically boycotted Fraser's visit.⁵⁹ Yet as the days of the visit unfolded it became clear that the Soviet excuse an initial impetus to a relationship that was bound for prosperity under Fraser's guidance.

Fraser was building a personal rapport with his Chinese counterparts that afforded him uncommon privileges on his visit in 1976. The NAA documents reveal post-visit briefing notes written by then-Foreign Minister Andrew Peacock. Peacock observed that the length of talks Fraser had with Premier Hua Guofeng were much longer than usual at more than eight hours and 'The Chinese also departed from their usual procedures in showing a willingness as the discussions

⁵⁶ Coral Bell, *Dependent Ally*, p.144

⁵⁷ Woodard, *An individual perspective*, p.144

⁵⁸ Fung & Mackerras, *From Fear to Friendship*, p.202

⁵⁹ Ibid

proceeded to reply immediately to questions put to them without notice'.⁶⁰ Fraser was treated to private tours of strategically sensitive provinces and areas that had been shown to no other foreign head of government; 'The differences in treatment of Whitlam and Fraser suggest, if anything, preference for the latter'.⁶¹ The tone of this visit was in stark contrast to Fraser's mood in 1971 when he decried Whitlam as a 'Chinese candidate'.

Evidently one issue still weighed on Fraser's mind and by the fourth round of talks Fraser felt comfortable enough to broach the subject: China's support for Communist insurgencies in South East Asia. Premier Hua allowed Fraser to be the first foreign official to be privy to China's significant policy shift; 'party-to-party relations would not be allowed to impinge on or influence state-to-state relations in South East Asia'.⁶² Fraser's qualms seemed to have finally been allayed. Garry Woodard noted that reciprocally, China was charitable in receiving Fraser with the view that 'there were no matters left over from history'.⁶³ Both sides were able to begin the relationship free of prior perceptions.

The details of Fraser's trip to China in 1976 have been well-documented, including the leaked transcript of his first day of talks with Premier Hua and a false report that he proposed a 'Four Power Pact' between the US, Australia, China and Japan.⁶⁴ Two other points from that China trip should be remembered, however. First, Fraser recognised a change in strategic circumstances and his China policy reflected that. Second, Fraser was now Prime Minister; he was free to embark on a new foreign policy path independent of 'friends to the north' and that is what he did. Fraser's informal suggestion that 'one day China, Japan, the United States and Australia might have a defence arrangement' was made without prior consultation with the United States. As Curran notes such a thing would have been unthinkable a decade prior and it 'underlined the new sense of

⁶⁰ National Archives of Australia, Personal Papers of Prime Minister Fraser, China [relates to official visit 1976], Series Number M1276

⁶¹ Fung & Mackerras, *From Fear to Friendship*, p.201

⁶² National Archives of Australia, Personal Papers of Prime Minister Fraser, China [relates to official visit 1976], Series Number M1276

⁶³ Peter Edwards and David Goldsworthy, *Facing North: A Century of Australian Engagement with Asia*, volume 2 1970s to 2000, (Melbourne 2003), p. 141

⁶⁴ *Daily Telegraph*, 'Secret Pact story embarrasses PM', June 23 1976

confidence and assertiveness in Australian foreign policy'.⁶⁵ Stephen FitzGerald, Australia's first Ambassador to China who advised Fraser during his 1976 trip, recalls the great transformation experienced in the Liberal Party from 1972 to 1976; he thought at the time, 'If Whitlam had set out to sell a new idea of Asia, Fraser has it now in full measure'.⁶⁶ Fraser furthered elements of Whitlam's approach including an independent foreign policy. John Fitzgerald concurs, 'In light of Australian experience marching one step behind the Americans, Fraser was determined to keep ahead over his term in office'.⁶⁷ McMahon's lesson had been learnt.

AUSTRALIA'S CHINA POLICY 1975 – 1983

Fraser's successful 1976 visit exemplified the rest of his experience with China policy. During the visit Ambassador FitzGerald signed an agreement that brought a large cultural exhibition of Chinese archaeological finds to Australia. It was an unprecedented display of China's pre-revolutionary history and signalled the two countries' commitments to increasing mutual cultural understanding.⁶⁸ In 1977 two-way exchange occurred between journalists of both countries. In 1978 Fraser established the Australia-China Council. The same year a number of senior Australian ministers visited China including the Minister for Industry and Commerce, the Minister for Trade and the Deputy Prime Minister Doug Anthony. In return China's Minister for Foreign Trade visited Australia.

In 1980 just prior to Chinese Vice Premier Li Xiannian's visit to Australia the Fraser Cabinet embarked on strengthening the relationship. The Department of Foreign Affairs undertook a review to increase official communication. During Vice Premier Li's visit he and Fraser signed a bilateral agreement in science and technology, announced the largest ever block sale of Australian sugar to China and signed an agreement to exchange defence attachés. From 1980 the first sister city agreements were signed between Australian states and Chinese provinces.⁶⁹ In 1981 Australia became China's first development

⁶⁵ Curran, *Australia and China*, p.41

⁶⁶ Stephen FitzGerald, *Comrade Ambassador*, Melbourne, 2015 (forthcoming)

⁶⁷ John Fitzgerald, *Australia-China Relations 1976: Looking Forward*, speech delivered at the Department of Foreign Affairs and Trade on 2 August 2007

⁶⁸ Fung & Mackerras, *From Fear to Friendship*, p.214

⁶⁹ Ibid

assistance donor. China's Minister for Cultural Relations visited Australia in 1981, securing a cultural cooperation agreement.⁷⁰ During Fraser's term Australia and China's economic relationship increased significantly due to the strength of cooperation and China's economic reforms in 1978. Total trade between the two countries more than doubled.⁷¹

On August 6 1982 Fraser visited China for the second time as Prime Minister.⁷² Fraser met with Vice-Chairman Deng Xiaoping, Premier Zhao Ziyang and Vice-Premier Wan Li. An agreement was made for a \$20 million Australian Embassy to be built in Beijing. The Soviet Union was a topic of importance and Fraser told journalists that he was pleased China's views had not softened since his first visit. Less than two weeks later, however, General Secretary Hu Yaobang publically advocated for normalisation of relations between the Soviet Union and China.⁷³ On this second trip Premier Zhao Ziyang accepted Fraser's offer to be the first Chinese head of government to visit Australia. Premier Zhao did visit Australia but not until April 1983, one month after Fraser's term as Prime Minister had ended.

CONCLUSION: FRASER'S CHINA LEGACY

This study has contextualised Malcolm Fraser's views on China within the broader international setting. It has also considered the fact that the nature of his statements on China may have directly corresponded to his changing positions in parliament. As an outspoken backbencher during the Cold War when Western fears of Communism were at their peak, Fraser was clearly anti-China but he was also constrained by his party's position. As Opposition Leader to Prime Minister Gough Whitlam, who pioneered the Australia-China relationship through an unorthodox process, Fraser's role was to rebuke and admonish his actions. As Prime Minister, Fraser had the chance to take the relationship on a trajectory underpinned by what he saw as Australia's national interests. Fraser was free to explore a new position on China that would be mutually advantageous for the future of both countries.

⁷⁰ Kent, *Australia-China relations*, p. 368

⁷¹ Edmund S.K Fung, 'Australia's Relations with China in the 1980s', *Australian Journal of Politics and History*, Volume 32 No 2, (1986) p. 193

⁷² Andrews, *Australia and China*, p.225

⁷³ Fung & Mackerras, *From Fear to Friendship*, p. 252

As the NAA documents have shown Malcolm Fraser's China policy was the result of a profound metamorphosis from staunch ideological opponent to pragmatic supporter. In some sense it gives light to the remarkable shift in Australia during the 1950s and 60s in the way China was perceived until it was ultimately recognised in 1972. The normalisation of relations would not have happened without Gough Whitlam's astute interpretation of world affairs. Moreover the relationship would not have continued on such a positive trajectory of bipartisanship without the initiatives of Malcolm Fraser. As Fraser himself admitted in 2014,

From my first visit to China in 1976, I realised there were very significant differences between Chinese attitudes and the attitude of the Soviet Union; a difference that led to my belief that this was a China with whom the West could work. Unfortunately, I had previously accepted the general interpretation of communism in those years. I had believed that communism was an immense and oppressive force that was entirely dangerous.⁷⁴

It was his reassessment of international dynamics that allowed Fraser to admit to his shift in views.

This paper has traced the evolution of Malcolm Fraser's China policy. It was a transformation underpinned by three main issues. First, Fraser's views of communism during the Cold War impacted his approach to China. Second, Australia's reluctance to recognise China was due to its relationship with Taiwan and its alliance with the United States. Finally, Fraser's opposition to Whitlam's China policy impacted his own. The point that ultimately turned his attention to stronger relations between Australia and China was the Soviet Union. Prime Minister Fraser saw anti-Sovietism as a shared interest that would spark a growing, mutually beneficial relationship. Malcolm Fraser's dramatic policy shift exemplifies his ability to reassess and react to the changing nature of the international system. His government's successful China policy illustrates that prior perceptions do not need to impede contemporary ambitions. Fraser showed acumen rather than anachronism in pursuing Australia's interests in a dynamic and complex world. It is a story to be remembered in the history of the Australia-China relationship.

⁷⁴ Fraser, *Dangerous Allies*, p.118

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AUSTRALIA-CHINA RELATIONS 1976: LOOKING FORWARD

by Professor John Fitzgerald

RG Neale Lecture delivered at the Department of
Foreign Affairs and Trade on August 2 2007

In his inaugural RG Neale Lecture on the fall of Saigon, Dr Peter Edwards drew on the 1975 holdings of the National Archives of Australia to show how and why that year was a turning point for Australian foreign policy. The Foreign Affairs archives released this year show that 1976 was a turning point for China and a milestone in Australia's developing relationship with that country.

The year opened with a fantastic meteor shower over North China that was widely interpreted by peasant farmers as an augury of momentous changes in store. By mid-year, carp were leaping from their ornamental ponds and frogs were abandoning the marshes. These animal auguries prefigured the most damaging earthquake of modern times – the Tangshan earthquake – that struck North China in late July claiming between one-quarter and one-half million lives.

The auguries foreshadowed political changes in store for China as well. Early in the new year China's Premier Chou En-lai passed away, prompting the first spontaneous mass protest of the Communist era in Tiananmen Square. Rumours of Chairman Mao Tse-tung's ailing health prefigured an intense domestic power struggle that would follow his death in September, culminating in the fall of the Gang of Four in October. Taken together, these auguries spelled the end of the Cultural Revolution and the emergence of a new style of pragmatic leadership that would place modernisation and wealth creation above ideological purity. After 1976 China would never be the same again.

The recently released Department of Foreign Affairs archives for 1976 show Australian and Chinese officials busily searching for clues in newspaper editorials, in consultations with friendly powers and in casual meetings between their respective diplomatic representatives for signs of what lay in store for regional security, bilateral trade and the general health of the Australia–China relationship.

Dr Stephen FitzGerald and his able staff in the Peking embassy were eager to discover whether the new Government of Malcolm Fraser would take China seriously. To gain Fraser's attention, they composed a suite of diplomatic despatches that looked forward to the decades ahead, predicting with uncanny accuracy what lay in store for China to the year 2000.

In Canberra, Alan Renouf and his Department of Foreign Affairs searched for signs that China's fanatical opposition to the Soviet Union was anything more than a momentary consequence of domestic power struggles in Peking. For their part, Chinese officials pounced on signs that Prime Minister Fraser would adopt a more 'realistic' approach than the Whitlam Government toward the extension of Soviet naval power in the Western Pacific and Indian Oceans. And Fraser himself sought advice from his own quarter to prepare a State of the World statement that would frame a new strategic vision for Australia looking beyond the Vietnam debacle and establishing the foundations for a durable bilateral partnership with China.

Armed with his new strategic blueprint, Prime Minister Fraser visited China in June 1976 on arguably the most colourful and controversial official visit ever undertaken between the two countries. Looking forward, Fraser's strategic planning team, Renouf's Department and FitzGerald's embassy each offered compelling and sometimes competing visions of China's future and of the appropriate foundations for building a durable relationship between the two countries to the present day. The recently opened archives tell their story.

Turning to the archives, I should like to endorse Peter Edwards' appeal for historians to approach the archives not as an 'ammunition dump' in the history wars, but as a repository of material to be drawn upon in a never-ending conversation 'between the present and the past about the future.'¹ My purpose today might be phrased a little differently, as the start of a conversation with an able group of people for whom the future, seen from 1976, was to become the past we know today. Some were country analysts trying to make sense of the scattered pieces of a Chinese jigsaw puzzle without the aid of the picture on the box. Others were political actors who had a part to play in shaping the picture on the box. Predicting the past is no great feat; historians have it easy. The armchair judgements we make today compel respect for the judgements of those who looked toward a future that was yet unknown and in which they had a part in making.

AUGURIES

The first signs that officials in China and Australia were on the watch for auguries came within days of the election of the Fraser coalition government on 13 December 1975. On 16 December, China's Foreign Minister Ch'iao Kuan-hua accepted a long-standing invitation to dine with Australian Ambassador Dr Stephen FitzGerald in Peking.² FitzGerald immediately cabled Canberra requesting an urgent briefing from Foreign Minister Andrew Peacock on the new government's general foreign policy posture and its position on particular regional issues. FitzGerald was no less anxious to discover the answers to these questions than Foreign Minister Ch'iao Kuan-hua.

The response from Canberra on 18 December bore the unmistakable signature of the new administration. 'The Government will maintain the momentum of Australia's relations with China, based on a realistic assessment of the value of those relations to Australia's national interests,' the reply began, before proceeding to note that the government regarded the US alliance as the bedrock of Australian foreign policy and that it would work to encourage a strong and continuing US presence in the region in the conviction that this was a condition for regional stability. 'And,' the message added, it 'believes that China shares this view.' The previous government's support for non-aligned positions was (here the word 'incompatible' is crossed out and replaced with 'unsuited' on the handwritten draft) 'unsuited [to] Australia's alliance with the United States.' The cable ended with a statement of intention: 'For your own information the Prime Minister's current thinking is that his first overseas visit should be to China and Japan.'

On Christmas Eve, FitzGerald cabled a brief report back on his meeting over dinner with the Chinese Foreign Minister. Peking did indeed share the Australian Government's view. 'China and United States were in agreement that main threat to South East Asia was from USSR,' he reported. But Peking begged to differ from Washington's policy of détente in Europe. Ch'iao offered his personal judgement that the new Australian Government appeared to hold a 'realistic' view of Soviet intentions. He approved the Australian Government's support

for the development of a US base on Diego Garcia and 'was pleased to see Australia was going to take 'a more hard-headed' approach to the USSR.' Fraser, he informed the Ambassador, was welcome to visit Peking any time.

LOOKING FORWARD

By 1976 it was clear that China was on the move but not at all clear where the country was heading. That year, Sir John Crawford and Dr Saburo- O-kita presented a report to the Australian and Japanese Governments on the prospects for economic growth in the Western Pacific region. In regard to China they noted:

Even if China achieves very remarkable rates of income growth & trade growth she is likely to remain a relatively small factor in commerce alongside the established economic relations of the larger economies for some decades.³

Crawford's cautious judgement on China's future was shared by newspaper pundits and senior Treasury officials of the day.

With the benefit of hindsight we know that China went on to achieve unparalleled rates of growth over an unprecedented stretch of sustained development, which propelled it to the fourth largest economy in the world, by dollar value, and the second largest on purchasing price parity. In 1976 China was a poor country with a predominantly rural peasant society; since then 400 million people have been lifted out of poverty and almost half of its people now live in cities. In 1976 China accounted for one-hundredth of world merchandise trade by value; today it accounts for one-twelfth of a vastly expanded global trading system and for one-eighth of total world output. In 2006 China overtook the United States as a merchandise exporter.

Australia, needless to say, has benefited from China's growth. Today the People's Republic is Australia's second-largest trading partner after Japan. When trade with Hong Kong is factored in – Australia recognises Hong Kong as part of China in all but trade statistics – China ranks first ahead of Japan among all Australian trading partners.⁴

Very little of this could have been predicted based on the conventional wisdom of the day. One of the revelations of the 1976 archives is that not all contemporary observers were captives of conventional wisdom. In a prescient series of background papers completed between May and August 1976, Ambassador Stephen FitzGerald and the small staff at the Peking embassy attempted to draw the new government's attention to a radically different future for China and Australia. They envisaged China emerging within two or three decades as an economic dynamo that would transform Australia's relations with the country, the region and the world, more or less on the scale and pattern that we know today.

The first embassy despatch of the year covered Chinese domestic politics and prospects for Australia's relations with China to the year 2000. Its central conclusion was that 'the last quarter of this century will see the extension of dominant Chinese power and influence throughout the region.'⁵ The second despatch dealt with the emerging Chinese economy and its implications for Australian trade with China over the decades ahead. 'If it could be assumed that the Chinese economy and China's trade with Australia,' it began, 'were to expand in the last quarter of the 20th century in the way the Japanese economy and trade with Australia did in the third, by the year 2000 China would have a dominant role in the expansion of the Australian economy.'⁶ Putting a figure on its predictions, the paper anticipated that the Chinese economy could achieve 'annual growth in the vicinity of 10% over a period of 25 years,' leading to a ten-fold increase in GDP in real terms by the close of the century. This forecast was largely born out by events.

The despatch identified the assumptions underlying its economic forecasts, including the emergence of an efficient and development-oriented leadership in post-Mao China, capable of making significant ideological and institutional adjustments 'toward greater economic (and therefore political) flexibility' over the years ahead. It also anticipated the 'rediscovery' of the cultural roots and market dynamism that lay beneath the surface of the stagnant centrally planned economy. If these underlying assumptions were sound, it argued, 'there would be little question that the Chinese economy

would be a major influence in the world economy and particularly in the region of Asia and the Pacific.'

Mindful of possible sceptics back in Canberra, FitzGerald inserted a rhetorical question into the despatch: 'Is this in any way a real prospect?' The embassy's faith was based on one-on-one conversations with officials on the ground in Peking 'who believe it quite possible' that China would take off. They were based as well on the experience of Embassy Minister Reg Little, whose recent experiences in the Tokyo embassy had alerted him to the potential for economic growth in China on an emerging East Asian – or as he put it 'Confucian' – model. This was not much to go on.

A number of cables to Canberra had already stretched the limits of credibility. One cable from January that looked forward to the end of the century chose to dwell at length on the significance of the recent re-publication of Mao Tse-tung's poem 'Chingkanshan revisited,' in particular interpreting the line 'We can clasp the moon in the ninth heaven and seize turtles deep down in the five seas' as 'showing China its path for the next twenty years, during which the Chinese people must 'build our country into a modern and strong socialist country'.⁷ Other cables offered delicate ethical challenges. One drafted by Reg Little recommended that Australians should suspend preconceived judgements in their efforts to understand China, as the so-called 'objective standards' of morality thought to apply in the West were not objective at all. Little chose to underline 'the necessity for Australia to undertake the exploration of a system of moral and philosophical concepts which is unknown to and may even be hostile to common Australian conceptions of moral order.'⁸

If the cable-reading community back home – or in Tokyo or Jakarta – raised its collective eyebrows over copies of inward cablegrams from Peking, it was because the embassy was giving them little to go on, apart from summaries of casual conversations, poetry readings and occasional lectures in philosophy, in support of its case that China would develop at a pace 'even more rapid ... than that of Japan in the last quarter century.'

And yet the second despatch was both prescient and practical. It put forward a set of concrete recommendations that included the adoption of a more coordinated approach to China policy and strategy across the foreign affairs, trade and other portfolios; the creation of a regional multilateral institution to embrace China, Australia and other economies in the region; and a more direct government role in supporting private-sector trade with China. It ended with the observation that adjustments would be required on the Australian side to permit entry of Chinese manufactured exports on a scale to match Australian expectations of flexibility on the Chinese side.

In time each of these recommendations was implemented, including the merger of the Department of Foreign Affairs with the Department of Overseas Trade, the creation of APEC, the establishment and development of Austrade, and the gradual dismantling of import tariffs and other barriers to trade with China. The despatch anticipated a new bipartisan consensus that emerged over the decade that followed – a new conventional wisdom if you like – which held that Australia needed to make its own institutional adjustments and play a leading role in creating a new regional architecture if it were to take full advantage of China's growth to the year 2000.

Despite FitzGerald's efforts, the despatch received a resounding 'Hurrumph' back in the Department. Bold pencil lines can be seen scored into the copy held in the National Archives, particularly under statements challenging conventional wisdom, along with marginal comments capturing the impatience of senior Department officials. Alongside the claim that China could well show greater institutional flexibility over the years ahead, for example, one marginal comment reads: 'a measure of wishful thinking here!' For many months the Department failed to respond in writing to the despatch; it earned a reprimand on this account from Acting Secretary Peter Henderson following his tour of inspection of the post in November 1976. But Henderson himself was not persuaded by the style of argument outlined in the despatch. He pointedly advised the embassy to 'give more careful consideration to ensuring its own credibility with the Department and with the Embassy's readership generally. While they might think that China was the centre of the world, others did not necessarily share this view.' The general message conveyed from

Peking, Henderson wrote, was that 'the Chinese steamroller was approaching and we must all prepare ourselves mentally to lie down in front of it.'⁹ Reading the despatch today, it is difficult to construe the implication that the Peking embassy was suggesting anyone should lie down in front of anything. FitzGerald was and remains a die-hard Australian nationalist. He was nevertheless suggesting that people at home should sit up and take notice of a very big roller, largely overlooked, that was working up a good head of steam not far from Australia's shores.

The third despatch focused on culture and education, urging a 'disproportionate effort' to promote closer cultural, scientific and educational links with China.¹⁰ It noted that efforts to date had been woeful – 'we send annually to China fewer students than Britain, Canada or, for god's sake, Italy' – and recommended a number of targeted educational initiatives in Chinese language and culture, on the Australian side, and the promotion of Australian culture, education, science and technology in China to ensure that Australian society was more widely understood and appreciated. The despatch concluded with a recommendation to establish a 'government-funded and directed foundation' charged with supporting cultural, educational and scientific exchanges between Australia and China on the precedent of the recently established Australia–Japan Foundation. This recommendation was the genesis of the Australia–China Council, which was established two years later. Next year, 2008, marks the thirtieth anniversary of the Australia–China Council.

The embassy's fourth despatch of 1976 dealt with China and the Soviet Union.¹¹ This despatch was directed against another species of conventional wisdom in the Department, woven from two separate strands of intelligence analysis. First, the Department was of the view that in the post-Vietnam War order, the USSR was too powerful to antagonise and the United States too weak to rely on for Australia to do anything other than accommodate Soviet naval expansion in the Pacific and Indian Oceans. Second, the Department was generally of the view – strongly reinforced by briefings from the British Foreign Office¹² – that China's much-touted split with the USSR was unlikely to endure beyond the jockeying for position associated with Mao Tse-tung's illness and possible death. In the post-Mao order, Australia

could face a hostile China in league with an expanding Soviet Union. Hence the Department favoured an even-handed approach to China and Russia for fear that Australia would be left with little room to manoeuvre if it sided with China in its obsessive criticism of the Soviet Union.

Again, the Peking embassy begged to differ. The fourth despatch mounted a case for the 'durability of Sino-Soviet enmity' beyond the present regime crisis in China. All sides jockeying for power in Peking, it maintained, were likely to retain China's present strategic posture toward the Soviet Union because the two countries differed on the key issue of China's national sovereignty and equality. China was not prepared to submit to a doctrine of limited sovereignty. Hence where an 'even-handed' policy may once have been feasible, the durability of Sino-Soviet rivalry confronted Australia with difficult choices. Under these circumstances, the most appropriate Australian foreign policy response was the one the Fraser Government had already adopted on coming to office, namely its 'stated opposition to the expansionist policies of the Soviet Union.' The Fraser Government's position 'seems to put us on the Chinese side of the fence,' FitzGerald concluded, 'and that is where I think we ought to be.'

THE STATE OF THE WORLD

This fourth despatch extended a hook to a current policy debate then under way in Canberra surrounding the drafting of Prime Minister Fraser's State of the World speech. The first three despatches sat on the East Asia desk for some months before eliciting replies. The fourth was right on target. The State of the World paper generated an intense debate in defence and foreign policy circles over the months leading up to Fraser's presentation of the speech to the House of Representatives on 1 June.¹³ The fourth despatch spoke directly to this debate.

Fraser was sceptical of the foreign policy advice he was receiving from the Department of Foreign Affairs that remained, in his view, encumbered by the personnel appointments and the policy legacies of the Whitlam era, particularly in relation to détente in Europe and the accommodation of Soviet aspirations in the region. He turned instead

for advice to Sir Arthur Tange, Permanent Secretary of Defence, and to a small team of hand-picked advisers from within the Prime Minister's Office (including Dr David Kemp) and the Department of the Prime Minister and Cabinet (notably Alan Griffiths), with occasional reference to Ian Symington, who operated at the margins of the two offices. Fraser's team of advisers drew doctrinal support in turn from the work of Professor Owen Harries, who had published an article in *Orbis* in 1975 setting out the underlying principles of what was to become the Fraser foreign policy doctrine. He coined a term for his approach – 'enlightened realism' – which became a talisman of foreign and security policy under Fraser and of Andrew Peacock's international diplomacy.¹⁴ It tallied closely with Ambassador FitzGerald's visionary pragmatism.

By encouraging and directing this debate during his first months in office, Fraser took effective ownership of Australian foreign and security policy over his term as Prime Minister. In stamping his distinctive authority on Australian foreign policy he reserved a particular place for China. His 1 June speech supplied the context, rationale and strategic framework for the visit to China, which was scheduled to take place later in the month. In many respects China remained an enigma in international affairs, he told Parliament. It was incumbent on countries such as Australia to develop closer links with the country – 'despite ideological differences' – by focusing on areas 'where our interests overlap.'¹⁵ Fraser's insistence that enduring bilateral relations should be based on a realistic assessment of common interests established durable foundations for conservative government relations with China for decades to come.

The implications of Fraser's remarks before the House were spelled out more clearly on his official visit to China. At this point, the China relationship lacked an enduring foundation for the pragmatic development he envisaged as leading to a substantial bilateral relationship. As Fraser told a press conference at the Minzu Hotel in Peking, such a foundation had long underlain relations with Japan where there was 'tangible' complementarity of trade with Australia. In regard to China, however, 'there was [no] such tangible stepping stone we could work from in the development of our relations.'¹⁶ From the briefing papers prepared in advance of departure, Fraser was led

to believe that there was little likelihood of similar complementarity of trade developing between China and Australia. The brief on bilateral trade, for example, advised that China was unlikely to follow Japan in developing major industries dependent on imported raw materials, since China advocated self-reliance in contrast to Japan and was determined not to become dependent on large-scale resource imports.¹⁷

In light of this advice, Fraser had little option but to base the foundation for a realistic relationship on a common approach to strategic issues in the region rather than on apparently unrealistic prospects for trade and investment. 'Our immediate task this week,' he explained on arrival in Peking, '[is] to lay a foundation from which our future relations with China could develop in a practical and beneficial way.' From the start of the tour, the foundation for a practical and beneficial relationship was a convergence of national interests in relation to the expansion of Soviet power and the maintenance of US engagement in the Western Pacific.¹⁸

THE TOUR

The Prime Minister's China tour was forward looking in more ways than one. Fraser took advantage of his fiercely anti-Soviet reputation to request permission to visit sites linked to China's strategic weapons program. The embassy pressed on his behalf for access to militarily sensitive sites along China's border with the Soviet Union. In the end, the touring party was invited to visit Urumqi and surrounding areas in Xinjiang which, although not strategic weapons sites, were located in a border region rarely open to foreign visitors. The touring party also visited Taiyuan, where it was greeted by 500,000 workers and school children waving flags and flowers along the route of the cavalcade, before making a brief stopover in Canton and returning home through Hong Kong. The scenic highlight of the tour was a visit to the Tianshan Mountains and Tianchi Lake, 100 kilometres from Urumqi. The political highlight was China's public acknowledgment, for the first time, that it would give priority to state-to-state relations over party-to-party ones, in effect disowning armed liberation movements in South-East Asia.¹⁹

One highlight that did not eventuate, so to speak, was a proposed meeting with Party Chairman Mao Tse-tung, which was eventually ruled out on account of Mao's ill health. Documents surrounding the proposed Mao meeting nevertheless present several pertinent issues for historians. The archives include a remarkable and never before revealed account of New Zealand Prime Minister Robert Muldoon's conversation with Chairman Mao just weeks before Fraser's arrival, which was shared with the Australians as a matter of courtesy and for their consideration in the likelihood of Fraser's meeting with Mao. At the time, Ambassador FitzGerald described the transcript of Muldoon's meeting as 'of immense importance' for estimating 'Mao's present capacity to perform; it raises serious questions about his real involvement in recent and current Chinese politics and suggests that the end may be near.'²⁰ Today the document is of equal importance for historians of modern China who, I would predict, will form long ether-queues to log on and read the extraordinary transcript, available on the web pages of the National Archives. According to the transcript Muldoon's meeting with Mao lasted just 20 minutes and consisted of a dozen sentences on each side. Mao was 'not 'gaga'' but 'near death' all the same, it reported. The Chairman's words were more or less extracted from his throat by a nurse, who interpreted them into Mandarin, whereupon they were translated into reasonably fluent English. To observers in the New Zealand party, Mao's actual utterances seemed to consist of little more than grunts and groans.

A second historical highlight of the Mao omission, for historians, is the sequence of grunts and groans cabled between Canberra and Peking over who should be permitted to accompany the Prime Minister if a meeting with Mao were to be arranged. The fight for armchair space in the Chairman's book-lined study aggravated long-simmering grievances associated with Gough Whitlam's initial appointment of FitzGerald as Ambassador to China, three years earlier, over the heads of more senior and experienced career diplomats. When Whitlam visited China as Prime Minister in 1973, he had invited the Ambassador alone to accompany him to a meeting with Mao Tse-tung. Not even a note-taker was present at the meeting, which lasted over an hour, with the result that to this day the only record of the 1973 meeting between Whitlam and Mao is the account that Ambassador FitzGerald himself drafted and cabled after the event.²¹

Department Secretary Alan Renouf was determined that in 1976 there should be no recurrence of the earlier breach of protocol. On 2 May he cabled FitzGerald in Peking: 'There should not in my view be any repetition of the occurrence during the Whitlam visit that only you accompanied the Prime Minister.' FitzGerald cabled an immediate reply explaining that in 1973 Premier Chou En-lai had drawn Whitlam aside in the hope of restricting the number of people present at the meeting with Mao. 'There was, of course, no time to consult and Mr Whitlam made his own decision without any prior advice on a list of priority ...' Renouf and the Department were neither persuaded nor mollified that the earlier breach of protocol was Whitlam's rather than FitzGerald's. The Ambassador's old political connections and continuing political acuity were part of the problem.²²

Another forward-looking innovation of the tour was the embassy's attempt to introduce Australian cuisine to the Chinese hosts. The draft menu for the Prime Minister's banquet included kangaroo tail soup, rock oysters, crayfish tails, fresh fruit from home and Australian cheeses, in addition to Australian wine and beer. After the Razor Gang had done its work, only the request for Australian wine and beer appeared on the actual menu. Even so, acquiring sufficient quantities of Australian wine presented a problem. The embassy reported to Canberra that the entire stock of Australian wine in China and Hong Kong was insufficient to meet the anticipated demands of the touring party. The embassy showed particular concern for the journalists accompanying the tour, and in correspondence with Fraser's Press Secretary, David Barnett, noted that it would not be in a position to monitor the beer fridge on tour. Journalists were advised to bring their own supplies.

After consulting with the embassy in Tokyo, and once again with Hong Kong, the Peking embassy compiled a list of selected wines available in the region before submitting an order for 20 dozen each of Hardy's Nottage Hill Claret (Vintage 1974), Chateau Tahbilk Chablis (or Hardy's Old Castle Riesling), and Great Western Imperial Brut, along with 40 cartons of Victoria Bitter. For the Prime Minister crates of whisky were listed on the cargo manifest for the Air Force flight that transported the official party. From the cable traffic between Peking and Canberra, lamenting the low stocks of Australian wine and spirits

in the embassy cellar, we can reasonably conclude that the embassy had spotted an opportunity to build up its own stocks of Australian wine, beer and spirits for the long Peking winter that lay ahead.²³

LEAKS

Two days into the tour, Fraser's easy evening sessions with the Australian press entourage over whisky and cigars were thrown into confusion by the publication of two sensational stories. In the first case, the transcript of the opening day of talks between Prime Minister Fraser and Chinese Premier Hua Kuo-feng found their way into the hands of a resident foreign journalist. Two documents were prepared after the first day's talks: one a press release, the other a confidential transcript of the talks between the two leaders. Two sets of envelopes were prepared for the documents, one marked 'Press Secretary' for the confidential documents, the other marked 'Press' for the press release. When the Prime Minister's party opened the confidential envelope it found copies of the public press release. What was contained in the public 'Press' envelope? By then it was too late.

According to press reports (records of the Department's own internal inquiry do not appear to be listed among the released documents), the two sets of papers had been placed into the wrong envelopes. A junior member of the embassy staff had been entrusted with copies of the confidential transcripts wrongly labelled for distribution to the press, which was duly delivered to a pigeon hole in the Minzu Hotel where the press entourage was staying. There the envelope was collected and opened by Peter Harvey, of Channel 9, who on spotting the confidential stamp on the masthead honourably passed the document back to David Barnett's assistant without extracting a copy for himself. When Barnett's assistant put the envelope down to answer a telephone call an alert resident British journalist, Nigel Wade of the *Daily Telegraph*, extracted a copy before the assistant could retrieve it. 'And then he was off,' Alan Ramsey reported from Peking, 'and with him the best story of the entire tour.' In Australia the story was broken by the resident Fairfax correspondent in Peking, Yvonne Preston.²⁴ Two resident journalists – Nigel Wade and Yvonne Preston – had stolen a march on the 30-strong travelling press corps.

This may not have mattered but for Fraser's indiscretions in his meeting with Premier Hua. According to the leaked transcripts, he had undiplomatically highlighted problems affecting friendly third countries, including India, Indonesia and Malaysia. On Indonesia, for example, he remarked that there was 'a question mark' over the country 'because of the nature of the present regime.'²⁵ For his part, Premier Hua offered the telling remark that one of his favourite figures on the world stage was British Opposition Leader Margaret Thatcher – an admission that signalled to observant analysts where socialist China was likely to be heading under its new leadership.²⁶

Recently released Department files refer to the leaking of the transcript as an act of 'gross carelessness' that 'led to some embarrassment in our relations with Indonesia.'²⁷ As far as the Department was concerned, the person responsible for this act of gross carelessness was the local head of mission. Department Secretary Alan Renouf pointed the finger directly at Ambassador FitzGerald. 'The Embassy was responsible for what happened,' he later recorded in his memoirs. 'Such an error had never been made before by an Australian Embassy abroad. It was simply unthinkable.'²⁸ Renouf neglected to mention his own responsibility in turning down the Ambassador's repeated requests in advance of the visit to assign additional staff to Peking to ensure security during the Prime Minister's visit.

A second hare was set running by the Melbourne Herald on 22 June when Peter Costigan reported that Fraser had mooted a Four Power Pact in his confidential talks with Premier Hua.²⁹ Technically speaking, the report was not a leak at all as it appears to have been without foundation – certainly the transcript of the talks leaked the same day makes no reference to a Four Power Pact.

Nevertheless, the Prime Minister's punitive response to Costigan's article suggests that there was something to it. The accompanying press party reported home that Fraser suspected that a senior Foreign Affairs official was responsible for the story. The hapless Alan Renouf noted in his memoirs that 'members of the Australian press party confirmed to me that I was blamed for Costigan's story.' In August, shortly after the touring party returned to Canberra, Renouf was demoted from his position as Department Secretary. He later

claimed that the blame should have been sheeted home to Fraser himself for raising the prospect of a Four Power Pact in an off-the-record briefing with Peter Costigan before the tour got under way.³⁰

The Costigan story was a blessing in disguise for FitzGerald, who met and spoke freely with the press in defence of his Prime Minister's record and his position on the so-called Four Power Pact. The Ambassador's public intervention, Peter Bowers noted in the Sydney Morning Herald, was 'unusual for a serving diplomat.' The Ambassador was moved to speak out to help Fraser 'kill the controversy.'³¹ Alan Ramsey hinted obliquely at another plausible motive. 'One final point of some interest,' he wrote, 'Fraser arrived in Peking relying heavily on Peacock, Renouf and Menadue. By the time he left he was taking advice almost exclusively from Gough Whitlam's appointee, ambassador FitzGerald.'³² If the Ambassador was responsible for the 'gross act of negligence' in leaking the transcript, Fraser was uncharacteristically forgiving.

LOOKING BACKWARD

The Department's published Annual Report for 1976 began its chapter on China with the unexceptionable observation that 'the visit of the Prime Minister, Mr Fraser, to China from 20 to 27 June took Sino/Australian relations a stage further and was a development of major importance in Australia's foreign relations in 1976.'³³ More caustic reports depicted Fraser as a naive waif who had unwittingly stumbled into an ambush laid for him by the wily leadership in Peking and which was likely to spark a war unless he toned down his rhetoric. On 4 June, the Financial Review led with an editorial 'Come back home PM before you start a war.' Writing in the Melbourne Age, Michael Barnard remarked that Fraser's China trip 'has been downright embarrassing, in some ways disastrous.'³⁴

The most dyspeptic comments on the tour were probably those of the Jesuit priest, Father La Dany, who edited the pre-eminent China-watching journal of the day, China News Analysis. 'Fraser,' commented Father La Dany, '... talked to Hua Kuo-feng with Australian frankness' but without regard to the finer sensitivities of Australia's South-East Asian neighbours. As for the leaking of those remarks about third

countries, La Dany wrote, 'it would have been difficult to make a greater blunder.' On the Prime Minister's enthusiasm for his hosts, La Dany concluded that 'there is something in the air in Peking that only men of great determination can resist ... Peking has unique charm. The thoughtfulness and the apparent sincerity of receptions are disarming. Not till some time after he has left the country does the visitor regain his common sense.'³⁵

The most balanced contemporary retrospective on the visit was offered by Andrew Peacock in a speech to the Deepdene Branch of the Liberal Party on 9 August 1976:

In my view it is wrong and misleading to think of what has occurred as a 'break-through' or as a revolution in Australia's diplomatic relationships. What has happened is that a significant step – a second step – has been taken in Australia's relationship with a major power in our region. The first step was taken by the previous government in 1972 and it deserves credit for it. In our judgment the time was overdue for a further step and we intend to continue in this deliberate step-by-step fashion.³⁶

Peacock promised to expand Ministerial-level and diplomatic discussions with China. He was true to this word. From June 1976 to the end of the year, Australian embassies and high commissions from Belgium, Burma, Canada, France, Germany, The Hague, Japan, Laos, Malaysia, New Zealand, the Philippines, Thailand, Turkey, United Kingdom and Yugoslavia all cabled Canberra to report on their meetings with local Chinese counterparts at every post. The scale and intensity of Australian bilateral consultations with Chinese officials around the world, catalysed by Fraser's visit to China, were quite possibly without parallel or precedent in the history of China's diplomatic relations with other countries.

The Australia–China relationship, as Peacock predicted, developed in step-by-step fashion through the bipartisan approach of successive Australian prime ministers. Gough Whitlam, as Peacock conceded, broke the ice. Fraser established a foundation for sustainable ties based on common interests in regional security. Bob Hawke recognised the emerging potential for complementarity between China's expanding

demand for steel and energy and Australia's resource endowments. Paul Keating enhanced the bilateral relationship while introducing China to broader institution-building initiatives in the Asia-Pacific, particularly encouraging China's multilateral engagement through APEC. And John Howard has since highlighted a broad spectrum of shared national interests ranging from a common commitment to the 'war on terror,' to ensuring reliable supplies and markets for minerals and energy, to recognising a shared interest in the normalisation of China's position in the world trading system through entry into the World Trade Organization.

ISSUES

Before concluding I would like to touch on three issues that emerge, incidentally as it were, from the 1976 Foreign Affairs papers. One bears on Chinese Australians, another on the US alliance, and the third on public access to information.

CHINESE AUSTRALIANS

Among the embassy's 1976 despatches looking forward to the end of the twentieth century there is little indication of the profound transformation that Australia itself would undergo within two or three decades, driven for the most part not by governments but by flows of people and investment. The despatches were caught in a conventional wisdom of their own in assuming that Australia's engagement with China would involve an encounter between an established community of Australians on the one side – basically white Australians – in safari suits and frocks, and Chinese on the other, in Mao suits and slacks, with each side needing to learn about the other through government-initiated trade negotiations or cultural and educational exchanges in order to proceed with politics and business.

This is not quite how things turned out. In 1976 perhaps 30,000 to 40,000 Australians could plausibly claim Chinese descent. Today, according to the 2006 census, there are 670,000 Chinese Australians. Over the same period, government initiatives to promote the study of Chinese language and culture of the kind recommended by Stephen FitzGerald and his embassy staff – and led in no small measure by FitzGerald on his return to Australia – have drawn to a halt, particularly

over the past decade. Nevertheless, the most recent census data indicates that Chinese is the most widely spoken language after English in Australian households. In the middle of the nineteenth century, Chinese made up the third largest immigrant community (the second largest in Victoria), and Chinese was the second most widely spoken immigrant language. Through its dealings with China in the 1970s, Australia began a journey to recover part of its own history long ruptured by White Australia on the one side and Red China on the other.³⁷

At this point it is worth noting one document from 1976 that never found its way into embassy despatches or into the Prime Minister's speeches – a short briefing document prepared by the Immigration Department for inclusion in Fraser's speech notes for China. Australia is a young nation, the paper began, largely populated by immigrants. In the late nineteenth century, migrants from China made up the third largest national group in Australia, it continued, and they had made significant contributions to the country since that time. In so far as there was still a need to expand the Australian population, immigration would remain a key to Australia's future and would be encouraged on a 'selective but non-discriminatory' model.³⁸

Alongside this overlooked briefing paper we could usefully place the welcome speech for Fraser's party offered by Chinese Premier Hua Kuo-feng at the opening banquet in June 1976. It began on a lyrical note: 'Over one hundred years ago many Chinese working people crossed the vast ocean and settled on the beautiful and richly-endowed land of Australia, where they worked and lived together with the industrious and talented Australian people and sowed the seed of Sino-Australian friendship.'³⁹ With its Immigration Department brief, the Australian party was equipped to respond in kind. In fact Premier Hua's gesture was not reciprocated by the Australian Prime Minister in his speech in reply, nor in the formal address delivered at the farewell banquet toward the end of the tour, nor to the best of my knowledge by any Australian Prime Minister on tour since 1976. The invitation to acknowledge Australia's Chinese heritage has been extended in one form or another by every Chinese Premier since Chou En-lai first welcomed Prime Minister Gough Whitlam in 1973. To this day, the gesture has yet to be returned with graceful recognition and

grateful acknowledgment of the part played in Australian history and in contemporary Australian life by Australians of Chinese descent.

As a general rule Australian prime ministers do not shy away from offering nostalgic reflections on the homelands of Australia's immigrant communities in Britain, Greece, Italy or Ireland when they visit those countries. Bob Hawke in 1987, Paul Keating in 1993, and most recently John Howard in 2006, each made pointed and at times extended references to Australia's glorious Irish heritage while on official visits to Ireland, in the last two cases referring to their own Irish ancestry.⁴⁰

Australian prime ministers have made gestures toward Chinese Australians on Australian soil. In the Bicentenary addresses delivered throughout the country in 1988, Hawke formally acknowledged the contributions made by Australians of Chinese descent to Australian culture, society and national prosperity. And in a number of speeches delivered in Australia in 1997 and 2001 Prime Minister Howard recognised the 'enormous contribution' made by recent immigrants of Chinese descent to Australia's continuing prosperity.⁴¹ None has yet reciprocated the Chinese premiers' standing invitation to recognise on Chinese soil the contribution of Chinese Australians of an earlier era – those of White Australia.

US ALLIANCE

A second issue that surfaces in the 1976 papers is the difficulty of managing effective communications with Washington. The obligation felt by Australian governments of the time to consult with the Americans was not matched in the United States. One week before Fraser's planned visit to China, Ambassador FitzGerald cabled Canberra seeking advice on document-sharing with allied countries. The New Zealand Government had provided verbatim records of Prime Minister Robert Muldoon's talks with Mao Tse-tung. The British had recently passed on the records of Foreign Secretary Anthony Crosland's talks with the Chinese leadership. But the US Liaison Office had 'never given us records of any talks, although we have given them ours ... We suggest, therefore, that British and New Zealanders only be given full verbatim records of talks ... Could we say

to Americans ... that we are prepared to give or show them records only on the understanding that they will do the same for us. Grateful your advice.⁴²

To date I have not located a copy of Canberra's cabled advice but it appears from other cables that senior officials in the Department shared FitzGerald's concerns. When the embassy cabled a summary of talks between Thomas Gates of the US Liaison Office in Peking and Premier Hua Kuo-feng, it noted that Gates explicitly excluded sharing that part of the record touching on bilateral issues, and that he swore embassy staff to exclude from their report 'everything said by Gates himself.' A frustrated official in Canberra pencilled a pointed question in the margin of the cable: 'Why should we give the Americans more than this?'⁴³ Another cable from Peking in 1976, reporting on meetings between the US Congressional Armed Services Committee and Vice Premier Chang Chun-ch'iao and Foreign Minister Ch'iao Kuan-hua, noted more positively that the US official who briefed the embassy had 'shown us records of both meetings but has requested that we regard our knowledge of them as strictly for our own information.' In this case the marginal note reads 'This represents progress.'⁴⁴

The Prime Minister appears to have shared the Department's frustration. Four weeks after his return from China, Fraser visited the United States where he met with President Gerald Ford and Secretary of State Henry Kissinger, and conveyed a request from China that Washington should consider consulting a little more closely and frequently with Peking. Historian Philip Ayres has summarised their conversation: 'The Chinese, Fraser argued, clearly felt that they had not been adequately consulted and involved in Washington's discussions with other countries and particularly arrangements between the United States and the Soviet Union.' Fraser might well have been speaking of Australia. At a further meeting with Kissinger on the following day he again pressed China's claims for closer consultation, adding that US indifference towards potential partners in East Asia did not surprise him in view of its treatment of long-standing allies such as Australia. 'Even before 1972,' Ayres continues, 'it had been his personal view that the United States did not always consult Australia sufficiently, never giving her a policy input into the Vietnam War, for instance.'⁴⁵

In his comments to Kissinger, Fraser was touching on a raw nerve exposed over many years of cable traffic relating to Australia's relations with the United States as they bore on China. Washington's failure to inform or to consult with Canberra appears to be a recurring refrain in the diplomatic archives from the onset of the Cold War through to Fraser's visit to China. The problem for Australian decision-makers was that Australia needed to remain one step behind the Americans for the sake of the alliance, but was at grave risk of falling three or four steps behind in the absence of consultation.⁴⁶ The government of William McMahon famously failed to keep in step with the great leap in US China policy heralded by Kissinger's secret visit to Peking in July 1971. McMahon was deeply wounded to learn of the visit after the event at the moment he was lambasting Opposition Leader Gough Whitlam for visiting China.⁴⁷ He drafted a poignant letter to President Nixon (a stark reminder to Australian governments to this day) expressing regret at the President's failure to advise his closest friends and allies especially, as he mournfully put it, in view of the likely domestic political consequences for his government.⁴⁸

In light of Australian experience marching one step behind the Americans, Fraser was determined to keep ahead over his term in office, firstly in reconsidering China's place in the post-Vietnam regional order, and secondly in his damning indictment of the policy of détente. The US position on both issues was not consistent with Fraser's independent foreign policy assessment of Australia's national interests. Through his forthright comments on China and détente, Fraser reaffirmed Australia's standing as a robust ally and critical friend of the United States. His honesty and forthrightness did Australia no harm. He elicited a promise from President Ford to consult more closely with Australia in future and he earned the President's personal respect for his frankness and political acuity.⁴⁹ Equally important, to the extent that anti-American sentiment in Australia was fuelled by evidence of US indifference to a close ally, he did more than many of his peers to restore respect in Australia for the government of the United States.

PUBLIC ACCESS TO INFORMATION

Prime Minister Fraser was deeply embarrassed by the press leaks that plagued his visit. At the time they certainly spoiled a good public relations story. Seen in the light of the 1976 archives, however, they tell an inspirational story of press freedom and diversity that held lessons for China as well as Australia. Chinese officials were bewildered by the extraordinary range of responses in the press to Fraser's visit, and they were scandalised by the apparent indifference on the part of the Australian Government toward press criticism. The Fraser tour offered China one of its first official lessons in the operation of a free press.

On 7 July, shortly after the touring party had returned to Canberra, Chargé d'Affaires Chu Chi-chen buttonholed a pair of junior officers at a badminton reception held at the Chinese embassy. Mr Chu pressed them for an explanation of the critical press reports of Fraser's visit and refused to accept the officers' explanations that it was the 'character of the press in our society – to knock Government' and that this 'would happen regardless of the country visited.' Perhaps drawing on his personal experience of factional struggles in China, Mr Chu felt that there was more to this than met the eye, specifically that 'the press reflected a division in Australia – almost a struggle – about basic foreign policy approaches.' Two days later Garry Woodard filed a report on a further conversation with the Chargé d'Affaires. 'Mr Chu remarked that he found the press reaction 'a bit unexpected',' Woodard reported. The tone of reporting on the visit was not, as Mr Chu put it, 'very warm.' Was not the government 'very concerned' at the press reaction, Mr Chu asked. Woodard replied that the government 'was not very concerned' because it drew confidence from its own judgement that 'the visit was far and away a great success.'⁵⁰

We cannot as yet discover what lessons Mr Chu or the Chinese Foreign Ministry drew from these encounters as we do not have access to the archives of the Chinese Ministry of Foreign Affairs for 1976. While working on this project in the National Archives, I met up with a scholar from China who was making copious digital copies of foreign affairs, defence and security archives that were freely available under the 30-year rule. I wished him well. The Chinese Government

is increasingly recognising that transparency and accountability are indispensable foundations for stable government. The day – not far off – when Australian researchers gain access to the 30-year archives of the Foreign Ministry in Peking, our relationship will truly have been established on an equal footing.

CONCLUSION

I would like to end on a personal note. In December 1976, I arrived in Peking with my wife, Antonia Finnane, among the half-dozen students selected that year to study in China under the bilateral exchange agreement negotiated three years earlier. The climate shock was greater than the culture shock. We left Sydney on a summer's day touching 40 degrees Celsius and arrived at night in Peking where the temperature was hovering around -20 degrees Celsius. The darkness matched the cold. In 1976 few buildings were lit up at night, street lights were few and cars, trucks and buses manoeuvred slowly through the night without their headlights, presumably to save electricity.

Things improved in the spring. When the ice began to thaw in the new year, we cycled to the Ming Tombs, outside the city, where we parked our bikes, stretched our legs, and collected shards of fallen bricks and tiles lying about on the grass inscribed with the names of their donors in the seventeenth and eighteenth centuries, competing to decipher them. Sometime into the afternoon a distant glint of tile caught my eye and I trotted over to claim it for my collection. In fact it was not a glazed tile fragment at all, but the neck of an empty champagne bottle inscribed not in classical Chinese but with the words 'Great Western.' It was, as the Chinese saying goes, a pleasant surprise to find an old friend – an empty bottle of Great Western Brut – 10,000 li from home. Not until this year did I discover that this historical shard was a remnant of the 60 dozen bottles of Australian wine secured for the touring party accompanying the great Western District visitor who had passed this way a few months before.

Late in October, long after the Prime Minister had returned home but some time before the snow set in, the Australian embassy staff staged a farewell picnic for Stephen FitzGerald at the Ming Tombs.

The cables to David Barnett's office had worked their magic: the embassy had indeed overestimated the quantity of wine needed to support the Prime Minister's touring party with the result that a handy surplus of Great Western Brut, Hardy's Nottage Hill Claret (Vintage 1974) and Chateau Tahbilk were reserved for occasions such as this. That particular bottle's place in history could only be revealed through detailed exploration, folio by folio, of the 1976 archives of the Department of Foreign Affairs. I commend them to you.

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AUSTRALIA-CHINA RELATIONS INSTITUTE (ACRI) AT UTS

In 2014, the University of Technology Sydney established the Australia-China Relations Institute (UTS:ACRI) as a think tank to illuminate the Australia-China relationship. Chinese studies centres exist in other universities. ACRI, however, is the first think tank devoted to the study of the relationship of these two countries. The Prime Minister who opened diplomatic relations with China, Gough Whitlam, wrote in 1973: 'We seek a relationship with China based on friendship, cooperation and mutual trust, comparable with that which we have, or seek, with other major powers.' This spirit was captured by the 2014 commitments by both countries to a Comprehensive Strategic Partnership and the 2015 signing of a Free Trade Agreement.

ACRI is led by Professor Bob Carr, ACRI Director and Professor of International Relations. Professor Carr is a former Australian Foreign Minister and the longest continuously serving Premier of NSW.

ACRI's Deputy Director is Dr James Laurenceson. Dr Laurenceson has previously held appointments at the University of Queensland, Shandong University (China) and Shimonoseki City University (Japan).

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