FOREIGN POLICY

International Development Assistance Policy

INTRODUCTION

This statement sets out the basis of a realistic and enlightened foreign policy for Australia under the next Liberal and National Country Party Government.

It is enlightened in that it recognises it is self-defeating for a country to interpret its interests in narrow, short-term, and purely materialistic terms; that the interdependence of countries requires that those who wish the international system to survive must contribute energetically to the solution of the global problems which are the source of many current conflicts; that there must be acceptance of adaptation to change; and that co-operation and magnanimity on the part of the more fortunately placed countries like Australia are not a matter of charity, altruism or wishful idealism, but represent necessary measures for our own well-being.

It is realistic in that it recognises and takes into account certain fundamental characteristics of international politics: that power is still the main arbiter in international affairs; that nation states normally give priority to what they conceive as their own interests; that they do so, not because they are evil, but because there is no one else who can be depended upon to safeguard those interests; that alliances and friendships must be based on some community of interest if they are to be viable; and that the balance of power will not be outdated as long as these conditions prevail.

To recognise these facts is not to approve of them; but not to recognise them is irresponsible.

STRATEGIC ENVIRONMENT

The Liberal and National Country Parties believe there is an urgent need to reassert a proposition so basic that it could normally be taken for granted. That is, that the first and fundamental purpose of Australian foreign policy should be, not to further a mere image, not to be "well regarded" at all costs, not to advance some minority ideology, and not to build up some personal reputation — but to ensure the security and integrity of Australia.

We say this because:

- Conflicts and threats are inherent in a world of sovereign States;
- Such conflicts can appear and assume critical importance very quickly and without much warning;
- As it enters the last quarter of the twentieth century the international system is under serious strain with the combination of problems represented by the energy crisis, the growing disparity between rich and poor, chronic food shortages in parts of the world, population growth, inflation, recession and nuclear proliferation, threatening to strain it to the utmost and to produce very volatile conditions;
- Regionally, in the aftermath of the Vietnam war, South-East Asia seems set to become a major theatre for the working out of Sino-Soviet rivalry.

In these circumstances it would be foolish and irresponsible for the Government of a resource-rich and sparsely populated country like Australia to be complacent about its security, and to neglect attending to the political and defence measures which will minimise the risk of direct threats to it emerging.

We recognise this stress on security will be unpalatable to some, and will elicit familiar charges of being "threat-obsessed", "militaristic", or "backward-looking". Such charges are nonsense.

We are not saying Australia is faced with an immediate and direct military threat. The facile demand to "identify the threat", whenever the question of security is raised, has been one of the more mindless aspects of foreign policy discussion in this country in recent years. (Ten years before World War II, who could have identified the threats which were soon to shake the world?)
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Security is not the only concern of foreign policy. Nor is security to be achieved exclusively or predominantly through military efforts. We will work to strengthen security through trade and aid, through support of measures to strengthen international co-operation and institutions and through support of steps to resolve disputes between sovereign States peacefully. These concerns will form the kernel of Australia's foreign policy. But a foreign policy which neglects security is no foreign policy at all.

Basic Principles

Against this background the Liberal and National Country Parties advance these basic principles for the shaping and conduct of Australia's foreign policy:

1. Australia must become more self-reliant. We must develop our own resources - political, economic and defence resources - more rapidly than we have been doing. This will give our foreign policy a foundation which will make us more effective both in protecting our own immediate interests and in contributing as a member of the international community.

2. Australia's primary relationships must be with countries whose interests are compatible with and complementary to our own. In general terms this means those countries within our region which are concerned to keep it stable and free from outside domination, and the industrially developed democracies of the world. It is by developing and maintaining firm friendships with such countries that Australia's interests will best be served. This in no way precludes friendly and co-operative relationships with all other countries which are prepared to reciprocate.

3. Our interests, principles and good fortune combine in pointing to the need for Australia to contribute actively and imaginatively to the solution of the global problems which are at present putting the whole system of international relations at risk by threatening chaos and chronic instability. Our contribution must both recognise the aspirations and difficulties of other countries and take into account what is practicable and viable. Our aid, trade and investment policies must be shaped with these urgent problems very much in mind.

4. In making choices, whether they be clear cut or between lesser and greater evils (and the latter are often the only real choices in international politics), our decisions should reflect a commitment to freedom, justice and the rule of law. However opportune it may seem, our long-term interests and our values require that we resist compromise on such matters as the condoning of terrorism, the legitimisation of oppression, or uninvited interference in the domestic affairs of other States.

5. Australia's foreign policy should reflect a realistic sense of the limitations imposed by both the extent of our power and the nature of our interests. The scope of our activities and the level of our rhetoric should be related to what our power can sustain and what our interests require.

Key Policy Areas

South-East Asia

Hopes that in the aftermath of the Vietnam war this region will enjoy a period of "benign neglect" on the part of the great powers seem ill-founded. The indications are otherwise. While the Australian presence is being scaled down, the competition between China and the Soviet Union for influence in the region is increasing significantly. At the same time, a formidable reservoir of military equipment and manpower gives the North Vietnamese a quasi-great power status in the region. The unstable relationship between these three powers is certain to have an important effect on regional affairs in the near future.

This being so, while we understand the thinking behind the proposal for a neutral zone, we do not consider it can ensure peace and stability in present circumstances. It is more realistic to accept that there is and will be great power involvement in the region and to concentrate on ensuring it is as limited as possible, and compatible with the interests of the local States.

To this end we will:

- Work to maintain a political balance among the powers by using our influence to prevent any one power becoming dominant.
- Assist the countries of the region to attain and retain conditions of internal stability which will minimise the possibility or justification of interference in their internal affairs.
- Continue to encourage the aspirations of ASEAN, an association comprising Indonesia, Malaysia, Singapore, Thailand and the Philippines. We regard it as a major factor contributing towards the future political stability of the region, and with the potential to achieve greater regional cooperation in South-East Asia.

We believe that an important opportunity to develop and demonstrate the effectiveness of ASEAN as an organisation capable of united action to keep its own regional house in order has been missed during the Timor crisis. An Australian Government seriously committed to regionalism would have encouraged and supported such an initiative rather than attempted to foist all responsibility on to the distant colonialist power.

The Liberal and National Country Parties will place emphasis on Australia's aid programs to the ASEAN members being coordinated where practicable through the Secretariat to be based in Jakarta, with the objective of enabling all members to advance their individual and cooperative economic capacity.

The Liberal and National Country Parties will assist in the implementation of a regional development strategy to enable both ASEAN and the members of the South Pacific Forum to coordinate their economic and social development, so that the limited resources and expertise available to the region would be used to the maximum benefit.

Indian Ocean

This is both an area of great general strategic importance - which the reopening of the Suez Canal has served to emphasise - and one which is crossed by vital Australian trade routes.

The Liberal and National Country Parties while understanding the thinking behind the proposal for making the Indian Ocean a neutral zone, nevertheless recognise that the Soviet move into it has been steady and significant and we see little hope of that country being prepared to surrender unilaterally the advantage it has gained.

We therefore believe that:

- In present and foreseeable circumstances there is a need for a balance of super-power naval forces in the region at the lowest practicable level.
- Such a balance may, in fact, be an essential pre-requisite for an eventual neutralisation. For this reason, we support the extension of communication and naval facilities at Diego Garcia. We see no merit in Labor's policy which seeks to avoid escalation only by conceding superiority to the Soviet Union.

Australia should work to strengthen its relationships with
littoral States and with those within the Ocean itself which share its interest in preventing the Ocean being dominated by either of the super powers.

Global Problems

Australia's greatest test of statesmanship in foreign policy is presented by those issues of global dimension which have already been emphasised. These include the food crisis; the energy crisis; the population explosion; the widening gap between poor and rich countries; inflation; the recession in world trade; and the growing danger of nuclear proliferation.

Individually and collectively these problems are subjecting the international system to severe strain and are the source of many growing tensions. Some of them present particularly serious challenges for a country like Australia, which is rich in minerals, energy and foodstuffs, which lives by trade, but which is under-populated.

At the same time we have much to contribute, in human and material terms, to the solution of these problems. The Liberal and National Country Parties believe that an enlightened and far-sighted application of Australia’s interests requires that:

- Australia, along with other fortunately placed nations, be prepared to subordinate some short-term economic advantages to the overriding advantage of creating and maintaining a viable international order.
- Our resources, trade and investment policies should not be considered in isolation or in purely economic terms, but be integrated into our general policy on these issues and reflect our wider concern with their resolution.
- We recognise that one of the most serious dangers these issue issues present is a polarisation of, and the hardening of an adversarial relationship between, the industrially developed democracies and the Third World. Such a development is in the interest of neither. As a country which is both an industrially developed democracy and resource-rich, Australia is in a position to contribute significantly to avoiding this danger.
- We must work both to reconcile the developed countries to the need for change, and to convince the developing countries that such changes will be more effective if they are orderly, realistic and based on consultation and cooperation.
- The reinforcing of illusions and prejudices will benefit no one.

(See International Development Assistance Policy)

The United States Alliance

The Liberal and National Country Parties make no apologies for continuing to regard the alliance with the United States – ANZUS – as being of major importance in our foreign policy.

While it has experienced some difficulties and setbacks in recent years, the United States is still the most powerful democracy in the world and still by far the greatest economic force. Without its full commitment and participation most of the problems which face the world must remain insoluble.

Within the Asian and Pacific regions we recognise, as indeed Peking recognises, that a continuing and significant American presence is a condition for a stable balance. We shall work to encourage and support such a presence.

We regard greater self-reliance not as a substitute for the American alliance, but as a means of making it more effective and more adaptable to changing circumstances.

We see in our American alliance not only an instrument to make Australia more secure, but one which – joining as it does two of the democracies richest in resources – can contribute significantly to the solution of global problems, and we shall be concerned to develop it in that direction.

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Papua New Guinea


We believe we have a continuing responsibility to assist in maintaining the progress of the new nation. The Liberal and National Country Parties will maintain a close relationship with an independent Papua New Guinea, a relationship of co-operative partnership building on the basis of our long association and mutual interests in the region.

We will continue a comprehensive programme for cooperation and development and will seek the participation of neighbouring nations in maintaining a joint aid programme for and independent Papua New Guinea.

Japan

Japan is Australia's largest trading partner. It is also one of the world's industrial powers; one of the major democracies; a country which exerts great influence — and has the potential to exert even greater influence — on the affairs of South-East and East Asia.

The Liberal and National Country Parties believe Australia has a vital interest in Japan's prosperity and its stability as a democratic and peaceful society.

We will therefore be concerned to:
- Ensure that Japan will have reasonable and continuing access to the Australian resources it needs on terms which serve our mutual long-term economic and political interests.
- Take rapid steps to broaden and deepen contacts between our two countries, and to foster understanding of each other's problems and cultures.
- Give a higher priority to the working out of co-operative measures which will be beneficial to the region in which we live as well as to ourselves.

China

China's emergence from its years of isolation and introspection is one of the most significant developments of modern times and its potential role in Asia is very great.

The Liberal and National Country Parties believe the appropriate attitude towards China in the mid-seventies is neither one dictated by ideological opposition nor one of ideological identification and sympathy.

What is appropriate is a realistic willingness to respond to China's actions in terms of their merits and relevance to Australia's interest. In this respect we note that, while it continues to support and encourage insurgency movements, there are indications that China is currently concerned with maintaining stability in the Asian region and that to this end it welcomes a continuing American presence as a balancing factor. While this represents a reaction to the prevailing circumstances and is unlikely to outlast them, it is a factor which Australian foreign policy must take into account.

The Middle East

The Liberal and National Country Parties believe that a partial stand by Australia will contribute neither to a lasting and just peace in the Middle East nor to our own interests. We reassert our support for United Nations Security Council Resolutions 242, 338 and 339 as providing the basis for a peaceful settlement.

We value our long-standing and close relations with the Arab nations and Israel. We regard a guarantee of Israel's right to exist as an essential part of any settlement. At the same time we appreciate the plight of the Palestinian refugees and will
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continue to participate in actions to assist them and alleviate their suffering.

Given the history of the region, and the legacy of suspicion and fear it has left, we see the best hope for progress toward such a settlement in the initial negotiation of agreement on limited and particular issues. Success in such efforts will strengthen the spirit of compromise and mutual trust which is essential for a lasting peace.

We welcome the initiatives of all governments which have shown a willingness to take the first steps along this path.

Western Europe

A Liberal and National Country Party Government will work energetically to strengthen Australia's ties with Western Europe. It will do so because:

- It is one of the pillars of the Atlantic alliance, which is still the crucial alliance in maintaining a global balance of power.
- The European Economic Community is one of Australia's major trading partners, and a great source of scientific, technological and managerial expertise.
- We believe that a vital, confident and outward-looking Western Europe can do much to resolve the problems now facing the international community.
- One of the tasks of countries like Australia is to ensure that Western Europe is outward looking toward the Asian region.

The United Nations

The Liberal and National Country Parties reaffirm their support for the United Nations and its Charter and the work being done by its special agencies. At the same time we consider some recent developments within the United Nations organisation to be deeply disquieting.

The United Nations is an imperfect instrument but this is no justification for emphasising and exploiting its imperfections.

We believe it would be a tragedy if the aspirations and ideals it represents are damaged by the pursuit of short-term selfish gains.

We also believe that to the extent decisions are divorced from responsibility, double standards apply, and sheer voting power is used to deprive some members of their rights, both the moral authority and the practical usefulness of the Organisation will be diminished.

As the principle of universality has been widely urged and accepted, we believe that it should now be applied consistently.

We also support the objective and fair application of procedural rules, and we deplore and shall actively resist the curtailment of the rights of participation of any member State.

THE COMMONWEALTH

The Liberal and National Country Parties acknowledge the role of the modern Commonwealth of Nations, and the continuing relevance of this voluntary international organisation in providing a distinctive link between a quarter of the peoples of the world.

Based on pragmatism rather than sentiment, the Commonwealth today fosters cooperation and consultation between diverse nations and continents, and has the potential to make a positive contribution to international cooperation and goodwill.

It facilitates relationships with emerging countries and maintains and reinforces traditional friendships. We believe that there is scope for increasing cooperation with Commonwealth countries, especially New Zealand and Canada, and in implementing our foreign policies, we shall continue to take account of the special opportunities provided by this unique association.

CONCLUSION

This statement is not meant to be an exhaustive catalogue of our policies in relation to all areas and problems. It has set out to state general principles and to show how they apply in certain key areas. Enough has been said, however, to make clear the major contrasts between the foreign policy of the Liberal and National Country Parties and the present Labor Government.

1. Labor's foreign policy has been based on a naïvely optimistic and questionable assessment of the international political scene. Great faith has been placed in the process of super-power detente and any talk of its possible breakdown has been automatically dismissed as a manifestation of outdated "cold war mentality". It has been ordained that there are to be no threats to Australia for the next fifteen years. The Pacific and South-East Asian regions are described in terms of flourishing democracies and harmonious co-operation. Everywhere there has been, according to the Prime Minister, "wider stability and security".

We assert that this is not a recognisable picture of the world we are living in. The international system is faced with serious and multiple crises, which are likely to have devastating consequences unless there is an imaginative and determined effort to overcome them. The prospects and implications of detente are uncertain. In the region nearest to us the two strongest communist powers are actively competing for influence, while a third, fresh from a successful war, possesses enormous military resources.

2. On the basis of its unrealistically optimistic assessment Labor has subordinated security to other considerations in its foreign policy. It has brushed aside the momentous changes in South-East Asia as being of no consequence to Australia's security. While remaining profoundly silent about the shortcomings of other countries and regimes, it has lost no opportunity to denounce old and tested allies in the harshest terms.

We believe that security is paramount and a foreign policy which will safeguard Australia's interests must be sustained and given substance by an effective defence force, alliances kept in good repair, and a determined co-operative effort to remove sources of conflict.

3. Paying little regard to substance and much to appearance, Labor has elevated image and popularity into the ultimate ends of foreign policy.

In promiscuous pursuit of them, it has adopted a spurious 'even-handedness' which makes no distinction between countries whose interests and values are complementary or similar to ours and countries whose declared policies conflict sharply with our interests. Even worse, on occasions it has positively discriminated in favor of the latter — as evidence in its recognition of the Baltic States, its relative reactions to French and Chinese nuclear testing, and its secret communications with Hanoi.

It has sought — inconsistently, but nevertheless repeatedly — to associate Australia with the non-aligned countries, while simultaneously proclaiming its loyalty to the American alliance.

It has engaged in an indiscriminate busyness, involving Australia in matters where it has marginal interest and no effective power.

We believe that friendships which are not grounded in compatible interests and values are illusory; that the
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nature of Australian society precludes non-alignment as a viable policy option; that while there have been significant changes in many communist countries, they still take their ideologies seriously and so should we; that commitments which are not supported by adequate power are dangerous; and that Australia’s limited foreign policy resources should be concentrated where Australia has genuine interests.

4. Labor has not tried to maximise co-operation and solidarity with its ASEAN neighbours. It has proceeded unilaterally in its dealings with China and Hanoi, with no serious attempts to co-ordinate its policies with those of South-East Asian countries. It has floated a vague “Asian forum” proposal, without consultation with neighbours. Instead of working to achieve a stable balance, it has given every appearance of rushing to appease those who threaten that balance. In the process it has adopted a shameful and unprincipled position on the question of Vietnamese refugees.

More recently it has failed to take any regional initiative over the Timor crisis. Indeed on this issue, it has exhibited an extreme tentativeness and uncertainty.

5. Labor has made no attempt to encourage restraint or a long term approach to their interests among the Third World countries. Instead it has on a number of occasions encouraged and supported actions which have been ill-conceived. Australia has voted to deprive members of their rights in U.N. bodies, given moral and material aid and encouragement to “national liberation movements”, and promoted the kind of adversary relationship involved in producer cartels.

At the same time it has done little to help Third World countries solve their very real and pressing problems. The percentage of G.N.P. devoted to aid has declined rather than increased. As in so many other spheres, its aid has been rhetorical rather than practical.

As has been indicated, the Liberal and National Country Parties’ priorities on points 4 and 5 are exactly the reverse of those of the Labor Government.

The foreign policy outlined in this document is both more realistic and more enlightened than that which has been pursued by the Labor Government.

It takes account both of the facts of international life and the character and values of the Australian people. It reflects an awareness of change and the need for continuity. It is concerned both to safeguard against the consequence of conflict and to work to reduce those factors which cause conflict. It will further Australia’s interests while also enabling us to play an effective and principled role as a member of the international community.

INTERNATIONAL DEVELOPMENT

ASSISTANCE POLICY

A Liberal and National Country Party Government would recognise that the economic and social progress of mankind is of fundamental importance to stable international relations. The progress we seek requires growth in productivity, education, higher living standards and necessary social change.

To achieve this, developing countries require substantial imports of capital, technology and managerial skills as well as bilateral and multilateral aid from the developed world.

As there are limits to the extent to which Australia can give development assistance, our primary responsibility must be to encourage the development of our regional neighbours, some of which are among the poorest in the world.

In addition to our bilateral assistance we shall co-operate fully with those multilateral agencies such as the Asian Development Bank, and the Economic and Social Commission for Asia and the Pacific (ESCAP).

We shall also meet our global responsibilities by supporting appropriate United Nations and Commonwealth multilateral aid programmes, for example the World Food Programme.

We recognise that the capacity of many countries to achieve sustained economic progress is not reached simply by providing annual increments of foreign aid but through increased trade opportunities.

Regional Development Strategy

A Liberal and National Country Party Government will apply a development strategy based on three principles:

1. Emphasis on measures to assist the development of the primary sector;
2. The transfer of technology, expertise and information must be promoted;
3. Implementation of programmes where possible with the involvement of the private sector.

Grant Aid and Loans

Australia has the capacity to make a major contribution through the provision of capital, expertise and equipment to enable developing countries to achieve greater self-sufficiency in food production and necessary infrastructure for rural development programmes. The primary sector will receive priority in our assistance programmes.

We would continue to use grants as the basis of our bilateral aid. However some developing countries have made substantial increases in their per capita incomes and no longer require grants to the same extent as other less fortunate nations.

In addition to grants we shall provide concessional loans to countries which have achieved an adequate level of economic development for the financing of additional projects which reduce unemployment, increase productivity and contribute directly to improving their balance of payments.

This will enable our limited grant funds to be concentrated where they are most needed.

Investment

The rate of economic growth in developing countries would be accelerated through the infusion of Australian capital, technology and managerial skills.

We would encourage direct investment by the Australian private sector preferably on a joint venture basis by:

Expanding the Consulting Services Feasibility Study Fund to ensure that Australian consultants and construction companies are involved where possible in development
projects funded by Australia or by multilateral aid organisations, for example the Asian Development Bank.

Examining the functions of the Industrial Finance Export Corporation (IFEC) and consider establishing a capital investment loan fund to encourage joint ventures in developing countries with the cooperation of host governments.

Examining the practicability of allowing developing countries in the region access to the Australian capital market for specific development projects.

Supporting an expansion of the resources of the World Bank’s Industrial Finance Corporation which provides funds for private enterprise in developing countries. We will encourage the Asian Development Bank to establish a similar facility for the Asian and Pacific region.

Examining the needs to negotiate double taxation agreements with regional countries in which there is a significant or potential Australian investment.

Trade
The Liberal and National Country Parties believe that the development of a more efficient and equitable world economic order is dependent upon trade and financial relationships. The continuing balance of payments problems of many developing countries has had a serious effect on their rate of development.

The foundations for accelerated economic growth must lie in finding solutions to the problems of these developing countries, the economies of which are highly vulnerable to fluctuations in the world demand for primary commodities.

As Australia’s balance of payments is also highly dependent on world commodity demand we shall endeavour to coordinate our approach through international negotiations with ASEAN members and other countries which are primarily dependent on commodity prices.

The long-term aim of our policy is to enable developing countries, especially those in the Asian and Pacific region, to have access to the Australian domestic market. We shall review the effectiveness of the Less Developed Countries Tariff Preference Scheme initiated by a previous Liberal and National Country Party Government.

Papua New Guinea
The objective of our aid assistance is to help create a self-reliant Papua New Guinea. A Liberal and National Country Party Government would be conscious of the responsibility which Australia has to assist Papua New Guinea especially during its early years of independence.

We would meet existing commitments under the three year agreement which ends in 1977. Thereafter Papua New Guinea can be assured that their requirements will remain a high priority in our aid programme.

We will aim at providing both technical assistance and investment to Papua New Guinea and will continue to assist in the training of indigenous peoples for both the public and private sectors to enable the economic and physical infrastructure to be further developed

Non-Government Organisations Assistance Programmes
The Liberal and National Country Parties recognise and wish to encourage the volunteer organisations which have made substantial contributions in the field of development assistance and the alleviation of suffering caused by natural disasters.

We would support the establishment of an International Disaster Emergency Committee to help coordinate the contributions of non-governmental organisations.

We would continue giving financial assistance for overseas assistance projects undertaken by Australian non-governmental organisations provided they meet Government guidelines.

A Liberal and National Country Party Government would continue to regard the Australian Council for Overseas Aid as the major coordinating authority for the non-governmental organisations and financial assistance would be made available to enable A.C.F.O.A. to pursue this important work.

We would also assist the expansion of the Australian Volunteers Abroad Scheme which we see as an excellent means by which young Australians are given the opportunity to use their skills for the benefit of mankind, both in Australia and the developing world.

Regional Technological Resources Centre
A Liberal and National Country Party Government would consider establishing a regional technological centre to assist particularly ASEAN and Pacific countries.

The centre would be a clearing house for the dissemination of research dealing with all forms of economic and social development and would assist with the transfer of new technology. Translations of research and other material would be provided to be used in upgrading local text books and curricula.

Student Programmes
Many thousands of students from developing countries have received training in Australia both under the Colombo Plan, and as private students at secondary and tertiary level. Australia and its neighbours have benefited greatly from this. These programmes will continue but an examination of the programmes will be undertaken to ascertain whether any change of emphasis would be beneficial.

Administration
In view of the recent establishment and rapid expansion of the Australian Development Assistance Agency a Liberal and National Country Party Government would undertake a thorough review of the administration of the Agency in the light of Australia’s current international assistance programmes.

Where possible we would direct project aid budgeting into a rolling programme to ensure that both ADAA and recipient governments were able to forward plan on the basis of set commitments.

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