

The state of diplomatic history

This opening session is mercifully brief, but its concern for diplomatic history is admirable, and my remarks will be directed towards encouraging the cause.

Despite the best efforts of the Historical Documents Section of DFAT, diplomatic history is languishing in Australian universities, as elsewhere. As evidence, I cite the under-whelming reception of Peter Edwards' fine biography of Arthur Tangeⁱ and academia's muted notice of the 30th anniversary of the end of the Vietnam war and the 40th anniversary of Australia's involvement, despite, I argue, their contemporary relevance.

Apologia

I regret that I can make only a meagre contribution to today's topic, of the order of my role in only the last stages of the negotiation of the Australia- Japan Basic Treaty. I offer it only because those principally involved, Michael Cook and Ashton Calvert, cannot do so. I hope they might be invited to pen a comment for the *AJIA* before the special edition on the treaty goes to press.

I have not thought about the treaty for many years. In 1989, I had provided 'an Australian perspective' of the treaty in the AJRC's Pacific Economic Papersⁱⁱ. I did it for a few reasons. I had some continuing direct association with the bilateral relationship as a member of the board of the Australia Japan Foundation. The second invoking of the treaty, both by Australia, had just occurred, in somewhat equivocal circumstances, but it rekindled my hopes that life could be breathed into it as an umbrella for the development of bilateral relations, as envisaged especially in the Preamble and early Articles, and in Art. XI. I was entitled to access to DFAT documents outside the 30 year rule and saw this privilege as an obligation to contribute to the store of knowledge. In the event I could not find our working set of half-a-dozen files, which I'm sure have turned up since. I could not aim at a comprehensive account as I could not have access to the files of the other Australian departments involved in the negotiations or expect DFAT approval for comments in this area. Moreen Dee has also confined herself to the DFAT files in her valuable historical study (hereinafter referred to as the Dee paper, references being to the first draftⁱⁱⁱ).

Bureaucratic politics

Therefore an interesting area for further research by students of Australian public policy and bureaucratic politics is the web of inter-departmental relations, at a time when departmental disputation was common and Prime Minister Gough Whitlam encouraged 'creative tension'. The files are now available under the 30-year rule. An encouraging number of the actors are still in rude health, witness Stuart Harris, and

amongst DFA negotiators beginning with David Anderson, although this may not be true of Immigration. A useful starting point is the Coombs Commission, the Royal Commission on Australian Government Administration, especially TV Matthews' paper^{iv}. Just as on the Australian side, there appear to have been interesting differences between Japanese departments on both negotiating tactics^v and substance^{vi}.

National interests and negotiating style

In addition to bureaucratic politics, there is room for cooperative research projects with Japanese academics, offering the prospect of attracting grants, about respective national aspirations and different negotiating styles (now a popular field in academia and think-tanks). I regret that Arthur Stockwin's cooperative research study of the negotiations, which I sought to facilitate in luring him to DFA as academic in residence, apparently did not result in a book. It was well advanced when I wrote my pamphlet and we were in contact.

I also regret that the department did not do a retrospective study of what we learnt from the negotiations. To its credit, the Embassy in Beijing did this about Chinese negotiating style in respect of the consular treaty, which it was my first official task there to sign. It would have been difficult because of discontinuities in the DFA negotiating team and the demands placed on officials involved in it by Malcolm Fraser's visits to Tokyo and Beijing.

I chanced my arm about Japanese negotiating style in the first version of my *AJR* paper. It was a silly thing to do without closely consulting all the Australians who had negotiated with the Japanese over three years and having access to Japanese negotiators and documentation. I was criticised on all sides, including by two easily identifiable anonymous reviewers and withdrew speedily from the field. The opportunity for a serious study still exists.

Political Relationships

I carried back to Canberra from the hermit state of Burma in February 1975 a favourable perception of Australia's Asia policies and Whitlam's standing. In the *AJRC* paper I took an optimistic and perhaps audacious view of the relevance in the treaty context of Australia's fast-developing status as a regional power. That appealed to Whitlam, who wrote, with surprising and misplaced generosity about his immediate predecessors, that

You make the very interesting point - which I do not remember having seen stated before - that in the late 60s and early 70s Australia was in a singular position of equality with Japan, at least in the view of the Japanese. This is a new insight. Yet it confirms my basic view of political action in history: the timing is all.^{vii}

'It's Time'. I have usually used the formula 90% timing and 10% luck.

We need more evidence about whether and how Whitlam's foreign policy entered in to the calculations of the Japanese negotiators. We can say that Japan welcomed Whitlam's regional emphasis, but viewed it through a mercantilist prism. In particular Britain's entry into the EEC on 1 January 1973 accelerated Japanese hopes for closer economic and financial ties. Independence from Britain was good. Independence from the US was not. Certainly we sorely tried Japan by entering into diplomatic relations with North Korea, about which I knew something, as I was to have been non-resident Ambassador in Pyongyang. Other Asian issues like an Indian Ocean nuclear free zone and aid for a united Vietnam where we annoyed Henry Kissinger and Lee Kuan Yew must also have been irritants to Japan.

Resources Policies

The negotiations were certainly directly impacted by one area of Labor's international and domestic policies, emphasising ownership and control of resources, which were of course central to the treaty's aim of assuring Japan that Australia would be a reliable supplier of raw materials. The Japanese were exposed early to the uncompromising convictions and personalities of the Minister for Minerals and Energy, Rex Connor, and his secretary, Lenox Hewitt, in a marathon communiqué drafting session at the end of the Australia-Japan Ministerial Committee meeting in Tokyo in October 1973^{viii}. In his autobiography John Menadue writes:

Connor was from Wollongong, an Australian nationalist par excellence, suspicious of foreigners and with a great love of the mining industry (sic: Connor described its titans as 'mugs and hillbillies'^{ix}). He spoke about coal with knowledge and passion. A great resource was being plundered by the Japanese.^x

Saburo Okita told me in 1976 that some years earlier he had been tasked by the Prime Minister to prepare a study of all the means available to Japan to secure supply of vital resources. When I asked him whether that included military means, he said 'yes'. Of course Japan adopted a much more subtle and successful policy of creating world over-supply, and were advantageously placed on both sides of the negotiating table by their trading companies' equity in Australian mines. Therefore Japan insisted that trade and financial flows were commercial matters in which governments should not intervene (which has a contemporary ring, although now the Australian government accepts 100% foreign ownership of resources). In contrast to Rex Connor, for whom a contract was a bond, the Japanese did not put all their trust in scraps of paper, especially official.

Personalities

Mention of Okita requires recalling his close friend and collaborator John Crawford and the reassurance to governments each of them and they together provided. These were men with unusually long histories, and with long perspectives, which bureaucracy lacks. Without them, we wouldn't have had the treaty.

It must so have been important that, 'despite the vicissitudes', in Peter Drysdale's mighty phrase, the conduct of relations was in the hands of two outstanding Ambassadors. K C O (Mick) Shann had notable gifts, not least in getting a large Embassy to work as a team. Yoshio Okawara also had great personal gifts, and the advantage of Eric Walsh's insights. Shann's and Okawara's inter-personal skills were later used in the private sector .

The final year of treaty talks: (I) Whitlam

When I took up duty in March 1975 as head of the Executive Secretariat responsible for policy planning and servicing the secretary, Alan Renouf, and, very quickly, for chairing inter-departmental crisis task forces, an innovation which lasted, I was vaguely aware that the negotiations on the Australia-Japan treaty had reached a crisis point. I knew that Renouf had secured by phone from Whitlam approval to tell the Japanese through Okawara that it would be better to have no treaty than to have a bad one.

However, I did not follow the next four months, during which Cook visited Tokyo, and the Embassy was given a last resort mandate to engage in quiet talks to see whether there was any point in continuing to negotiate. When I came cold into the treaty negotiations on succeeding Cook in July, the Embassy through Ashton Calvert had in fact achieved a breakthrough, but it had not been sold to Canberra departments..

From the beginning, I saw advantages in a broad umbrella treaty, and continue to do so. I considered a mutual affirmation of friendship desirable, 'from enmity to alliance'. I thought it particularly significant that the treaty would include provisions on the two issues which in a long historical perspective had soured the bilateral relationship and contributed to Japan's aggression through exploitation by ultra-rightists, racial discrimination and cutting off of resources. Whatever one's interpretation of history, we have the testimony of John Menadue's stewardship as Ambassador to Japan from 1977-80 that these issues continued to be at the front of Japanese perceptions of Australia.

By July 1975 the Japanese had reluctantly given up their aim of a standard commerce and navigation treaty, or something as near to it as possible and for MFN treatment having retrospective and prospective application, an interpretation which we had seen as a provocation. Their alternative proposal of a standard of treatment which was 'fair and equitable' and non-discriminatory was a radical concession, advanced to break out

of the protracted and bitter deadlock over what constituted MFN treatment. It provided the basis for further mutual clarifications agreed between Ashton Calvert and his Gaimusho counterpart, in which Japan agreed to accept the Australian interpretation of MFN as the most it could hope to get, without prejudice to its many FCN Treaties. (Ashton returned to Canberra late in the year to become an invaluable part of the negotiation team.) 'Fair and equitable' treatment, proposed by Japan, seemed in the circumstances of an umbrella treaty to have a positive ring to it.

The most useful area for me to contribute to the common store of knowledge is bureaucratic politics. When the second Japanese negotiator, Masatada Tachibana, made a useful visit to Canberra, ostensibly for other purposes, in September, he likened the stage of the negotiations to reaching the ninth and most arduous point in the ascent of Mt Fuji, but for some of the Australian negotiating team a more apt simile was the Stations of the Cross. The ascent had become too arduous and the summit seemed remote.

I should say at the outset that, despite the differences, which had not just been between DFA and the rest, but had been waged on a broad internecine front, especially until Japan gave up asking for MFN treatment, the atmosphere within the negotiating team remained collegiate, though it was sometimes the comfort of a lost herd on a darkling plain.

The culture of Immigration was the most intriguing. Earlier in the negotiations it had advocated reciprocity.^{xi} While DFA apparently was not inclined to treat this as a serious proposition, justifiably or not, it was a point of view I had to deal with in June 1976 when I briefed Australian journalists in Tokyo, who had limited duration visas. By mid-1975 the department's primary stated objection was that it feared the treaty could be invoked in individual cases, and it insisted on a precise standard of treatment in which 'fair and equitable' was defined as non-discriminatory. Whitlam told me he had sent Peter Wilenski to Immigration to reform the culture, but Rome (or perhaps rather Sparta) was not built in a day. The problem must have been exacerbated by the personal differences between Whitlam and Clyde Cameron, but Jim McLelland, who succeeded him, also backed his officials. Whitlam told me he would talk to McLelland, but the treaty hung fire while more pressing matters preoccupied him. It would not have helped that the portfolio was Labor and Immigration. The trade union movement did not favour Japanese immigration.

Except for DFA and PM&C all the other departments involved, fearful of Japan (or anyone) being able to pry into their decision-making, leaned in varying degree towards Immigration's view that there was a need for the standard treatment to be precisely defined. Thus, officials could not unite on an agreed recommendation to Cabinet to conclude the treaty. I felt confident a meeting of Cabinet would agree that in the interests of bilateral relations the treaty should be concluded, even if that were made subject to a further round of negotiations. I thought it far more likely that Whitlam

would get his way and avoid that pre-condition. He would have been loyally backed by Don Willesee, who told his colleagues 'fair and equitable' meant offering Japan 'a fair go' (although Willesee was so disenchanted generally that he considered resigning in early November^{xii}).

Whitlam disappointment that the treaty was not completed on his watch is well-known, and natural. I should record that though there were pressures from those around him to 'crash through' there was none from him.

(2) Fraser

My assumption that Malcolm Fraser, with whom I had worked when he was Minister for Defence, would proceed with the treaty was confirmed in a conversation Renouf had with him on my advice in mid-December. Fraser asked for a Cabinet submission by 20 January. Also Andrew Peacock indicated early that there would be a bipartisan approach to China. This was tricky within the Liberal Party, and so a balancing success with Japan was highly desirable. Peacock was not so unequivocally for the treaty as his leader, presumably fearing a rough passage in Cabinet, but his only requirement was to be reassured that there was no chance of the term 'NARA', which was identified with Whitlam and his closest advisers, Graham Freudenberg and Jim Spigelman, being used. I gave him this in good faith, knowing it was the Gaimusho's wish, and not foreseeing that 'NARA' would stubbornly survive to this day.

There then came a surprising objection from Treasury, which in the end redounded against the treaty sceptics. It signalled that it thought it could scupper the treaty in a letter sent to the negotiating departments the day before they were to meet to prepare the Cabinet submission. It marked a volte-face from its position in October that the treaty could be proceeded with although there would be no harm in a further round of negotiations if Immigration insisted. Treasury noted there had been difficulties in the areas of international economic relations and taxation and it now wished to reopen these areas because Japanese negotiating tactics had been dubious and needed scrutiny. In the areas of foreign capital and foreign investment it now claimed difficulties were unresolved. It expressed doubt that the government on proper consideration would wish to reverse its earlier opposition to a treaty. It recommended that the treaty be put on one side while more urgent matters were addressed. Treasury's attempt to establish itself as the guardian of conservative orthodoxy did not sit well with other departments, and they had no stomach for going back to square one. A Submission to Cabinet to proceed with the treaty was agreed and accepted by Fraser, who circulated it for Cabinet consideration.

Treasury then tried another ploy, its Minister suggesting to his colleagues that Cabinet consideration should be deferred until after Doug Anthony had visited Japan in the first fortnight of February. This collapsed when Anthony refused to play. Fraser's disposition to proceed brooked no opposition. Nevertheless, Peacock did not

anticipate an easy passage in Cabinet and I had to give him an expansive brief and suffer cross-examination on it before he delivered it in extenso. Ministers did not want to delve into the interstices of the treaty but Country Party ministers were inclined to argue that in tidying up and signing it the government should try to secure tangible reciprocal benefits.

The tidying up of the treaty involved many more protracted inter-departmental meetings. While it might have seemed impossible for any department to come up with a new wrinkle, one demanded reassurance that the treaty would not require Japanese companies incorporated in Japan or seeking entry to be treated the same as Japanese companies incorporated in or already operating in Australia. I recollect that at the end of a highly circular and prolonged discussion, which went on through lunch, DFA's urbane British Legal Adviser, Eli Lauterpacht, defined 'fair and equitable' as no more than a general standard, and illustrated it by quaintly saying that if a young man had two girlfriends and treated both nicely neither could complain if one was taken to the pictures and the other given a box of chocolates.

On the conduct of negotiations and exchanges, there is little to add to the Dee paper. As it states, there was still enough uncertainty, notably in Immigration's area, for Fraser to agree that negotiations should not be approached as having to meet a deadline (set at 30 April if Fraser was to sign the treaty during his planned visit to Japan and China in June). Ashton Calvert went to Tokyo in April to resolve Japanese difficulties on legal interpretation, especially of MFN, and related to possible interpretation by the Diet. He and I had an arrangement that if the Japanese sought to go back on any point already agreed he would report to me on an open telephone line and I would then instruct him to return to Canberra. This did indeed happen, and the next morning the Japanese resiled on the point. The Treaty received a final chop in discussions in Canberra in May and was signed in June between Fraser and, serendipitously, Takeo Miki, who as Foreign Minister had shared with Whitlam a vision of Japanese-Australian cooperation.^{xiii} The treaty was the centrepiece and highlight of Fraser's visit to Tokyo, the first leg of his first major overseas visit, for which he chose north Asia.

Finally, I want to say something about Tachibana, the leader of the Japanese negotiating team in the final stages. If ever a foreigner deserved an AO, it was Tachibana, but instead he is an evanescent presence in the story of Australia-Japan relations. I only wish I had the talents of J M Keynes to describe Tachibana and his key role as Keynes did his opposite number at the post- WWI Conference, Dr Melchior. The men and their respective situations were nothing like. But Tachibana, like Melchior, was willing to abandon formality and to converse privately, making breakthroughs possible. He did this despite the Damocles sword over his head of having to appear before the Diet to justify every word of the treaty. Melchior had to run the gauntlet of being a Jew amongst a delegation of unrepentant Germans, on whom Keynes makes the politically incorrect comment that

they satisfied wonderfully, as a group, the popular conception of Huns. The personal appearance of that race is really extraordinarily against them. Who knows but that it was the real cause of the war.^{xiv}

Tachibana could see the wood and was not caught in the trees. His diplomatic skills were of the highest order, and given lustre by a capacity for great warmth. After the signing of the treaty and the formal celebrations, he took me out for a long dinner, near the end of which he described his war in Manchuria, and how at the surrender he had been unable to go through with committing hara-kiri. By curious coincidence, the Counsellor at the Japanese Embassy had told me how he had second thoughts when assigned to the last kamikaze flight out of Japan. I slept only briefly before joining Malcolm Fraser's breakfast delegation meeting where I found, embarrassingly, that I was the only one to have slept through a severe earth tremor. *Sic transit memoris.*

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- i Peter Edwards, Arthur Tange: Last of the Mandarins, Allen & Unwin, 2006
- ii Garry Woodard, *The Australia-Japan Treaty of Friendship and Co-operation: An Australian Perspective* AJRC Pacific Economic Paper No 172, June 1989
- iii Moreen Dee, *Political Will and Commitment: Australia and the Negotiation of the Basic Treaty of Friendship and Co-operation with Japan*, 23 February 2006
- iv TV Matthews, 'The IDC on Japan' Appendix Vol 4, AGPS 1976
- v Dee
- vi Brian Toohey & William Pinwill, *Oyster*, William Heinemann 1989
- vii Letter dated 21 April 1989
- viii First-hand account from David Anderson
- ix I am indebted to Paul Barrat for this quotation and many insights
- x John Menadue, *Things You Learn Along the Way*, David Lovell Publishing 1999
- xi Dee; Communication from Ashton Calvert, 13 July 2006
- xii Personal knowledge
- xiii Gough Whitlam, *The Whitlam Government 1972-1975*, Penguin Books 1985
- xiv John Maynard Keynes, *Two Memoirs*, Augustus Kelley 1949