

**APPENDIX I: ADVISED MENU FOR MIGRANT KITCHENS, 1951-2,  
AA A445 220/14/25**

	BREAKFAST	LUNCH	DINNER
<u>SUNDAY:</u>	Porridge & Milk Bread & Butter & Jam Coffee or Tea Lamb's Fry & Brown Gravy	Baked Mince Loaf Brown Gravy Macaroni Vegetables Steamed Chocolate Pudding & Custard Tea	Barley Broth Boiled Beef Mashed Potatoes Vegetables Tea
<u>MONDAY:</u>	Porridge & Milk Bread & Butter & Jam Coffee or Tea One Boiled Egg or Baked Beans on Toast	Boiled Meat & White Sauce or Cold Meat & Potato Salad Vegetables Baked Jam Roll & Custard Tea	Pea Soup Roast Mutton & Gravy Baked Potatoes Vegetables Tea
<u>TUESDAY:</u>	Porridge & Milk Bread & Butter & Jam Coffee or Tea Cheese	Beef Stew & Spaghetti Rock Cake Tea	Scotch Broth Roast Beef & Gravy Roast Potatoes Vegetables Fresh Fruit Tea
<u>WEDNESDAY:</u>	Porridge & Milk Bread & Butter & Jam Coffee or Tea Sausage Mince	Roast Mutton Gravy Haricot Beans Vegetables	Vegetable Soup Boiled Meat & Onion Sauce or Cold Meat & Potato Salad Boiled Potatoes Bread & Butter & Jam Tea
<u>THURSDAY</u>	Porridge & Milk Bread & Butter & Jam Coffee or Tea Fried Bacon & Egg Fresh Fruit	Boiled Meat & Parsley Sauce or Cornish Pasties Mashed Potatoes Haricot Beans Vegetables Fresh Fruits Bread & Butter Apple Sponge Tea	Pea Soup Roast Beef Boiled Potatoes Vegetables Bread & Butter & Jam Tea
<u>FRIDAY:</u>	Porridge & Milk Bread & Butter & Jam Coffee or Tea Fried Sausages & Onion Gravy	Fish or Roast Meat & Gravy Vegetables Baked Jam Roll & Custard Tea	Macaroni Soup Ham & one Egg Chipped or Mashed Potatoes Vegetables Tea
<u>SATURDAY:</u>	Porridge & Milk Bread & Butter & Jam Coffee or Tea Cheese	Roast Beef & Gravy Baked Potatoes Vegetables Dried Fruit Slice	Minestrone Soup Boiled Mutton White Sauce Mashed Potatoes Peas BB Vegetables Fresh Fruit

POTATOES, DEPENDING ON AVAILABILITY MAY BE USED FOR TWO MEALS DAILY. TINNED BEEF MAY BE SUBSTITUTED FOR TWO MEALS WEEKLY AT THE DISCRETION OF THE SUPPLY OFFICER.

## EMPIRE *v.* NATIONAL INTERESTS IN AUSTRALIAN-BRITISH RELATIONS DURING THE 1930s

In his recent study of imperial economic relations between the wars, I.M. Drummond concluded that 'before anyone can reach finality, we must know more about the policy making process in each of the colonies and protectorates'.<sup>1</sup> While this article does not claim 'finality', the observations made are based on an examination of the decision-making process in one country, namely Australia. These conclusions confirm much of Drummond's thesis but they also tally with many of W.K. Hancock's earlier views on the subject. Drummond has chided Hancock for treating the 'problems of economic policy in the interwar Commonwealth as if the Commonwealth was an entity which could have an economic policy'.<sup>2</sup> The Commonwealth may not have had an economic policy as such, but the fact that some members at the time, especially Australia, firmly believed that it should have, is vital for an understanding of these countries' economic performances. In his 1936 study of Australian marketing, W.M. Smith recognised this fact and was highly critical of Australia's obsession with Empire preferences during the 1920s and 1930s.<sup>3</sup> With access now to the public records in Canberra and London as well as to the private papers of many of the participants, it is possible to test the Hancock and Smith hypotheses and in the process to unravel the tangled web of national and imperial interests in Australian-British relations during the 1930s.

It is indeed ironic that prior to the 1930s, Britain believed that it derived less economic advantage from the British Empire than her former colonies did. Throughout the 1920s the United Kingdom exported more to and imported more from foreign countries than it did from the Empire, though the margin was narrowing.<sup>4</sup> This may well account for its reluctance to have economic matters raised at imperial conferences; up till the 1930 Conference, the British government preferred to discuss constitutional, defence and cultural matters rather than economic integration. Being a free-trade country until 1932, Britain fought shy of proposals for imperial preference; these could have jeopardised its hold on world trade, while they could also prove electorally perilous as Baldwin found to his cost in 1923. Britain did not advance beyond the establishment of an Imperial Economic Committee in 1925 and an Empire Marketing Board in 1926. Both were quite innocuous bodies. As initially conceived in 1923, the Imperial Economic Committee was precluded from dealing with questions involving tariff policy and it was also obliged to obtain the consent of each interested Empire government before commencing any economic survey. Though later strengthened by Stanley Baldwin in 1925 to cater for the

<sup>1</sup> I.M. Drummond, *Imperial Economic Policy 1917-1939*, London 1974.

<sup>2</sup> *Ibid.*, p. 23; W.K. Hancock, *Survey of British Commonwealth Affairs*, vol. 2, London 1942, p. 427.

<sup>3</sup> W.M. Smith, *The Marketing of Australian and New Zealand Primary Produce*, London 1936.

<sup>4</sup> Imperial Conference 1930, Secret Documents, Table 1, CP/290/10, Item 4, Australian Archives, Canberra (AA).

'marketing within the United Kingdom of the food products of overseas parts of the Empire with a view to increasing the consumption of such products in the United Kingdom in preference to imports from foreign countries',<sup>5</sup> it was never more than a talking shop damned even before its foundation by E.J. Harding, a Dominion Office official, as a 'convenient waste paper basket for schemes of no particular interest'.<sup>6</sup> The Empire Marketing Board, though more flamboyant with its striking posters and its use of film for marketing purposes, still failed to increase the proportion of Empire products purchased in Britain. Until the devastation of the Depression, the United Kingdom appears to have been quite content with its share of Empire trade and it was not prepared to barter a share of its market for outlets elsewhere within the Empire. Economically, its relations with the Empire were selective, with British interests taking precedence over imperial. It was other considerations, however, which conditioned its concept of Empire and determined its loyalties.

With Australia it was otherwise. In a statement at the Imperial Conference in 1935, J.A. Lyons, Australian Prime Minister, made it abundantly clear that in the minds of those who first conceived and advocated preferential trade within the Empire, and those governments which in 1932, through their representatives, fashioned the Ottawa agreement, the object in view was *not* merely a material one bestowing benefits upon particular industries or interests in the United Kingdom or dominion — its immediate and particular intent was the quickening and growth of inter-Empire trade, but its higher aim was to make a substantial contribution to all that is embraced by the term British Empire, and all that the Empire stands for as an influence in the civilisation today and tomorrow — any Empire reciprocal trading arrangement which does not progressively cultivate and make stronger the sentiment of Empire must fail . . . it is of equal importance that no foreign interest should be allowed to frustrate the high purpose of Ottawa.<sup>7</sup>

Material well-being and a crusade for moral regeneration via the British Empire were combined in this way. Though Lyons made his statement for public consumption, in private the Australians were far more concerned with the material rewards which they believed were inextricably bound up with the Empire, especially their relations with the mother country. There is no reason why they should not have espoused the non-material values or have found in the Empire a useful vehicle for that purpose, but nevertheless, assertions of these cultural loyalties provided a welcome gloss which diverted attention from more selfish and less altruistic reasons for their commitment to the British Empire. Lyons himself was near panic during the closing days of the Ottawa Conference, when in the isolation of his office in the wilds of Canberra, he convinced himself and the few left around him that Australian pastoral interests were in danger. He immediately telegraphed a series of instructions to Bruce that could well

<sup>5</sup> F.M. McDougall, *The Imperial Economic Committee*, p. 4, CP/103/12, Bundle 20, AA.

<sup>6</sup> Harding to Llewellyn Smith, 17 July 1923, CO/352/262, Public Record Office, London (PRO).

<sup>7</sup> Appendix to *Economic Discussions between the United Kingdom and Australian Ministers*, 4 April 1935, CP/290/10, AA.

have jeopardised the very foundation of the Empire itself, had Bruce taken them seriously or had the British taken fright at the extremes of these trading demands.<sup>8</sup>

The genesis of Australian imperial sentiment and its manifestation in the 1920s and 1930s can be traced to a remarkable and unlikely Australian official in London, F.L. McDougall. From his arrival in London in 1922, as a member of a fruit-growers' mission in search of a larger share of the British market, McDougall was indefatigable in his efforts to promote Empire trade by means of reciprocal preferences. He was to remain in London, encouraged by Bruce, long after the mission had returned to Australia and in an unofficial capacity he was to storm government and opposition alike in his quest for Empire preferential trade — he was indeed the first great Australian lobbyist. His status was never defined; he was in Australia House, London, but was never of it; he accepted obscurity lest he upset the Civil Service establishment.<sup>9</sup> 'Your little brother', he wrote to his brother back in Renmark, 'was posing as an expert on subjects in which he knew nothing';<sup>10</sup> and when he asked Bruce exactly what his position was, Bruce told him that in his 'more uplifted moments he could call himself the confidential representative of the Australian Prime Minister — when less influential, a secret service agent!'<sup>11</sup> This was the man who did more than anyone else during the 1920s to convert British politicians of all parties to the merits of tariffs as means of augmenting Empire trade; it was McDougall who also did most of the preparatory work in London prior to the Ottawa Conference and who earned the admiration not only of officials in London but also of those in Canberra who might have resented his interference. He was privy to policy making at the highest level in Australia — writing to him in January 1932, Bruce said that 'he would be kept fully informed of anything that is being done here and that all information you send here will receive fullest consideration'.<sup>12</sup> Throughout the 1930s he was economic adviser at Australia House, and played a valuable role in all trade matters. It was indeed a remarkable achievement for one who deprecatingly referred to himself as 'a working farmer, with no knowledge of economics, politics, or anything'.<sup>13</sup>

<sup>8</sup> Lyons to Bruce, 19 August 1932, CP/103/12, Bundle 2, AA, where he indicated that 'we consider proposal to raise meat prices in England by restriction upon dominion meat as well as on foreign will have greater disorganising effect on Australian export than upon that of other dominions', and he advised that 'on no account make any further substantial concession without consulting us'. On the matter of the later Article X of the Ottawa Agreement, Lyons cabled Bruce 'We consider the words "on the basis of the relative cost of economical and efficient production" are almost meaningless and unless altered to more definite phraseology very likely serious misunderstanding by all interests'. Had Bruce followed Lyons' advice it is doubtful if Australia would have reached an agreement at Ottawa.

<sup>9</sup> F.L. McDougall to his brother Norman, 26 September 1923, McDougall Papers, National Library of Australia (NLA). See also W.J. Hudson and W. Way (eds), *Letters from a 'Secret Service Agent'*, Canberra 1986.

<sup>10</sup> *Ibid.*, 5 September 1923.

<sup>11</sup> *Ibid.*, 2 February 1924.

<sup>12</sup> Bruce to McDougall, 27 January 1932, CP/103/12, Bundle 21, AA.

<sup>13</sup> F.L. McDougall to his brother Norman, 19 August 1923, McDougall Papers.

What was the secret of his success? While there is no denying his undoubted ability and energy and his brilliance as a communicator, these talents could well have been wasted had it not been for a fortuitous meeting in 1922 with the future Australian Prime Minister, Stanley Melbourne Bruce.<sup>14</sup> From that meeting, there developed a remarkable relationship between the two men — the reserved Bruce seems to have enjoyed an empathy with McDougall that he failed to establish with most others save, perhaps, Sir Henry Gullett or Sir Antony Eden. At the time of McDougall's death, Bruce is reported to have said, 'I never really knew whether Bruce made McDougall or McDougall made Bruce, whichever it was, it was a damned fine combination,' and on another occasion he remarked that 'McDougall brings me a new idea every morning'.<sup>15</sup> McDougall recognised that and in fact wrote to his brother, 'You see I have a very considerable pull with Bruce',<sup>16</sup> and on another occasion he mentioned that he had played his 'first round of golf with Bruce'.<sup>17</sup> When Bruce visited London as Prime Minister in October 1923, McDougall could write to his brother that he had 'sat at the Conference listening to Mr Bruce's speech — which was naturally of great interest to me because I had worked up the whole speech with him'.<sup>18</sup> It was this leverage that McDougall put to such effect in the cause of Empire preferential trade. Because of the strategic positions held by Bruce, first as Prime Minister, then as chief Australian negotiator at Ottawa and later as High Commissioner in London, he was able to exercise considerable influence in that cause and it was this that McDougall exploited to the full. While it is doubtful whether Bruce needed convincing, McDougall's constant barrage of ideas and plans ensured that Bruce did not grow tepid.

McDougall's vision of Empire has been neatly described by Wendy Way as one 'capable of self-sufficiency, able through mutual cooperation to develop its vast resources and solve all its problems', a feature that had been so convincingly demonstrated during World War I.<sup>19</sup> This found favour with the Bruce-Page Government in the 1920s, which had as an essential anchor of its policies the interdependence of members of the British Empire; with countries like Australia disposing of their agricultural surpluses in Britain and the latter finding markets for their industrial goods in the Commonwealth.<sup>20</sup> In his pre-Ottawa deliberations, Bruce wrote to McDougall that they 'should strive to arrive at a basis which will enable the British government to afford an equality of treatment in the British Market to the whole Empire'.<sup>21</sup> Even when it entailed a retreat from

<sup>14</sup> *Ibid.*, 10 November 1922.

<sup>15</sup> W. Way, 'Bruce's Secret Service Agent, F.L. McDougall in London 1923-26', unpublished paper delivered to the Department of International Relations, Research School of Pacific Studies, Australian National University. 24 May 1984, p. 22.

<sup>16</sup> F.L. McDougall to his brother Norman, 20 December 1923, McDougall Papers.

<sup>17</sup> *Ibid.*, 9 September 1924.

<sup>18</sup> *Ibid.*, 11 October 1923.

<sup>19</sup> Way, *op. cit.*, p. 5.

<sup>20</sup> W.H. Richmond, 'S.M. Bruce and Australian Economic Policy, 1923-29', *Australian Economic History Review*, vol. 22, 1983, pp. 238-57.

<sup>21</sup> Bruce to McDougall, 3 March 1932, CP/103/12, Bundle 21, AA.

Australia's long insistence on a duty on mutton and lamb at Ottawa, Bruce was prepared on the final day of the Ottawa Conference to give way, even against the explicit instructions of Lyons, lest 'we would imperil the possibility of the Conference being a success, with disastrous results to the British Empire and probably the whole world'.<sup>22</sup> 'I regard Ottawa', he wrote, 'as only the start in laying the foundation. The work will have to go forward for a long time after the Ottawa Conference has been held.' But he was not without hope, especially as he had accepted a posting in London which he expected would ensure that 'this continuous work' was kept alive.<sup>23</sup>

This was a well contrived plan and one that Bruce adhered to in the 1930s. As Honorary Minister assisting the Treasurer in Lyons' Cabinet in 1932,<sup>24</sup> he was responsible for the preparation and the execution of government policy at Ottawa; as Resident Minister and later as High Commissioner in London, he not only saw to the implementation of those policies, but in a remarkable way he played a major role in their formulation. Being an ex-Prime Minister undoubtedly helped, but Sir George Reid and Andrew Fisher had also held that office and there is no evidence to suggest that it enhanced their standing in London or allowed them to play an important role in the formulation of Australian policy. Bruce's real strength and the main reason for his effectiveness in London was the fact that he retained the confidence and the respect of former parliamentary colleagues still in influential positions in Canberra. In certain respects he was the link, albeit 12,000 miles distant, which held the Coalition together after Earl Page's Country Party decided to join with Lyons' United Australia Party (UAP) in 1934. Bruce and Page had worked closely in office during the 1920s and such was the latter's regard for Bruce that he pleaded with him in November 1933 to re-enter Australian politics. 'I felt', he wrote to Bruce

and many hundreds and thousands also felt that just now Australia was peculiarly your place, that you could bring a unifying influence and a long experience into operation, that no other man could. With that in mind, I tried to keep Flinders open for you but without success and I suppose it would have been useless anyhow.<sup>25</sup>

It was Bruce's promise of success in London that helped preserve and maintain the uneasy balance between the high-tariff UAP and the low-tariff Country Party; Australia's agricultural goods could be sold in England while the tariff clauses of the Ottawa Agreement would protect Australian industry. And on Lyons' sudden death in April 1939, it was to Bruce that Page looked for national leadership.

Bruce enjoyed an equally close relationship with Sir Henry Gullett, Minister for Trade Treaties between 1934 and 1937. Gullett had been Bruce's assistant at

<sup>22</sup> Bruce to Lyons, 23 August 1932, J.A. Lyons Papers, NLA.

<sup>23</sup> Bruce to McDougall, 3 March 1932, CP/103/12, Bundle 21, AA.

<sup>24</sup> Lyons Papers, Box 1, Folder 9, being the correspondence between Lyons and Bruce concerning the composition of his Cabinet; Lyons offered Bruce the post of Honorary Minister to assist the Treasury and Bruce, while accepting it, pointed out that 'a better impression would be created' in London, if he were appointed 'Vice President of the Executive Council'.

<sup>25</sup> Page to Bruce, 28 November 1933, CP/23M/104, Item 2.

Ottawa. So impressed was Bruce with Gullett that he wrote to Lyons in October 1932 telling him 'how extraordinary well Gullett has done here', especially the way 'in which he got on with the British Ministers and British officials', and he even recommended him 'as a future Resident Minister in London'.<sup>26</sup> When Gullett was appointed Minister for Trade Treaties in 1934, Bruce was overjoyed; he now had a close confidant in a most strategic position. 'It is essential', Bruce wrote to Gullett, 'that we should work together and there should be complete understanding between us if you are to succeed in your job, which I regard as of supreme importance at present time'.<sup>27</sup> He need not have worried. Gullett was in total agreement with Bruce, 'even if we are at variance with a good deal of expressed government policy',<sup>28</sup> and Bruce looked forward very much to having Gullett and his wife Penelope stay with him in London in 1935.<sup>29</sup>

While Bruce's relations with Lyons may have been a little frayed during the hectic last days of the Ottawa Conference, Lyons never doubted Bruce's perspicacity: 'We make these suggestions, but leave matter to your judgement.'<sup>30</sup> And when the outcome was at variance with Lyons' instructions, far from reprimanding Bruce, he telegraphed his congratulations. 'We are all delighted with the news.'<sup>31</sup> He subsequently wrote expressing his appreciation of the 'splendid fight you and Gullett put up on behalf of Australia'.<sup>32</sup> After that, Bruce had only to maintain the pressure, which he did through his correspondence, his annual reports and his personal contact with Lyons when the latter visited London in 1935 and 1937, to ensure that the Australian government would not waver in its espousal of empire preferential trade.<sup>33</sup> On the occasion of the 1937 general election, Bruce was even presumptuous enough to submit proposals for the government's platform, the main one being that 'the government's policy of cooperation with Great Britain as opposed to the opposition's policy of isolation was the only practical method of ensuring Australia's safety', and he pointed to the experience of the Irish Free State as a salutary lesson to those who might be tempted to think otherwise.<sup>34</sup>

<sup>26</sup> Bruce to Lyons, 23 August 1932, Lyons Papers.

<sup>27</sup> Bruce to Gullett, 12 October 1934, CP/23M/104, Item 2, AA.

<sup>28</sup> Gullett to Bruce, 29 October 1934, CP/23M/104, Item 2, AA.

<sup>29</sup> Bruce to Gullett, 13 December 1934, CP/23M/104, Item 2, AA.

<sup>30</sup> Lyons to Bruce, 19 August 1932, CP/103/12, Bundle 2, AA.

<sup>31</sup> Lyons to Bruce, 22 August 1932, CP/103/12, Bundle 20, AA.

<sup>32</sup> Lyons to Bruce, 2 November 1932, Lyons Papers.

<sup>33</sup> See, for example, 'High Commissioners' Annual Reports', CRS A601, Items 130/30/1; 130/30/2; 133/30/3, AA.

<sup>34</sup> Bruce to Lyons, 7 July 1937, CP/23M/104, AA. 'Broadly my idea is that in the opening stages you should say enough

1. to make clear the seriousness of the international situation

2. that the Government's policy of cooperation with Great Britain as opposed to the opposition's policy of isolationism is the only practical method of ensuring Australia's safety.

3. That the Government has a sound and practical defence policy as opposed to the opposition's extremely unsound and impracticable one. Give the story of cuts in interest rates, including the history of the conversions in London, bringing out the point that while the cuts in social services, salaries and wages have been restored, the reduction in interest rates and government securities has been maintained etc.'

During the 1930s, Bruce and McDougall had all the semblances of a government in exile — the only difference being that they were far more effective because of their standing with the government in Australia. While undoubtedly they could tap a residue of good-will towards the Empire in Australia, they cemented that attachment by demonstrating that Australia's own interests were synonymous with success in London. The tragedy was that they were less successful in London itself and, except for the immediate pre-Ottawa years, they encountered strong opposition there in their imperial crusade. The former colony had more of the traditional Empire spirit than the metropolitan centre itself.

The Ottawa agreement, far from being the climax of established British policy, was in fact an aberration arising from immediate circumstances of the world-wide depression. McDougall might welcome the Imperial Economic Committee and the Empire Marketing Board as breaches in the prevailing economic orthodoxy, but he exaggerated their significance; they merely tinkered with the system, barely scratching the surface of entrenched *laissez-faire* attitudes.<sup>35</sup> Bruce recognised this at Ottawa when he acknowledged that up to that point 'on the economic side, progress had been slight', and he accepted that this aspect of the 1930 Imperial Conference 'was a failure'. However he also pointed out:

since 1930 we have been faced by a radically changed position. Then the world depression was serious, but in the last two years it has deepened and widened until now it is of the gravest intensity.<sup>36</sup>

Being a response to an immediate situation, the new arrangement was unlikely to prove permanent, especially if it were felt that the reaction was precipitate and the outcome less favourable than anticipated. Still, it did mean that for the first and only time during the inter-war years, British self-interest was not confined to the cultural or the defence aspects of Empire but extended to imperial economic development.

The Ottawa Agreement was a great triumph for Australia. With the exception of disappointments in the case of meat, Australia achieved all that it desired — free entry for most of its goods to Britain with nearly all of them enjoying a preferential tariff over foreigners'. The only reciprocity conceded was a level of preference for British goods in Australia to be determined by the Tariff Board but open (according to the Australian understanding of the Ottawa Agreement) to modification by the Australian Parliament. In practice, Australia got almost everything it requested in return for very few concessions. The success at Ottawa was a tribute mainly to McDougall, Bruce and Gullett, with the decisive breakthrough being apparently made early on by McDougall. In a letter to Bruce on 10 February 1932, McDougall wrote that he

<sup>35</sup> McDougall to Bruce, 4 February 1932, CP/103/12, Bundle 21, AA.

<sup>36</sup> Statement by Bruce at Ottawa, 22 July 1932, CP/103/12, Bundle 21, AA.



was delighted that the Cabinet finally decided to make the preferences available pending the Ottawa discussions — up to February 3, the government's intention was to have extended the preferences immediately to the colonies, but to reserve the dominion's preferences until after Ottawa. I do not know what influence my representation had but Malcolm MacDonald evidently thinks that his interview with Neville Chamberlain after our talk had a determining effect.<sup>37</sup>

This was indeed a vital breakthrough because it meant that Britain had shown its hand even before the negotiations had started. The *Import Duties Act* of February 1932 imposed a 10 per cent *ad valorem* duty on all imports but suspended it in the case of the dominions until 15 November, pending the outcome of the Ottawa Conference. Britain had made its concessions without ascertaining the dominions' response. It was later to regret this declaration of its hand. At its meeting with McDougall on 7 April 1932, J.H. Thomas, Secretary of State for the Dominions, 'started the conversation by making clear how impressed he was with the difficulties likely to attend the Ottawa Conference. By its action over the Import Duties Act, the government here had thrown all its cards on the table.' In a somewhat belated attempt to redress the situation, Thomas 'was bound to say that the response which this gesture had elicited had not been so good as he would have liked, and he asked Mr McDougall to bear in mind that November 15, 1932 was a very relevant date'.<sup>38</sup>

The British had left themselves little scope for bargaining and the Australian negotiators were quick to exploit that deficiency. With the exception of their willingness to withdraw demands for a tariff on foreign mutton and lamb and accept quotas instead, the Australians made no concessions at Ottawa. Bruce made it clear that he 'would not be prepared, even for the purpose of saving the Conference, to acquiesce in any arrangement with regard to meat that did not give a sure and certain benefit to Australia'.<sup>39</sup> Sir Geoffrey Whiskard, the Dominion Office Official present at Ottawa, was furious; he felt that the United Kingdom ministers should have dug their heels in and he alleged that 'none of our masters has the backbone of a louse'. In fact he observed that 'the extent to which the Dominions are prepared to ask for everything and concede nothing has been an eye opener for Hailsham, Neville, Cunliffe-Lister and Gilmour'.<sup>40</sup> He quoted Neville Chamberlain as saying that 'he had put up at Ottawa with insults from Bennett and Bruce such as he would never had imagined it possible he should have borne'.<sup>41</sup> Whiskard also observed that the British Ministers were 'afraid' of Bennett and Bruce so that when they 'demanded further concessions — brutally as if they were dictating terms to a beaten enemy, as indeed they were — all were at once conceded'.<sup>42</sup> This success was not lost on the rest of the

<sup>37</sup> McDougall to Bruce, 10 February 1932, CP/103/12, Bundle 21, AA.

<sup>38</sup> E.J. Harding's account of meeting between J.H. Thomas and F.L. McDougall, 7 April 1932, Dominion Office 35 (DO 35), 240/8831H/35, PRO.

<sup>39</sup> Bruce to Lyons, 23 August 1932, Lyons papers.

<sup>40</sup> Whiskard to Harding, 16 August 1932, DO 35, 121/6, PRO.

<sup>41</sup> *Ibid.*, 19 August 1932.

<sup>42</sup> *Ibid.*, 22 August 1932.

British civil service in London. Sir Henry Fountain of the Board of Trade was spurred to write to Whiskard in September 1932 when the matter of further concessions in respect of pig meat arose, advising him 'not to give way too readily to the wish of the Australians to continue screwing concessions out of us up till the last possible moment'. 'They pursued this policy at Ottawa, but now that the agreements are signed we ought to be free of their importunities.'<sup>43</sup> Even as late as October — two months after the conclusion of the Conference — British civil servants were still licking their wounds. In a letter, again to Whiskard, Twentyman of the Treasury, advised that 'We understand that he [Bruce] has been going about saying that the United Kingdom officials do not know how to bargain and that it is not his job to teach them, and that if they had been more alert they could have got more concessions from his government.'<sup>44</sup>

Is it any wonder, then, that Gullett should have bragged in the *Sydney Morning Herald* that the Ottawa Agreement 'conferred more benefits upon the Australian farmers and graziers and pastoralists than fell to any other single dominion', or that the Board of Trade should six years later note that there was 'more widespread dissatisfaction in this country with regard to the agreement with Australia than in regard to any other of the Ottawa Agreements'?<sup>45</sup> These were two sides of the same coin, the British believing that their expectations of the Conference had been frustrated by the Australians, whose naked opportunism soured recent expressions of imperial economic altruism. The Australians, of course, did not see it that way. In his report to the House of Representatives on the Ottawa Agreement, Lyons emphasised that the undertakings at Ottawa practically coincided with the tariff policy which he had announced in his policy speech before the Federal Election last year . . . it was very gratifying that the policy then announced should have so completely met the needs of the time and that it had become the basis of the great Inter Empire Agreement reached at Ottawa.<sup>46</sup>

This was to defend the British Empire in Australian terms! In Australian eyes, there was total harmony between Australia's own economic interests and those of the British Empire. The agreement might have been made on Australian terms, but these could still be rationalised in terms of Empire altruism. But the British were not deceived, Ottawa left Britain with a sense of resentment and a determination that it should not happen again. Empire considerations would not in the future impede national interests, even if that meant accommodating foreigners. The conjunction of interests at Ottawa was to prove ephemeral while the triad of mother country, dominion and empire was to reassert itself, with all the ambiguities inherent in that combination.

<sup>43</sup> Fountain to Whiskard, 20 September 1932, DO 35, 273/9261/7, PRO.

<sup>44</sup> Twentyman to Whiskard, 12 October 1932, DO 35, 273/9261/11, PRO.

<sup>45</sup> *Sydney Morning Herald*, 24 September 1932; Board of Trade Memo, 28 April 1938, DO 35, 749/01/46, PRO.

<sup>46</sup> W.C. Hankinson to Under-Secretary Dominion Office, 3 September 1932, reporting Lyons' speech, DO 35, 1 273/9261/13, PRO.

The kernel of the problem for Australia during the 1930s was that it had been too successful at Ottawa. That success bred a complacency that was not justified, while it heightened expectations that were unattainable. The Empire had paid dividends at Ottawa and Australian officials both in London and in Canberra were firmly convinced that it would continue to do so. As a result, they were blinded to opportunities elsewhere and formulated policies on the assumption that they could continue to extract further concessions from the British. Both of these attitudes proved disastrous; they deflected Australia's attention from valuable markets elsewhere, especially in Japan, while they reinforced perceptions of Britain that were based on false hypotheses. The Australians failed to recognise that in the 1930s the British Empire meant something quite different to Britain from what it meant to them. At Ottawa British and Australian views had coincided because their interests were identical, but subsequently these diverged and Australia refused to recognise the fact. Accordingly, its picture of Britain and Britain's trading role within the Empire was distorted for most of the 1930s, with calamitous results for Australian trade negotiations. The remarkable feature, however, was that in spite of failure or minimal gain, Australia did not swerve from its committed path — surely ample testimony to the exaggerated expectations created by the Ottawa bonanza. The Dominion Office did little to dampen these aspirations; on the contrary, it tended to confirm them.

The Dominion Office was Australia's friend at Whitehall, but Australia never appreciated that the Dominion Office carried little weight in the Cabinet or that its Secretary of State was low in the official hierarchy.<sup>47</sup> The Dominion Office's benevolence was seldom matched by tangible results but the atmosphere was congenial. Bruce in particular enjoyed an empathy with Dominion Office officials that seemed at times to compensate for the lack of progress in trade negotiations. They shared a common concept of Empire. N.E. Archer, a Dominion Office official, argued that more than just the trading needs of the United Kingdom were at stake in imperial relations. The British government should pay 'much regard to wider considerations',<sup>48</sup> a clear echo of Lyons' speech to the 1935 Imperial Conference. Small wonder that Bruce was impressed and, through him, his parliamentary colleagues in Australia were impressed also. If the Lyons government needed further encouragement they had in Canberra from 1936 onwards a British High Commissioner, Sir Geoffrey Whiskard, who was himself a former Dominion Office official.

The diet served in London and Canberra was therefore readily digested by the Australians. They could hardly have chosen the ingredients better themselves as it seemed to meet their needs in every respect. The only problem was that it did not represent British government thinking. In trading matters it was the Board of Trade and not the Dominion Office that wrote the menu in those

<sup>47</sup> Garner, *op. cit.*, pp. 26, 137, et al.

<sup>48</sup> Note on United Kingdom-Australian Trade negotiations prepared by N.E. Archer, DO 35,750/01/74, PRO.

years and neither Bruce nor the Australian government found much sympathy in that quarter, as the following 1936 Board of Trade memo makes clear:

In 1932, the value of foreign trade fell still further to £200,000,000. In spite of pressure the United Kingdom refused to make trade agreements with any foreign country until agreement had been made first with the Dominions in Ottawa. The United Kingdom as part of an Empire policy imposed duties and restrictions on a large proportion of imports from foreign producing countries . . . she went as far as it was possible to go in this direction without unduly endangering her export trade. As a result Australia enjoys in the United Kingdom substantial tariff preferences . . . After Ottawa, the United Kingdom had to consider how she could secure and if possible recover badly diminished trade with foreign countries and to this end, she embarked upon negotiations of a number of trade agreements. In almost every case, the foreign countries concerned pressed for the revision or modification of the Ottawa duties and restrictions which affected their trade. This pressure was resisted. Considerable difficulty was experienced in reaching agreements which would have real value for the United Kingdom exporting industries. And it proved necessary to accord foreign countries concessions which involved either immediate sacrifice on the part of the United Kingdom or a limitation on the protection which could be afforded those interests in the future.<sup>49</sup>

The Board of Trade could be quite curt in implementing these policies, as will be apparent from its handling of the Trade Diversion episode in 1936 and by its participation in the 1938 renegotiation of the Ottawa Agreement. And there was little the Dominion Office could do to redress the balance; bland expressions of Empire good-will were no substitute for trading successes.

Accordingly, relations between the Dominion Office and the Board of Trade were often strained when the subject of Dominion trade, especially Australian trade, was at issue. This was apparent both in Britain and in Australia. The Board of Trade was outraged when the Dominion Office provided a brief that was sympathetic to Australian industry for Lord De La Warr, the Lord Privy Seal, when he visited Australia in 1938. De La Warr later warned the Dominion Office against the 'anti-Australian bias' in the Board of Trade.<sup>50</sup> In Australia, relations between both departments' representatives were equally strained. In 1936, E.J. Harding, permanent Under-Secretary in the Dominion Office, took the unusual step of cautioning his old colleague, Whiskard, about his relations with R.W. Dalton, the Senior Trade Commissioner in Australia. Harding advised Whiskard that he should consult with Dalton as the latter 'had a profound knowledge of the requirements of Australia'.<sup>51</sup>

He was right. In trading matters, Dalton was far superior to Whiskard; he had a detailed grasp of most items of manufacture in Australia, as well as having a comprehensive view of the agricultural situation. He had been the main British negotiator during the pre-Ottawa discussions and since then he had produced extensive reports for the Board of Trade on most Australian industries. This could not have been said of Whiskard, who seems to have considered his posting

<sup>49</sup> Board of Trade memo, 22 May 1936, Page Papers, NLA.

<sup>50</sup> De La Warr to Secretary of State Dominion Affairs, 3 May 1938, DO 35, 749/01/46, PRO.

<sup>51</sup> Harding to Whiskard, 8 July 1936, DO 35, 278/9279/156, PRO.

in Australia as a reward for services rendered and accordingly to have put a minimal amount of effort into the job. 'There really is very little work for the High Commissioner to do here', he wrote. 'It's the rarest thing in the world for me to go to the office in the afternoon — the idleness has really been a heavy burden.'<sup>52</sup>

It was this man who was the confidant of the Australian government. He and Gullett were particularly close. Whiskard wrote to Harding when Gullett resigned in March 1937 that he had

developed an increasingly warm affection for him. He has had to spend a good deal of time up in Canberra on his Treaty negotiations when all other Ministers and politicians are away and consequently not infrequently finds himself rather lonely at the hotel. We have encouraged him to drop in to dinner and he has probably done so a dozen times or more in the last six months . . .<sup>53</sup>

These contacts must have reinforced Gullett's Empire prejudices and confirmed his erroneous appreciation of British trading policy in the 1930s. Had he been closer to Dalton, the situation might have been otherwise, but he was not. Dalton had a lowly opinion of Gullett:

He is a difficult person, hyper-critical in many things, vacillating a great deal and liable to be both strongly conceited and obstinate. His views even at present tend to be very narrow and it seems doubtful whether in fact he has ever realised that times have changed and that Australia cannot afford to continue to be as self-centred and acquisitive as she has been in the past.<sup>54</sup>

Resident in Sydney, Dalton was not part of the Canberra social round and he would have had few opportunities for socialising with Gullett or with other members of the Lyons Cabinet. That may well have suited him; the loss was more Australia's than Britain's.

Thus, with the exception of the Dominion Office, Australia had few allies in Whitehall. All other ministries shared, in one way or another, in the resentment after Ottawa; many, however, had their own peculiar grievances. Walter Elliott, Secretary of State for Agriculture from 1932 to 1936, and W.S Morrison, who succeeded him in that office from 1936 to 1939, found that as British agriculture became more intensive during the 1930s, it was hampered by the terms of the Ottawa Agreement. These ministers argued that the Dominions were only entitled to an expanding share of meat imports, at the expense of foreigners but not at the expense of the British producer. The President of the Board of Trade argued hotly that Australia was reneging on its Ottawa commitments. He accused the Australian Tariff Board of misinterpreting Article X of that Treaty and he was also furious on those few occasions when the Australian government refused to impose a whip when Tariff Board reports were presented to Parliament and rejected on a free vote. The Lord Chancellor was horrified at

<sup>52</sup> G. Whiskard to E. Machtig, 6 April 1941, Machtig Papers.

<sup>53</sup> Whiskard to Harding, 15 March 1937, DO 35, 751/02/15, PRO.

<sup>54</sup> Dalton to President of the Board of Trade, 27 January 1932, DO 35, 240/8831H/10, PRO.

the request of the Tasmanian government for a voice in the selection of Judicial Lords in the James Case in 1936, the major Australian trading and market issue to reach the Privy Council in the 1930s. The Lord Chancellor's view of Empire conformed to the usual British specification, Britain first, the Empire second, and the Dominions last.<sup>55</sup> Accordingly, the Australians found themselves out on a limb. They had exaggerated their standing with the British government and the number of their friends at court, and later they refused to recognise that reality even in the face of repeated rebuffs.

A possible explanation of this apparent political masochism is the complex role played by Bruce in the entire process. He was largely responsible, through his activities in London and his contacts in Canberra, for formulating an Empire policy that was essentially sterile from 1933 onwards because of the shift in British imperial perceptions. He was also present and actively involved in London when Australia took steps to implement these policies and invariably, when these failed, Bruce was also at hand to mount a rescue operation — he was both arsonist and fire-fighter. His greatest gift was that people believed him, especially in Australia. He could point to bland imperial sentiments as major achievements, to niggardly concessions as major breakthroughs, to failures as successes and to other people's successes as his own. It was indeed a remarkable performance for a High Commissioner.

This was the case in most areas of financial and trading negotiations between Britain and Australia in the 1930s. Cain and Glynn have shown quite convincingly in their examination of the British-Australian debt conversion of 1933, that, far from dictating terms, Australia, and in particular Bruce, had to bow to Britain's requirements in both the timing and the extent of the conversions. Bruce might well have told 250 members of the Melbourne Chamber of Commerce in 1939 that he 'was able to convert £200,000,000 of Australia's overseas loan by "scaring hell" out of the Chancellor of the Exchequer and the Governor of the Bank of England', but Cain and Glynn provide evidence to show that he did nothing of the kind. They conclude that 'unflustered by claims of dire political exigency in the Antipodes, the British pursued their objective with firmness and resource, making relatively minor concessions as occasion required. Altogether, the game played seems to have been one of Britain's choosing.'<sup>56</sup>

The same could be said of the interminable meat negotiations which absorbed so much time during the 1930s and which yielded so little. Suffice to say that the return was minimal, a mere gain of five per cent spread over three years from 1935. Page argued in 1936 that British purchases from foreign countries were excessive:

in 1935 she still bought 208,600 tons of foreign butter from foreign countries out of a total import of 480,000 tons. She derived 486,500 tons of beef from foreign sources out

<sup>55</sup> 25 May 1936, DO 35, 390/10892/16, PRO.

<sup>56</sup> N. Cain and S. Glynn, 'Imperial Relations Under Strain: The British-Australian Debt Controversies of 1933', *Australian Economic History Review*, vol. 25, 1985, pp. 39-58.

of a total import of 625,600 tons. She bought 14,986,000 great hundreds of eggs from foreign suppliers out of 19,798,000 great hundreds.<sup>57</sup>

But Bruce cautioned Gullett about the hazards of these European markets: 'the more I see of Central European countries, the more convinced I am of their complete unreliability and disreputable instincts'.<sup>58</sup> Accordingly, he recommended that they should cultivate the British market; in a similar vein he wrote to Lyons advising the government to 'recognise the importance of the British market to Australia'.<sup>59</sup> Lyons recognised the possibility of alternative markets but was reluctant to fully exploit them. At the Launceston Agricultural Show in 1936, he said: 'We want to trade with Japan but such trade must be on a basis that does not involve embarrassment with other good customer countries, particularly the United Kingdom'.<sup>60</sup> Thus while Britain was moving further afield in its quest for alternative markets, Australia was becoming more and more introspective. This was nowhere more apparent than in the disastrous trade diversion scheme of 1936.

In that instance, Australia was misled into diverting trade from Japan and the United States to Great Britain, on the assumption that Britain shared Australia's view of Empire and would reciprocate. Accordingly, the Australian government did not square the deal with Great Britain beforehand, believing that to be unnecessary. But the British did not respond. Even McDougall was forced to concede that 'Australia had acted prematurely . . . and that it would have been better if she had held her hand until the conclusion of the meat negotiations'.<sup>61</sup> But it was not only in respect of meat that Australia failed to win concessions from the British; she also failed to obtain from Britain a public acknowledgement of the benefits which Britain derived from Australia. The President of the Board of Trade refused to make that acknowledgement because the 'Commonwealth government had thought it best to reach their decision without prior consultation with the United Kingdom' and also because a public endorsement like that might prove embarrassing for the United Kingdom's relations with the United States, Canada and Japan.<sup>62</sup> Earle Page, Australian Minister for Commerce, pleaded with the British 'to say something that would support them in their gesture to assist the United Kingdom trade' in view of the 'extraordinary steps with regard to cotton and rayon duties' which they were taking, but Walter Runciman, the President of the Board of Trade, would not budge. He said that 'the United Kingdom government was very satisfied for the action proposed to be taken in regard to Japanese competition, but this action could not be regarded as being agreed between the two governments'.<sup>63</sup>

<sup>57</sup> Page Papers (undated).

<sup>58</sup> Bruce to Gullett, 13 December 1934, CP/23M/104, Item 2, AA.

<sup>59</sup> Bruce to Lyons, 19 December 1934, Lyons Papers.

<sup>60</sup> Speech, 19 September 1936, Box 2, Folder 15, Lyons Papers.

<sup>61</sup> DO 35, 278/9279/141, PRO.

<sup>62</sup> DO 35, 278/9279/119, PRO.

<sup>63</sup> *Ibid.*

Britain was not prepared to jeopardise its foreign prospects. Australia had no hesitation and suffered accordingly. In 1936 Japan was Australia's second largest customer for wool and that trade was growing. For the six months to June 1936, the main wool-buying season, Japan took 25 per cent of Australian wool as against 17 per cent for the corresponding period in the previous years; during the same period, Britain's share of purchases fell from 43 per cent to 36 per cent.<sup>64</sup> Because of the diversionary episode, Australian wool exports to Japan fell from approximately 172,000,000 kins in 1935 to 59,000,000 kins in 1938 or from 94 per cent of Japanese wool imports to 67 per cent and for the first time Australia incurred a deficit in her trade balance with Japan.<sup>65</sup> It was little wonder that Earle Page should have been 'apparently struck dumb' when Britain refused to make any concessions whatsoever on meat at his meeting with British Ministers in London in June 1936.<sup>66</sup> In fact he was tempted to abandon discussions and had it not been for the timely intervention of Bruce, the Australian delegation could well have returned home empty-handed. As already mentioned, Bruce succeeded in extracting a concession of a five per cent increase in meat exports over three years at the expense of foreign countries, especially Argentina — small recompense, however, for the loss of the Japanese wool market. It is doubtful if Australia would have found itself in that predicament had it not been for the heightened expectations generated by Bruce in the first instance.

The final episode in this Empire saga, of even more tragic proportions than the previous one, was the abysmal attempt by the Australians in 1938 to renegotiate the Ottawa Agreement in its favour. The renegotiations reflected more than anything else Australia's erroneous view of Britain's economic rule within the Empire during the 1930s and as such they were the culmination of the unrealistic atmosphere engendered in London and in Canberra by the preferential Empire brigade. No less than three senior Cabinet Ministers and nine officials were away from Australia for four and a half months at a cost to the Australian Exchequer of £15,466.<sup>67</sup> The mission was an unmitigated failure, though like many previous trade negotiations during the 1930s it was nevertheless sold to a gullible Australian public as a national triumph.

The instructions which the Australian Cabinet drew up for the delegation included the following:

Articles 8, 9, 10, 11, 12, 13, 14 and 15 are to be deleted from the Ottawa Agreement: Australian products are to be free of duty and free from quantitative limitation in the

<sup>64</sup> *The Sun*, 25 January 1937.

<sup>65</sup> Okorasho, *Nippon Gaikoku Boeki Nempyo 1936-1939*, quoted in T. Fukushima, *The Australian-Japanese Trade Dispute, 1936*, Department of International Relations, University of Tokyo September 1981.

<sup>66</sup> Machtig to Whiskard, 30 June 1936, DO 35, 258/9105/3/99, PRO London. See also telephone call between Page and Lyons, 24 June 1936, in which Page said 'What has been offered to Australia was useless, and he told the British representatives that we could not possibly accept it as an Empire policy: it was going back on the principles of Ottawa.' Lyons Papers, Box 5.

<sup>67</sup> R.G. Menzies to F.M. Forde, 19 May 1939, House of Representatives, Canberra.



British market and the United Kingdom is to be encouraged to promote Australian interest in the European market.

The only concession which the delegation could make would be 'some modifications of preferences at present enjoyed by Australia if it can be seen that any such modifications may lead to an expansion of international trade.'<sup>68</sup> This was hardly a vital negotiating counter since, with the exception of sugar, wine, spirits and tobacco, upon which duties were imposed for revenue purposes, all Australian goods were admitted to the United Kingdom free of duty and so did not require preferences. On 4 April 1938, these proposals were dispatched to London.

The Board of Trade's initial reaction was one of amazement — semi-officially they described the proposals as 'fantastic'.<sup>69</sup> The Board of Trade could point to the rise of £26,000,000 in the value of Australian exports to the United Kingdom between 1931 and 1937 and also to the fact that in each year during the 1930s, Australia had a substantial surplus in its balance of trade with the United Kingdom. Further, the Board of Trade argued that 'with the exception of wheat and wool, the Australian primary industries were particularly dependent upon the United Kingdom market for the disposal of her export surplus'. In terms of Australia's total export, the United Kingdom had furnished a market for 44.9 per cent of the total exports from Australia during the year ending 30 June 1931; in 1936-37 the percentage was 49.9. While the Commonwealth government could point to a considerable volume of reductions of protective duties and comparatively few increases, the Board of Trade replied:

the protective tariff wall was so absurdly high at the time of Ottawa that there was much scope for reduction without seriously impairing the position of the local manufacturer. A large number of the reduced duties were at levels of 20% to 30% ad valorem and when exchange and primary duties were taken into consideration, it was probably safe to say that in these cases the reduced duties were still too high to give a material improvement in the United Kingdom position.

This was particularly galling for the Board of Trade because the functioning of the Australian Tariff Board along agreed principles as codified in Articles 9 to 12 of the Ottawa Agreement had been demanded as a quid pro quo for the free entry of Australian goods into the United Kingdom. Thus:

while Australia had entered into the immediate enjoyment of all the benefits which we accorded to her goods under the Ottawa Agreement, we on the other hand had to be content, in the main, with various conditional undertakings in regard to the future treatment of United Kingdom goods imported into Australia... The degree to which those promises would be kept would depend entirely upon the political exigencies of the time and not upon the merits of the particular concessions which may be sought.

<sup>68</sup> Trade Negotiations 1938, General Instructions to the Delegates proceeding Overseas, p. 2, 1667/430/B/65, AA.

<sup>69</sup> DO 35, 749/01/40, PRO.

The Board of Trade concluded that 'if the articles were amended to suit the Australian manufacturers they would be practically worthless to us'.<sup>70</sup>

They were not amended. On all points, the Australians failed to make any progress whatever. In effect, they had little to offer the British and mere invocations of Empire solidarity cut little ice with the Board of Trade negotiators, especially Oliver Stanley. The Australians failed to play the one trump card which they held, namely the concessions which they had already promised the United Kingdom in order to facilitate UK-US trade negotiations, and as a result they were forced back on British benevolence.<sup>71</sup> This was not forthcoming, nor could it have been expected.

R.G. Menzies had conceded that the Australian Tariff Board had 'misinterpreted Article X of the Ottawa Agreement in Australia's favour'; he was in effect now asking the British to do the same by deleting the obligation on the Australian Parliament to give effect to all Tariff Board Reports.<sup>72</sup> The British refused even to entertain that possibility and suggested a compromise which would have substituted a list of specific preferences on special items for Tariff Board proposals, but this came to nothing when the Australians discovered that they would be much worse off. The Australians then pressed for an expanding share of the British market on the grounds that it had been agreed at Ottawa. It had not. Except in the case of meat, where the concession made was for an expanding share of imports and not of the British market, the Dominions were expected to compete for their share of the British market with British producers and also with those foreign countries which were prepared to absorb the preferential duties. 'The logical outcome of the Australian requests', according to the President of the Board of Trade, was 'that the Empire should establish a closed economy in which the Dominions would provide the agriculture and the United Kingdom the industry. He imagined that no one would want that.'<sup>73</sup>

By 30 June 1938 the negotiations had become deadlocked and had it not been for another timely intervention by Bruce, the discussions could have broken down irretrievably. The result was the drafting of the 'Memorandum of Conclusions' which were little more than polite exchanges of goodwill between the two parties and of laudable but innocuous aspirations which no one could deny, because of the generalities in which they were couched.<sup>74</sup>

Yet the Australian public accepted this outcome. The *Sydney Morning Herald* informed its readers that 'the special value of the talks lies not in any concrete result but in a wider mutual understanding', while the Melbourne *Argus* refused to

<sup>70</sup> *Ibid.*

<sup>71</sup> Bankes Amery to Liesching, 4 July 1938, DO 35, 750/01/65, PRO.

<sup>72</sup> Notes of meeting between United Kingdom and Australian Ministers, 17 June 1938, DO 35, 759/01/64, PRO — Article X stipulated that the Australian Tariff Board should give the United Kingdom 'full opportunity of reasonable competition on the basis of the relative costs of economical and efficient production'.

<sup>73</sup> Meeting between Australian and United Kingdom Ministers and officials, 14 June 1938, 1667/430/B/67, AA.

<sup>74</sup> Cmd 5805.

be dismayed at the failure to revise the Ottawa Agreement because the latter 'had been most valuable to Australia'.<sup>75</sup> However, in London, the *Daily Express* was at its caustic best in exposing the inanities of the final communiqué. It accused the Cabinet of having allowed the negotiations to break down 'rather than nullify pacts with foreign countries'.

The Australians had been allowed to hang about London for three months while the British were too preoccupied with foreign affairs to take enough interest in the British Empire — a prominent Australian in London [unnamed] had said to the *Daily Express* correspondent that 'The British Ministers went into the talks in the spirit of sheer hard bargaining' — with no 'all-one-Empire-family' spirit at all.<sup>76</sup>

The British had been doing that since 1932, but the Australians failed to recognise it, or, if they did, tried to convince themselves otherwise. The Australian public had been led up a blind alley so that it was not prepared for failure in London. As a result, platitudes were accepted as substitutes for real progress in commercial negotiations. However, Ministers were becoming sceptical. In a conversation with the United Kingdom acting High Commissioner on 15 July 1938, Lyons had spoken pessimistically of the difficulties he foresaw when the delegates returned. Page, at last, came to realise that their perceptions of Empire trade were ill-founded when in an introspective moment, he wrote in July 1938:

I set out my view in this way because I cannot persuade myself that the differences now existing between the British Ministers and ourselves are mere differences of draftsmanship. I regard them as reflecting utterly opposed views upon the commercial and industrial development of Australia as a British country.<sup>77</sup>

He was right. But what was indeed surprising was that it took him and his Cabinet colleagues so long to realise that. The memory of the Ottawa success was slow to fade so that even the rebuffs of 1935 and 1936 did not deflect the Australian delegation from its disastrous course at the 1938 renegotiation of the Ottawa Agreement. The 1938 debacle exposed the fragility of the Empire link. Tangible concessions involving an infringement of national interests were neither entertained nor conceded. Only the sentiment survived, and that had never been in dispute. Throughout the 1930s, Australia believed that imperial sentiment leading to a Commonwealth economic policy guaranteed economic gains, while Britain considered that imperial sentiment was a substitute for economic concessions. In both cases, however, protestations of Empire loyalty served the same purpose of deflecting attention from their own sectional interests.

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<sup>75</sup> Quoted in DO 35, 750/01/9, PRO.

<sup>76</sup> *Daily Express*, 25 July 1938.

<sup>77</sup> Memo, 7 July 1938. Page Papers.

### H.V. EVATT AND THE 'BEAT HITLER FIRST' STRATEGY: SCHEMING POLITICIAN OR INNOCENT ABROAD?

On 28 May 1942, five and a half months after the outbreak of the Pacific war, Australia's Minister for External Affairs, Dr H.V. Evatt, announced with considerable shock his discovery in London of the Allied grand strategy that called for a concentration of resources against Germany and a strictly defensive war in the Pacific.<sup>1</sup> In a recent paper, Carl Bridge has claimed that Evatt knew all along of the so-called Beat Hitler First policy and simply feigned surprise in order to squeeze extra assistance for Australia from its reluctant allies.<sup>2</sup> Drawing a different conclusion, John Robertson has accepted Evatt's surprise as genuine and blamed Australia's representatives in London and Washington as well as Opposition politicians and public servants in Canberra for keeping Evatt in the dark.<sup>3</sup> Neither of these conclusions is wholly satisfactory. This article will draw heavily on Evatt's papers to offer an alternative account of the events leading up to his shocked discovery of the Allied strategy.

The Beat Hitler First policy was first agreed at the Anglo-American staff conversations in early 1941, nine months before the Japanese attack on Pearl Harbour. The conservative United Australia Party government in Australia was informed of the progress of the talks and of the strategy that came out of them.<sup>4</sup> Bridge suggests that Curtin and Evatt were probably informed by Acting Prime Minister Fadden of the Allied strategy but admits that there is no direct evidence for this assumption.<sup>5</sup> Robertson takes the opposite view, suggesting that Curtin and Evatt were deliberately prevented from knowing of the strategy by Prime Minister Menzies for reasons of military secrecy and possible political advantage.<sup>6</sup> However, Curtin certainly seems to have understood that Britain and America would respond to a Japanese attack in a limited way, husbanding the bulk of their resources for the war against Germany. At the Advisory War Council meeting on 13 February 1941, Curtin suggested that, even if America joined the British side, she might 'concentrate on strengthening the United Kingdom in the Atlantic and help to get back the outposts of the Empire later'. Urging greater self-reliance in Australian defence, Curtin revealed that it was 'clear in his mind that if we were drawn in [to war with Japan] we must stand

<sup>1</sup> Cable E.T. 30, Evatt to Curtin, 28 May 1942, CRS A3300, Item 228, Australian Archives (AA).

<sup>2</sup> C. Bridge, 'R.G. Casey, Australia's First Washington Legation and the Origins of the Pacific War, 1940-42', *Australian Journal of Politics and History*, vol. 28, 1982, pp. 181-9.

<sup>3</sup> J. Robertson, 'Australia and the "Beat Hitler First" Strategy, 1941-42: A Problem in Wartime Consultation', *Journal of Imperial and Commonwealth History*, vol. 11, 1983, pp. 300-21.

<sup>4</sup> See Cable No. 98, Naval Attaché (Washington) to Chief of Naval Staff (Melbourne), 7 February 1941, copy sent to Acting Prime Minister Fadden, 13 February 1941; Cable No. 151, Naval Attaché to Chief of Naval Staff, 21 February 1941, copy sent to Fadden, 24 February 1941; Cable No. 159, Naval Attaché to Chief of Naval Staff, 24 February 1941, CRS A1608, Y27/1/1, AA.

<sup>5</sup> Bridge, *op. cit.*, p. 184.

<sup>6</sup> Robertson, *op. cit.*, p. 306.