

THE ANU NATIONAL EUROPE CENTRE PRESENTS:



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THE RENEGOTIATION OF THE OTTAWA AGREEMENT WITH THE UNITED KINGDOM IN 1956: A SIGNIFICANT EPISODE IN AUSTRALIAN EXTERNAL ECONOMIC POLICY DEVELOPMENT?

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Parking available in Balmain Lane, opposite University House. Light refreshments will be served after the seminar. This lecture is free and open to the public.

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The Australian demand to renegotiate the Ottawa Agreement of 1932 with the United Kingdom in 1956 is taken to be a significant episode in the development of Australian commercial diplomacy; a 'key' decision as Crawford* puts it. It might be argued that in its nature and timing the demand for major changes in the preferential arrangements with the United Kingdom signal a strategic change in Australian external economic policy thinking and directions, an opinion reinforced by the conclusion of the Australia-Japan Agreement on Commerce in 1957.

The paper argues that this interpretation of the renegotiation of Ottawa is necessarily limited by the absence of any change in Australian internal economic policy thinking and that the renegotiation of Ottawa and the conclusion of the Australia-Japan Agreement on Commerce represent the substitution of a faster growing industrial economy in the shape of Japan for the slower growing United Kingdom in Australia's long established vertical trade relationships. As such, nothing changed as Australia pursued its strategy of inward-looking, broadly based industrialization in conditions of full employment and population growth supported by the export of a limited range of agricultural exports to relieve the external constraint on the development and growth of a protected and regulated economic society. Changes of deep significance had to await the micro- and macroeconomic reforms of the 1980s as a response to the global and national instabilities of the 1970s.

Importantly the events of the mid-1950s weakened the links with the United Kingdom as Australian policy thinking strove to come to terms with the economic and strategic requirements of national circumstances in the 1940s and 1950s. The search for new trading arrangements by Australia was in part a response to the confused British assessment of the economic and more general threats and opportunities for them that arose in the changes that characterized the post-Second World War decade, not least the drive to economic integration in Western Europe.

*Emeritus Professor Sir John Crawford, AC, CBE, former Vice-Chancellor and Chancellor of The Australian National University.

The views in this Lecture are those of the presenter and do not necessarily represent the views of The Australian National University

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