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And so, from an early point in the history of European integration, Australia was forced to contend with the ‘dream’ of a united Europe. By 1962, the idealism associated with the ‘European dream’ had given away to hard bargaining between states and the nascent supranational institutions of the European Communities. Much like intra-European relations in the past 50 years, shared values provided a background to hard negotiations based on national, as well as European-level, interests.

Half a century later, as Australia and EU celebrate their ‘golden anniversary’ year, we are at one of the most optimistic stages in bilateral relations. But with the EU’s most serious political crisis still playing out and a likely change of government in Australia in 2013, none of this golden glow can be taken for granted.

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**The golden anniversary of diplomatic relations between Australia and the European Union**

Over the past 50 years, Australian–EU diplomatic relations have been shaped by issues such as trade, international relations and common values. This year, we are at one of the most optimistic stages in diplomatic relations with a treaty-level agreement to open up new opportunities for regional investment, closer alignment in research, science and technology, as well as in the education and services sectors.

‘For us, the European people, Europe is a dream. Europe is a quest. We have been dreaming of uniting European countries not only for decades but also for centuries. It’s a dream we have put all our energies into for decades and decades.’

Stéphane Romatet, Ambassador of France to Australia, speaking on the Big Ideas program of ‘Australia and Europe in Conversation’, on the Australian Broadcasting Corporation, 29 March 2012

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The history of Australia–EU relations has been dominated by trade issues, particularly those to do with agriculture. At times, these have been acrimonious, despite the often declared shared
values binding Australia and Europe. Australia–EU relations are best understood against a background of structural shifts in international relations since the end of the World War II and a neo-liberal re-alignment from the 1980s onwards. Australia’s foreign policy after World War II saw a major shift away from the United Kingdom and towards strengthening newer strategic alliances, enduringly with the United States of America and, from the 1990s, with the rising powers of the Asia-Pacific region.

The new ‘Europe’ in 1958: A threat to Australia’s exports

The creation of the European Communities in 1958 confronted Australian policy-makers with novel challenges. Following the devastation of World War II, some Europeans were determined to create a ‘Europe’ free of interstate conflict and secure from what they saw as the menacing Communist threat from the East. This was the ‘dream’ referred to by Ambassador Romatet above. But this ‘dream’ was the product not only of those who sought to create a new regional polity, free of what they saw as the evils of nationalism and state sovereignty; it was also the product of European governments seeking to protect and increase the fragile sovereignty that had emerged from the conflicts of the 20th century.

While European integration in the 1950s was legitimised by the language of creating an enduring peace, the picture was not so rosy when seen from the Antipodes. Europe’s newly integrating economies were perceived as a threat to Australian exporters due to high import duties. Attitudes were wary enough after the creation of the EEC in 1958. Suspicion turned to alarm when the United Kingdom announced its intention to apply for EC membership in July 1961.

So when it came to new ways of solving “guns and butter issues” in the international relations of Western Europe, Australia was more concerned with butter than with guns. Australian Prime Minister Sir Robert G. Menzies noted that: “In 1961–62, Australia exported to the United Kingdom just under £20,000,000 worth of butter, out of our total export of £23,500,000. It entered the United Kingdom duty free, whereas European butter pays a duty of 15s. a cwt.”
Should Great Britain go into the Common Market on the terms of the Treaty of Rome, Australian butter would be subject to variable levies and possibly quantitative restrictions, while European butter would have free access. Is the problem thus presented, in economic, industrial and human terms, a small one?"

Australian policy-makers thought that the UK’s entry into the European Common Market would have adverse consequences for the Australian economy. As Peter Doyle from the Australian Department of Foreign Affairs and Trade observed in the Conversations program: “For many in Australia [the British accession to the EEC in 1973] was quite a traumatic experience, because we lost preferential trade access for our agricultural goods, but we also felt abandoned by mother England.”

Thus European integration had a profound impact on Australian foreign policy from the 1960s onwards, propelling Australia’s ‘choice for Asia’ and further engagement with Pacific Rim partners.

The thorny issue of agricultural trade
Changes within Europe also conditioned Australia–EU relations. The final agreement on a Common Agricultural Policy in 1962 shaped Australia–EU relations for decades. In the 1970s, 1980s and 1990s agricultural trade remained a thorny issue and consequently the level of trust was low. This period shaped the attitudes of a junior minister called John Howard and throughout the period of his government in 1996–2007, relations were not easy. Even before then, Australia became a leading international voice and permanent Chair of the Cairns Group calling for the reduction of agricultural subsidies globally. Australia’s opposition to the EU’s Common Agricultural Policy (CAP) and EU exports (such as of subsidised beef) to Asian markets dominated Australia–EU meetings, which became confrontational in style.
Towards a new phase of deeper diplomatic relations

Nevertheless, there was progress. In December 1981, the first official round of Ministerial Consultations took place in Brussels. The Delegation of the Commission of the European Communities to Australia was officially opened in 1982, the same year that the Euratom agreement regarding transfers of nuclear materials came into effect. In 1984, Australia and the EU signed an agreement on cheese. Sectoral discussions laid the groundwork for the initiation of regular forms of dialogue, and important agreements were signed in the 1990s.

If there was progress in ‘low’ politics, ‘high’ politics continued to present difficulties. In the 1990s, a human rights clause in a draft agreement constituted an area of confrontation between Australia and the EU, whose relationship was somewhat weakened by Malaysia’s veto on Australia’s application to join the Asia–Europe Meeting (ASEM) process. Political events again drew Australia and the EU into greater cooperation. Following the terrorist attacks on the USA, Australia and the EU engaged in discussions on security, non-proliferation and strategic-level information sharing. Issues of common concern, such as immigration and asylum seeker matters, were also areas of collaboration.

A change of government at the end of 2007 ushered in a new phase of deeper diplomatic engagement. Since 2008, Australia and the EU have signed further agreements, covering issues such as civil protection and the Partnership Framework Agreement. The latter agreement specifically referred to common democratic values, and emphasised closer collaboration on overseas developmental aid delivery, human rights promotion in the region and globally, as well as other areas of cooperation as specified in the agreement and its subsequent revision.

The upcoming treaty-level agreement is likely to go a step further and open new opportunities for regional investment, closer alignment in research and in science and technology, as well as in the education and services sectors. However, ratification by the Australian Parliament and the newly-empowered European Parliament has once again been delayed over standard human rights clauses in the text of the agreement. >
Underlying strength in an unfolding future

When asked by a young journalist what was the thing he least expected during his time as Prime Minister, Harold Macmillan replied: ‘Events, dear boy, events’. The only thing we can be sure of is that ‘events’ will play a key part in the next 50 years of Australia–EU relations.

The current delay over the ratification of the treaty-level agreement shows how what are presumed to be common values can be interpreted differently in Europe and Australia. The history of Australia–EU relations can be characterised as one underpinned by common values, but also one in which national and European interests have very much shaped negotiations and relations between the two polities. At a deep level, there is strength in the relationship. But one can never discount the shifting nature of politics and international relations.

The upcoming treaty-level agreement is likely to go a step further and open new opportunities. In the current crisis that is shaping European integration in novel ways, and with Australia signalling its Asian-focus anew, it is possible that the current calm waters of the relationship could become choppy again. But the history of Australia–EU relations has illustrated a pattern of convergence over a wide range of issues even in what might have seemed the least promising of circumstances. In this, all depends on the unfolding of the European ‘dream’ and Australia’s responses to it.