The Seed of Freedom: Regional Security and the Colombo Plan

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Established in 1950, the Colombo Plan was a comprehensive program of foreign aid provided to South East Asian nations. In this article I argue that the Colombo Plan had a much broader political and cultural agenda, and cannot be understood from a humanitarian perspective alone. By exploring some of the cultural, ideological and political underpinnings of the scheme I illustrate that, as part of a comprehensive foreign policy, it is best understood as being motivated by international security priorities and the need to ally domestic cultural concerns. Although the Colombo Plan was inherently defensive, it also proved to be something of a progressive force which prepared the ground for a much closer relationship with (and within) the Southeast Asian region.

On 9 March 1950, Percy Spender delivered his first speech as Minister for External Affairs in the Australian Parliament’s House of Representatives. “No nation can escape its geography”, he warned. “We live side by side with the countries of South and Southeast Asia [and] it is in our interest to foster commercial and other contacts … and give them what help we can in maintaining stable and democratic governments in power”.¹ Spender’s speech was a forceful and carefully constructed oration which juxtaposed two fundamentally opposed images. One was of the growing force of communism and Australia’s vulnerability in post-colonial Asia — although he stopped short of describing any subjugation of Australian territory. The other image was of Australia as a purposeful and strong Pacific power (notably not an Asian power) which, assuming appropriate and resolute action, would be able to assert a strong presence in the region. In the years immediately following World War II, Australian foreign policy was in the process of realignment and consolidation around a new concept of Southeast Asia, shaped largely by the Cold War. On a rhetorical and political level, Spender’s speech represented many of the ideas and values inherent in this new concept of Australia’s place in the Asian-Pacific region. Perhaps most importantly, it outlined Australia’s attempts to influence the future of the region in the form of an ambitious scheme to extend economic aid to Southeast Asian countries — the Colombo Plan.

The Colombo Plan for Cooperative Economic Development in South and South-East Asia developed out of a meeting of Commonwealth Foreign Ministers in Ceylon, in 1950. To date, most analyses of the Colombo Plan have focused on its place in the development of cultural and educational understandings between Asia and Australia, largely as a consequence of the significant number of students who

¹ P. Spender, Politics and a Man (Sydney: Collins, 1972), p. 315.

undertook scholarships in Australia under the scheme.\textsuperscript{2} Far less attention has been devoted to the economic, political, social and strategic context surrounding the emergence of this foreign aid program. Initially conceived as a “Marshall Plan” for Southeast Asia, the Colombo Plan was often portrayed as simply a reconstruction plan for Asian countries damaged by WWII.\textsuperscript{3} In this article it is argued that — like the Marshall Plan — the Colombo Plan had a much broader political and cultural agenda, and cannot be understood from a humanitarian perspective alone. By exploring some of the cultural, ideological and political underpinnings of the Colombo Plan, this article illustrates that, as part of a comprehensive foreign policy, it is best understood as being motivated by international security priorities and the need to allay domestic cultural concerns. The Colombo Plan was an attempt to counter communist expansion in the newly independent nations of Southeast Asia by raising living standards and therefore removing the conditions likely to create popular sympathy for communist forces. More significantly, the Colombo Plan, with its modernist assumptions about the importance of development, technology and social progress, was to be a vehicle for the transmission of Western values. An examination of the official approaches Australia took towards Asia might also reveal something about the nature of regional security in the late 1940s and 1950s, and the means and practices by which security was sought.

In one sense, the plan was inherently defensive because it was born from a desire to secure Australia from the Asian region. David Lowe has persuasively argued that the Colombo Plan was inexorably linked to the Menzies Government’s desire to establish a much closer defence alliance with the United States.\textsuperscript{4} However, the plan was also a progressive force, for while it was deeply grounded in allaying a wider set of domestic cultural anxieties associated with racial, political and economic security, it simultaneously prepared the ground for a more intimate and far-reaching cultural exchange. The Colombo Plan represented a shift away from the largely insular, domestic concerns of the incoming Menzies Government. It involved allowing non-Europeans into Australia, and encouraging Australians to travel and work in Asia alongside Asian people. In many ways, the Colombo Plan can be seen as a cautious — and conditional — opening of Australian boundaries. In order to begin to understand the forces which prompted


\textsuperscript{3} The parallel with the Marshall Plan was first used by the Ceylonese Prime Minister and Finance Minister, J.R. Jayewardene. See D. Wolfstone, “The Colombo Plan After Ten Years”, Far Eastern Economic Review 33, 5 (3 August 1961), p. 219.

\textsuperscript{4} Lowe, “Percy Spender and the Colombo Plan 1950 …”.
such a re-examination of Australia’s position and role in the Asian region, it is worth recounting the diplomatic context from which the Colombo Plan emerged.

The Colombo conference was, at least superficially, simply another conference in the series of discussions between Commonwealth representatives which had been taking place since 1944. However, this meeting differed from the others in three significant ways. Firstly, in addition to the issues of European reconstruction and the Japanese Treaty, delegates were to consider the ramifications for Southeast Asia of the victory of the Chinese Communist Party. Secondly, this was the first time that representatives from the newly independent Asian countries (Pakistan, India and Ceylon) were included on the council and given the opportunity to discuss their views on regional issues. Thirdly, this was the first Commonwealth Ministers’ meeting convened in Asia.

During the general discussion of the international situation and economic reform on the second day of the meeting, the Ceylonese Finance Minister, J.R. Jayewardene, put forward a general proposal advocating regional development of Southeast Asia. Later that day, Spender tabled a more detailed document which became known as the “Spender Resolution”. The memorandum called for Asian nations to make submissions detailing their development needs, and for the conference to establish a consultative committee which would determine the logistics of delivering aid to the Southeast Asian region. (The first meeting of this committee was held in Sydney in May 1950.) Given Spender’s keenness to be associated with pioneering the scheme, it is not surprising that he described Jayewardene’s speech somewhat sourly as “deliberately jumping the gun”. The Ceylonese delegation later accused Australia of prematurely leaking the memorandum to a London Times correspondent, ostensibly to take credit for initiating the scheme. In an effort to repair some of the egos wounded by the debate, the Indian Minister for Finance, Sir Chintaman Deshmukh, in his opening speech at the London meeting of the Consultative Committee in September 1950, offered a diplomatic response. He described the Colombo Plan as emerging from “the initiative of Ceylon, the enthusiasm of Australia, the friendly encouragement of New Zealand and Canada and the wise guidance of the UK”.

Unrepentant, Spender later wrote in his memoirs, *Exercises in Diplomacy*, that he conceived of the idea of an aid program on the flight to Colombo. The comment was characteristic of Spender’s brusque and egotistical style, and unfortunately has obscured the intellectual and political origins of the Colombo Plan. The apparently trivial competition to get the plans on the table neatly illustrates the point that Spender was certainly not alone in his advocacy of wider economic and political cooperation among Southeast Asian nations. Spender was, in fact, deeply indebted to his Labor predecessors and the work undertaken by senior members of the Department of External Affairs (DEA). Indeed, the development of sophisticated regional defence initiatives based on political and

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5 “Minutes of the 1st Meeting, 9 January 1950”, CRS A 816 item 11/301/720, AA.
economic engagement with neighbouring countries was certainly not a new idea. The philosophical and intellectual roots of regional development programs such as the Colombo Plan stretch back to the late nineteenth century. Before examining the Colombo Plan in more detail, it is worth examining the evolution of Australian conceptions of regional security.

The issue of security in a hostile — or potentially hostile — region has been a recurrent theme in Australian foreign policy. A strategy intended to address the issue of Australia’s regional vulnerability first emerged in the form of the Australian Monroe Doctrine which mimicked the American Monroe Doctrine enacted in 1823 by President James Monroe, designed to keep European colonial powers out of the Western hemisphere. The Australian doctrine was first articulated in 1877 by Victorian Premier, Graham Berry, who proposed that the South Pacific be controlled by people of Anglo-Saxon descent. In 1909, Prime Minister Alfred Deakin requested British assistance in securing an extension of the American Monroe Doctrine as a means of countering Japanese expansion into the Pacific. Then, in 1918, Billy Hughes continued this pattern when he attempted to secure United States backing for Australian control of German occupied islands in the South Pacific. This endeavour, he claimed, did not represent an attempt to expand the empire, but simply to guarantee its security.

The bombing of Darwin in 1942 and the invasion of New Guinea evoked a resurgence of the Australian Monroe Doctrine, although the concept had now been broadened considerably. On 21 January 1944, at a conference of Australian and New Zealand Ministers, H.V. Evatt, as Minister for External Affairs, helped to negotiate the ANZAC Pact. Among other things, the agreement envisaged a “system of world security” based on a zone of defence “stretching through the arc of islands north and north-east of Australia to Western Samoa and New Zealand’s possessions in the Cook Islands”. Although the defence “zone” was never to materialise, regional security was seen to involve much wider responsibilities. A statement issued in January 1944 by the DEA announced the new duties for those with territorial interests in the area: “The Agreement assumes the duty to advance the welfare of the native people and to promote their social and economic and political development”.

In November 1944 Evatt reported to the House of Representatives on the relationship between development and international peace. Evatt’s statement is particularly illuminating because of intellectual associations he made between political stability and economic and social progress.

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11 Evatt, *Foreign Policy of Australia* ..., p. 156.
There cannot be freedom from fear unless there is a systematic attempt to achieve the objective of freedom from want. International order cannot continue indefinitely unless the conditions of social unrest are removed. It is urgently necessary to provide machinery for the promotion of human welfare in all parts of the world. But we feel a special responsibility for non-self-governing territories in the region in which we live and in neighbouring regions. We feel that great constructive work can be and should be done by the Governments responsible for territories in the South Seas and in the South-East Asia region to provide for mutual assistance, exchange of information and collaboration in particular problems, such as health, transport, economic development and native welfare.  

The expansion of the rubric of regional security to include welfare and development was a significant change in the conception of Australian defence strategies.

The process of coming to terms with Australia’s isolation from strong cultural and military allies was the cause for much anxiety during the late 1940s when the spectre of communist expansionism emerged as one of Australia’s fundamental security concerns. These concerns were further aggravated by the weakening British connection and Evatt’s perceived neglect of domestic defence planning. Moreover, conservatives saw Labor’s foreign policy, with its faith in the United Nations and support for Asian self-determination, as an attempt to dismantle the bonds of empire. Speaking at the First Annual General Convention of the NSW division of the Liberal Party in 1945, Menzies turned on the logic of Labor’s international liberalism: “the very arguments used for throwing the Dutch out of the East Indies are the arguments which will be used to throw the British out of Malaya, to throw the British out of Burma, India, for throwing the Australians out of New Guinea”. Earlier in the speech he was more emphatic about the consequences of Labor’s disrespect for the Empire: “I hope we have become sufficiently aware … to know that the continued existence of the British Empire is vital to the peace and the future of the world”.  

However, for many, World War II had been an object lesson on the irrelevance of Britain to Australia’s military reach. Some members of the Liberal/Country Party opposition who, perhaps privately, doubted the strength of the imperial connection, saw the chance to rebuild those historical ties. For example, in 1949, Sir Earle Page, clearly with the turmoil of the war in mind, berated Evatt for his support of the Dutch withdrawal from Indonesia:

> When we find that the present occupants of territories which concern us have been told that they should get out of them for the sake of the original inhabitants, we wonder whether we are living in a chapter of Alice in Wonderland… We should ask ourselves who are our real friends? … Who are those who will support us in our hour of need? … The only way we can ensure … safety is to build a new British Empire. That Empire is held together by the great traditions of the past.

Members with a more complex appreciation of the importance of Southeast Asia, like Spender, also attacked the Chifley Government for its failure to counter the threat of communism. Responding to one of Evatt’s numerous speeches regarding the United Nation’s role in world affairs in February 1949, Spender, then

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12 CPD, 180, 30 November 1944, pp. 2536-2537.
13 C. Hazlehurst, Menzies Observed (Sydney: George Allen & Unwin, 1979), pp. 289-293.
14 CPD, 201, 16 February 1949, p. 383.
as Shadow Minister for External Affairs, was quick to exploit the generalities of Evatt’s words: “The speech of the right honourable gentleman contained not one word about matters which are of vital interest to this country. The events which are taking place not only in Europe but also in Asia … Where, in his speech, was any reference made to the Pacific and Southeast Asia?”

Although Evatt was routinely criticised throughout his career by opposition members for his adherence to United Nations protocol — seen by some as wilful neglect of Australia’s immediate security concerns to the north — he was aware of Australia’s regional vulnerability. As early as 1947 he spoke of an important development in Labor’s foreign policy platform, which, to some extent, was an extension of the logic behind the formation of the South Pacific Commission:

Monroe Doctrine-style isolationism was in the process of giving way to a tentative form of regionalism, based on a wider understanding of defensive planning to encompass increased economic and social interaction.

There is little doubt that Evatt considered the United Nations to be the principal instrument for international conflict prevention and resolution. Yet, despite his belief in self-determination as the “best form of security” and the criticism levelled at him by Menzies, Spender and other opposition members, Evatt’s “internationalism” did not mean that he abrogated responsibility regarding regional security issues. In August 1945, Evatt acknowledged that the mere existence of a United Nations Charter did not “dispose of the need for national defence forces, and [offered] no absolute guarantee against armed conflicts and aggression”. Nor did the existence of the UN Charter obviate the creation of policies designed to foster positive foreign relations and collective security arrangements. In fact, the Colombo Plan, as developed under Labor and implemented under the Menzies Government, was justified as a key program which would secure a multitude of domestic and defence objectives.

The development of increasingly sophisticated and organic conceptions of regional defence strategies involving social and economic engagement with local peoples began in earnest under the Chifley Labor Government. As I will show, the emergence of the Colombo Plan can be seen as a linear extension of the policy work formulated by Evatt and senior officials from the DEA. Where the Labor and Liberal parties’ foreign policy differed most fundamentally was in their approach

\[15\] CPD, 201, 16 February 1949, p. 354.
\[17\] CPD, 190, 26 February 1947, p. 164.
\[18\] CPD, 189, 15 November 1946, p. 338.
\[19\] On one such occasion, Evatt was accused of being “carried away by internationalism”; CPD, 200, 16 February 1949, p. 353-58.
\[20\] CPD, 184, 30 August 1945, p. 5037.

to imperial attachments. Spender’s eagerness to draw the United States into the Colombo Plan framework and then into a formal defence alliance was predicated on the assumption, and anxiety, that Australia could not succeed, either militarily or economically, except under American guardianship.

The formulation of a policy to contain the spread of communism in Southeast Asia had begun at least as early as 1948 when a political “appreciation” of Australian interests in the region, developed by DEA bureaucrats under John Burton, was forwarded to the Minister for Defence, J.J. Dedman. In April 1949, Dedman indicated that in order to meet Australia’s strategic requirements, necessary economic and political measures had to be taken “to arrest the spread of, and ultimately eliminate, Communism throughout Southeast Asian countries”. He endorsed the department’s recommendation for a “programme of political and economic action” which would remove the possibility of a “political and military vacuum”.21

Later in 1949, Australian representatives in Japan, China, the Philippines, Thailand, Malaya and India were recalled to Canberra for an “informal exchange of views” on the Asian region.22 Discussions focused largely on recent political developments and the “threat of communism through Asia and the possibility of armed conflict” involving Australia. Five issues of concern were raised: the lack of awareness among Australian officials of the potential dangers for Asia, the limited number of skilled diplomats able to represent Australian interests, the language barrier, the economic problems faced by the Southeast Asia nations, and the unwillingness of Australian defence authorities to accept commitments in the Asia/Pacific region.23 It was also at this series of meetings that the concept of a form of regional cooperation among Southeast Asia countries “through some form of regional pact or association” was formally, although inconclusively, debated.24

Burton produced a cabinet submission which formed the basis of much of the discussion about Australia’s position in Southeast Asia. In an attempt to give some structure to the process of bringing “Australian policy into accord” with Southeast Asia, delegates at the meeting agreed on a number of broad observations and strategies. The working party concluded that communism represented the main threat to the stability of the region and with the victory of communist forces in China seen as inevitable, the security of neighbouring countries could not be guaranteed. Unless these nations received economic and political assistance from outside, they were likely to ‘fall easy victims to Communism’. Given that any southward expansion of communism posed a security threat to Australia, economic and political assistance was to be provided to Southeast Asian countries. By

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21 “Commonwealth Policy of Southeast Asia”, CRS A 621 item 753, AA.
22 “Discussions on Asia with Representatives of the United Kingdom and New Zealand at Canberra, 10-11th November 1949”, CRS A 1838 item 535/5/2/2, AA; “Summary Record of Discussions between representatives of the DEA, Commerce and Agriculture and Defence, and Australian representatives in South East Asia, 14th November, 1949”, CRS A 1838 item 532/5/2/2, AA.
23 “Commonwealth Policy of Southeast Asia”, Minute Paper, 17 November 1949, CRS A 621 item 753, AA.
24 “Discussions on Asia with Representatives of the United Kingdom and New Zealand at Canberra, 10-11th November, 1949”, CRS A 1838 item 535/5/2/2, AA.
establishing closer contact with the region, it was also hoped that Australian industry would accrue significant commercial benefits.\textsuperscript{25} The most effective way to achieve Australia’s security objectives was, according to Burton, through technological, “economic and social advancement”. He also acknowledged that, due to material shortages in Australia, any attempt to distribute aid equally among Southeast Asian nations would be counter-productive. Rather, it would be better to concentrate on countries, such as Indonesia, where the most benefit was likely to be gained. The other theme evident in Burton’s appraisal was the need for greater knowledge about the Southeast Asian countries in question. A contingent of competent representatives throughout Southeast Asia would help to supply “political and economic intelligence”, and allow for personnel to learn local languages and social customs. Of note was the absence of any mention of the United Kingdom or the United States, except that Burton envisaged a movement away from the “natural tendency” to form alliances with Western powers.

One of Burton’s initiatives, intended to remedy the lack of knowledge of the Southeast Asian region, was the MacMahon Ball Goodwill Mission to Southeast Asia. William MacMahon Ball, a political scientist from the University of Melbourne, had served as the Commonwealth delegate to the Allied Council for Japan between 1946 and 1948, and had developed an extensive knowledge of the Asian region. Charged with investigating the region’s aid requirements while making contact with senior Asian diplomats, the six week tour was to include 13 major cities in Indonesia, Malaya, Burma, Thailand, China, Indo-China, Singapore and the Philippines. In many ways MacMahon Ball’s final report preempted some of the reasoning behind the Colombo Plan. Technical and educational assistance to Asian students and technical personnel was perceived as an important way of cultivating an atmosphere of goodwill towards Australia.\textsuperscript{26} In fact, small offerings had already been made towards Asian students in the form of 90 scholarships under a United Nations Educational, Scientific and Cultural Organisation (UNESCO) program in 1947, and a further round of stipends provided in January 1948.\textsuperscript{27} More importantly, Burton thought MacMahon Ball’s recommendations had a significant “long-term defence aspect [that would be] best considered (though not executed) in a defence context”.\textsuperscript{28} More that a mere investigatory tour, the mission was a concerted effort to initiate a process of exerting a positive independent influence on Asia’s new political elites.\textsuperscript{29}

The independent trend in the evolution of Australian foreign policy towards Southeast Asia received a setback in December 1949 when the Chifley Labor

\textsuperscript{25} “Australian Policy in South-East Asia’, CRS A 1838 item 532/5/2/2, AA.
\textsuperscript{26} Ironically the Goodwill Mission attracted a great deal of negative publicity in Asian newspapers. Much of the attention came from a resentment of the White Australia Policy and Arthur Calwell’s decision to deport 14 Indonesian and Malayan migrants.
\textsuperscript{28} “Political Appreciation” Burton to Chifley, 30 September 1948, CRS A 1838/283 item 381/3/3/1/1, AA.
\textsuperscript{29} “Political Objectives of the Colombo Plan”, DEA, A 1838/283 item 3004/11 Pt 1. AA.
Government was defeated at the federal election. This is not to say that Spender, as newly appointed Minister for External Affairs, did not adhere to the underlying principles developed by department heads, rather, the new Government had different priorities and establishing an alliance with a great power became a fundamental objective. Indeed, Spender’s first speech to parliament after returning from Ceylon is revealing. The Soviet Union was to blame for throwing the Asian region into disarray, casting it, and the world, into a “trance of uncertainty, doubt and fear”. Its purpose was no less than “world communism” and should the “forces prevail and Vietnam come under the heel of Communist China, Malaya is in danger of being outflanked and it, together with Thailand, Burma and Indonesia, will become the next direct object of further Communist activities”. To protect Australia, Spender wanted much closer relations with the UK and the USA, although he was not confident that the closer ties would emerge. “Our security” he stated, had “become an immediate and vital issue because changes since the war have resulted in a shifting of potential aggression from the European to the Asian area, and our traditional British Commonwealth and USA friends have not yet completed their adjustments to the new situation”. The anxiety which seemed to underlie Spender’s speech was emphasised when he referred to the “new approach to all questions” that the British Commonwealth would take. Using the same sentimental tone which Menzies employed to draw Australia closer to Britain, Spender spoke of the US a number of times as sharing a “common heritage and way of life”. He held little hope for a British “adjustment in Australia’s favour”, and he considered the United States to be the natural substitute to help Australia secure its foreign policy objectives.

On a much broader level, Australia, under the Menzies Government, aligned its foreign policy with Western, particularly US objectives. These can be summarised into four key points. Firstly, China was to remain separate from the USSR and eventually to be removed from the sphere of Soviet influence. Secondly, Japan was to remain aligned with the West, but with limited military capability. Thirdly, India was to be kept out of the orbit of Soviet policy, and fourthly, Southeast Asian countries were to retain their autonomy and be allowed to develop into fully independent nations, aligned with the Western world and “capable of contributing to the economic, political and military strength of the West”. It was widely acknowledged that Australia would have difficulty asserting any diplomatic influence in relation to the first three objectives. Consequently, DEA policy makers gave the most attention to the fourth objective.

Securing a Pacific defence pact while maintaining peace and stability in Southeast Asia was a priority Spender gave “particular and unremitting” attention on becoming Minister for External Affairs in December 1949. Diverging from much of the analysis undertaken by Burton, Spender was motivated by a number of

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30 P. Spender, Politics and a Man …, pp. 310 and 313.
31 Ibid., p. 308.
32 “Note on Australian Political Objectives and Methods in Asia”, DEA, 1952, A 1838/283 item 3004/11 Part 1, AA.
33 P. Spender, Exercises in Diplomacy …, p. 13.
broad concerns. He believed that Burton had underestimated the degree of instability in Southeast Asia and he remained anxious about Australia’s vulnerability. Unlike Evatt, Spender had little faith in the United Nations and believed that there were areas where the Charter was “manifestly unable to protect Australian interests.”

Importantly, Spender maintained that without external assistance, Australia was unable to guarantee its own security. The establishment of the Colombo Plan initiated a process whereby Australia aligned itself with US foreign policy and solicited financial support for the development of Southeast Asia. Spender’s attempts to directly engage the United States to help overcome these issues formally commenced at the Colombo meeting in 1950.

Spender’s memorandum identified the economic underdevelopment of Asia as an international problem and asked that governments represented at the Colombo meeting make funds available for the development of South and Southeast Asian countries. In addition to calling for the International Bank for Reconstruction and Development to give a high priority to Asia’s needs, Spender also encouraged non-Commonwealth countries to join the proposed scheme. The principle donor nations were, Australia, New Zealand, the United Kingdom and Canada. Initially, recipient nations included India, Pakistan and Ceylon. The program was soon to be extended to include non-commonwealth Asian countries. Although some delegates, including the British Foreign Secretary, Ernest Bevin, were apprehensive about the prospect of funding a long-term aid program, there was general agreement that economic development should be promoted in Southeast Asia.

With the atmosphere “heavy” with economic and political problems it soon became evident that in order to raise the amount of money required to develop the economies of Southeast Asian nations support was required from elsewhere. The Colombo Plan itself was considered to be crucial in getting Canada and New Zealand to contribute funds. The United Kingdom was dismissed summarily by the Australian delegation as being inspired “more by economic interests than foreign policy”. It was considered that the release of Sterling debt to India and Pakistan, as proposed by British delegates, was not a genuine contribution to the plan, but merely an action that they would have taken regardless of the plan’s existence. Despite these diplomatic confrontations, the “plan’s principal target” remained the United States. It was not until the third day of the meeting that Spender’s fundamental tactical objective emerged when he sent a telegram to Menzies saying that his main concern was “to show a genuine willingness to meet the serious drift in the political and economic situation in South East Asia, as a basis for an immediate approach to United States with a view of enlisting their active participation.”

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34 P. Spender, Politics and a Man …, p. 326.
35 P. Spender, Exercises in Diplomacy …, pp. 31-32.
36 This point is argued in detail in David Lowe’s article, “Percy Spender and the Colombo Plan”, pp. 162-176.
38 “Political Objectives of the Colombo Plan”, DEA, 1952, CRS A 1838/283 item 3004/11 Part 1, AA.

participation. 39 Later, in preparation for the first meeting of the Consultative Committee in Sydney, a decision on the magnitude of Australia’s contribution had to be reached quickly in order to demonstrate to the United States delegation that Australia was committed to sharing the task of combating communism in the region. 40

On returning to Australia from the Colombo meeting, Spender became more direct in his attempts to place the United States at the centre of international relations and diplomacy.

I am sure our friends of the United States will not misunderstand me when I say that their great eminence in world affairs today not only imposes corresponding obligations upon them, which it should be recorded they have most generously been willing to accept, but makes impossible the solution of such problems as we are discussing without their active cooperation. 41

This comment said a great deal about Spender’s attempt to assure the United States that Australia was prepared to meet its international obligations. It also indicated clearly his departure from the Evatt/Burton analysis of world affairs; not only was the US central to Australia’s future role in Southeast Asia and the Pacific, it was vital for its survival.

It was also acknowledged by some contemporary observers that by proposing a course towards economic and political stability through economic cooperation, Spender had tactfully avoided the thorny issue of a collective military pact. 42 Talk of a military defence strategy was “taboo” during the Colombo meetings, however, Spender had been thinking privately about the military dimensions of the Colombo Plan process. 43 Over the next twelve months, the Menzies government aligned Australia with United States foreign policy by withholding recognition of Communist China, granting recognition of Vietnam’s anti-communist leader, Bao Dai 44, and committing troops to the Korean War. These decisions eventually helped to secure Spender’s ambition for a military alliance with the United States, which came in the form of the ANZUS Treaty, officially endorsed in February 1951.

Yet, even after the establishment of ANZUS, some doubt was expressed within the DEA about the value of the Commonwealth and United States connection. Only as a “last resort,[could] the power of the United States, and to a lesser extent of the United Kingdom” protect Australia’s interests in Asia. 45 More importantly, these doubts suggested that far more hope was invested in the Colombo Plan as a vehicle for genuine and progressive engagement with Southeast Asia, rather than merely to cultivate the good will of US policy-makers.

39 “Spender to Menzies”, 11 January 1950, CRS A 1838 item 532/7 Part 1, AA.
40 “Southeast Asia Preparations for the Consultative Committee”, DEA, 1952, CRS A 1838/238 item 708/9/2, AA.
41 P. Spender, *Exercises in Diplomacy*…, p. 316.
44 “Political Objectives of the Colombo Plan”, DEA, 1952, CRS A 1838/283 item 3004/11 Pt 1, AA.
Spender’s desire to cement a military alliance was, of course, not incompatible with the operation of the Colombo Plan as a non-military program which would complement Australia’s defence strategy. But, it was not until a few years after the initiation of the scheme, with the ANZUS treaty in place, that the political objectives of the Colombo Plan emerged in any detail. It was also at this time that the management of these objectives began to be discussed in more explicit terms. An appraisal of the Colombo Plan written in 1952 provides one of the more candid and disarming commentaries on the political objectives of foreign aid. The report recognised that the political objectives had not been clearly stated and the London Report of the Consultative Committee had only alluded to the anti-communist principle behind the Colombo Plan, focusing instead on the humanitarian value of providing foreign aid. Indeed it was precisely because of the humanitarian principle on which the plan had been based that fundamental considerations of the Colombo Plan’s foreign policy objectives had been neglected. The paper also reasoned that it was necessary to maintain a public image of the Colombo Plan distinct from private understandings: “In any public discussion it is desirable to avoid any reference to the political and strategic objectives of the plan, or at least to make references only in the most cautious terms”. Given that the primary objectives of the Colombo Plan as a vehicle for engaging the United States had largely been achieved by the early 1950s, we need to consider why this program was maintained beyond the original six year time-frame. Needless to say, there were a number of other objectives that the Colombo Plan aimed to achieve. Broadly speaking, the Colombo Plan’s foreign policy considerations were: “to halt communist encroachment … to modify any resentment arising from differences between Australian and Asian living standards; and … to strengthen or develop amicable political relations” through the use of economic and social instruments to assert subtle political and cultural pressure.  

In a heavily edited section of the report, a brief rationale was spelled out with particular regard to counter-communist actions. The Colombo Plan was to be justified in simple terms as a bulwark against communism:

The Colombo Plan may be justified as a counter to communism in fairly simple terms. On the assumption that low living standards — or even more so, declining living standards —provide communism’s most fertile ground, effective action to raise living standards or at least prevent present standards from falling, will weaken the appeal which communist agitators are able to make. The Colombo Plan does not interfere with the established governments or existing constitutions or political institutions and procedures. There is a tacit understanding that no assistance will be given to communist governments, but apart from that, potential recipients have been encouraged to believe that they need no political qualification for assistance.

Another of the overriding concepts which was used to justify the Colombo Plan was that the fate of rich and poor nations were seen to be inexorably linked. Not only because of a poorer nation’s supposed vulnerability to communism, but because the existence of great poverty next to great wealth was considered to be inherently unstable. In a politically unstable climate, the “proximity between

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46 “Political Objectives of the Colombo Plan”, DEA, 1952, CRS A 1838/283 item 3004/11 Part 1, AA.
Australia, with its high living standards, and Asia, with its extreme poverty, easily arouses resentment. Economic aid was one way in which Australia could make a gesture towards distributing its wealth, thus taking the “edge off Asian resentment.” Furthermore, immigration restrictions which had tended to crystallise resentment against Australia, might be offset by the extensive scholarship program offered under the plan. 47

The primary weakness of the Colombo Plan lay in the untested nature of the assumption that economic aid would “moderate political conflict”. Spender and departmental officials knew this and proposed the Technical Cooperation Program as a more effective means of promoting development and western values. Such a program was particularly useful in engaging post-colonial nations, such as Indonesia, which were invariably suspicious of the strings attached to large amounts of Western capital. 48 The Program included fellowships, scholarships and seminars to be undertaken at Australian educational institutions, the supply of experts to recipient nations, and the provision of technical equipment. The division of expenditure was envisaged at 70 per cent for training, 20 per cent for the provision of equipment, and 10 per cent for the supply of experts. 49 The emphasis was placed on training because it was considered that the origin of technical equipment was likely to be forgotten quickly and the reports written by Australian experts “if they [did] not gather dust from the start” would be superseded. Furthermore, the entry of Asian people into Australia was believed to offer long term and “self-sustaining” political benefits: “the body of people in Asian countries which is gradually built up with an intimate knowledge of Australia and, it may be hoped, some affection for this country” and provide a “balm” to those who resented Australia’s immigration restrictions. 50

It was Spender’s more cautious and measured successor as External Affairs Minister, Richard Casey, who first spoke of the two-way process engendered by the program. At a lecture delivered for the Australian Institute of International Affairs in 1952, Casey said that for Asian students “to see Australia at an impressionable stage of their lives and to exchange views at our universities and with our officials should do a great deal to break down prejudices and misunderstandings on both sides”. 51

47 “Political Objectives of the Colombo Plan”, DEA, 1952, CRS A 1838/283 item 3004/11 Part 1, AA.
48 There is little doubt that Colombo Plan style initiatives, like the Marshall Plan, would be perceived by Communist states as imperialist drives into foreign territory. Indeed, as Mao described in 1947 the “irreconcilable domestic and international contradictions” of capitalism necessitated the discovery of new markets. Also, the infamous Novikov Telegram out of Washington in 1946, described the United States striving for world domination “through diplomacy and the establishment of a system of naval and air bases stretching far beyond the boundaries of the US”.
49 “The Colombo Plan: An Appraisal”, DEA, 1952, CRS A 4311 item 141/1, AA.
Simply establishing contact through the Colombo Plan and providing even a modicum of financial aid, was, of course, no guarantee that a positive rapport would develop with a recipient nation. Indeed, if the funds were misdirected, or the process mismanaged, aid might have little impact or contribute to a deterioration of diplomatic relationships. By the same token, the domestic political arena of a recipient nation had to be closely examined. Contrary to public assurances, certain “political qualifications” were required:

It would be logical to increase economic aid to those countries where the threat of communist disruption was especially acute. [However] without any control of the domestic policy of recipient governments, the benefit of any external aid could be completely offset if the recipient government’s domestic policies were reactionary or unimaginative. Even though ‘average’ per capita income in the underdeveloped countries may be rising, with national income increasing at a greater rate than population, effective internal policies of income distribution are essential to ensure that the benefit is passed on to those sections of the population most susceptible to communist propaganda.

Consequently, a careful — if crude — process was followed in order to distribute aid in a way which would maximise the political benefits for Australia. The distribution of funds under the Colombo Plan was to be based on four distinct criteria: political objectives, commercial interest, relative needs based on per capita income, and the amount of aid being provided by other countries.\(^{52}\)

In terms of building or maintaining a positive political relationship with a particular country, aid recipients were divided into three categories. Firstly, those countries with close political associations with Australia, “where economic aid is expected only to confirm and improve the existing position, rather than help build a new political relationship”. This group included India, Pakistan, Ceylon, and British Territories in Southeast Asia. The second category were countries which were considered to be “neutral” and might be developed into “allies” through the provision of economic aid, and included Thailand, the Philippines and Burma. The final grouping included nations where the political situation had “passed beyond the stage of forestalling unrest through extension of economic aid”, and required military intervention. This was the case for Indo-China, where the extension of assistance was likely to be “almost wholly wasted” and any token offering would make only a “fleeting political impression”.\(^{53}\)

Goods entering Asian countries under the Colombo Plan raised the prospect of securing longer term markets for Australian exports.\(^{54}\) However, the possibility of deriving commercial benefit from the Colombo Plan was a secondary objective, although it was hoped that economic cooperation would help to ameliorate any political animosity that may have developed with Asian countries, especially non-Commonwealth nations. Even more ambitiously, it was asserted that cooperation and aid might build an attitude of “virtual neutrality … into something more

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\(^{52}\) “The Colombo Plan: An Appraisal”, DEA, 1952, CRS A 4311 item 141/1, AA.

\(^{53}\) Ibid.

\(^{54}\) Countries which would provide the largest markets for Australian exports were India, British Territories in Southeast Asia and Ceylon, followed by Indonesia, Pakistan, Burma, Thailand, the Philippines and Indo-China.
positive”, thus reducing the strategic significance of certain countries.\textsuperscript{55} For example, the ambivalence of Indonesian officials towards the Colombo Plan would have been less of a concern to DEA officials if some form of commercial alliance could have been established with countries north of Indonesia.\textsuperscript{56}

The process of rationalising the distribution of aid was calculated on a somewhat arbitrary basis, with little regard to the development blue-prints drawn up by member nations at the Consultative Committee’s request. This was the result of a strong degree of pessimism about the scale of Australia’s contribution and the desire to achieve the maximum political benefit.\textsuperscript{57} Of the £19.5 million provided by December 1956, almost 80 per cent had been donated to India, Pakistan and Ceylon — the three nations with the closest and arguably the most positive political relationship with Australia. India and Pakistan had received over £6 million each, while Ceylon was provided with approximately £2.5 million in capital and technical aid. Notably, Indonesia received around £1.5 million, a relatively small proportion of the total allocation, but was granted almost 500 scholarships (26 per cent of the total). Approximately 217 students had travelled to Australia from India and nearly 200 from Pakistan. A further 157 came from Ceylon and 164 from Burma. In terms of the provision of Australian experts, over 200 had undertaken assignments by the end of 1956 in the fields of medicine, education, engineering and mechanics, agriculture, forestry, science and research. The majority of these assignments were located in Malaya (53), Ceylon (45) and Pakistan (39).\textsuperscript{58}

The Colombo Plan was clearly aimed at securing something much larger than relief from poverty and underdevelopment. There is ample evidence to suggest that the public appeal to humanitarian principles was simply a component in the process of getting the Plan in operation. Within the DEA, attempts to justify the Colombo Plan on purely humanitarian grounds were invariably criticised. “Appalling poverty in itself” was not considered to be “sufficient grounds for a government program”. Furthermore, the paucity of the Capital Assistance Program as a genuine vehicle for substantial development did not go unnoticed. The consequence of the program’s failure to deliver quantifiable change was that it was likely to contradict the very principle on which the program was based. “The ordinary Asian…”: … is likely to suffer considerable disillusionment, if he [sic] has heard about the plan, when he sees what little it achieves, in terms of Asian needs, and how thin the chances are that it will bring about … real development and capital investment, as opposed to an occasional first aid operation

\textsuperscript{56} The department considered Indonesia, Indo-China, Thailand, the Philippines, and Burma to be the most likely nations drawn into closer diplomatic relationships through an economic alliance.
\textsuperscript{57} “The Colombo Plan: An Appraisal”, DEA, 1952, CRS A 4311 item 141/1, AA. Australia’s contribution was described as “little better than trifling”.
\textsuperscript{58} News and Information Bureau, “Colombo Plan”, Australia in Facts and Figures 52 (December 1956), pp. 64-66.
… Emphasis on developmental aspects for propaganda purposes is likely therefore to return to plague the inventor.  

It has been argued elsewhere that the failure of Commonwealth nations to meet the £1,085 million required for the first six-year development program demonstrated a lack of commitment to the Colombo Plan as a genuine vehicle for change in Southeast Asia. Yet, to accept the Department of External Affairs’ pessimism on face value would ignore the totality of the financial contributions made to Colombo Plan countries and many of the values inherent in a foreign aid program of this nature. During the late 1940s and 1950s scholars from the West generated numerous economic models around the concept of the “underdeveloped economy”. Key academics contributing to an emerging discourse on development in the third world were W. Arthur Lewis, Ragnar Nurkse and W.W. Rostow. Underdeveloped economies, or “backward systems”, as Lewis termed them, were characterised by their rural overpopulation, inefficient agricultural practices, inadequate technical equipment, lack of scientific knowledge, and an inability to generate capital. The path to modernity involved a number of common factors, including: the accumulation of capital, increased use of technology, industrialisation, more sophisticated administrative structures, large scale development projects and external aid. According to Rostow, with the correct financial and technological infra-structure in place, a self-sustaining process of economic growth, or “take-off”, would be assured.

These political and intellectual forces were also influencing policy development in Australia. Geoffrey Bolton has written about the exciting intellectual atmosphere which pervaded policy making during the immediate post-war period, largely generated by the appointment of young public servants to the Department of Postwar Reconstruction after 1942. Head of Department, H.C. Coombs, was deeply influenced by Keynesian economics and the role the state should play in economic regulation. The optimism which Coombs’s vision embodied was also imbued with strong faith that the application of science and technology would amplify productivity and harness the spirit of a people. “Modern technology” he wrote in his memoirs, “could be placed at the disposal of communities – not as a framework constraining and determining their lifestyles but as a force capable of

59 “Political Objectives of the Colombo Plan”, DEA, 1952, CRS A 1838/283 item 3004/11 Part 1, AA.
liberating their imagination and giving scope to their creative energies”.  

Although he was referring to the Australian environment, it is easy to imagine this view being extended to the development of Southeast Asian countries. Indeed, it was John Crawford, head of the department’s economic research division between 1943 and 1945, who possessed a highly developed sense of the economic situation in Southeast Asia. Like Coombs and Burton, he asserted that the principal ingredients required for development were western technology, generous trade policies and external aid. He also claimed that alleviation must also come from “self-help in the region”.

Many aspects of these theoretical models found their way into Colombo Plan literature. The 1950 Colombo Plan report acknowledged that the increases in productivity might be negated by population increases. However, the report also indicated that the strength of the program was that it would help “lay sound foundations for further development” resulting in a more efficient domestic economy able to “sustain its own investment programme”. Even administrators from the poorer countries themselves recognised that although the funds made available were relatively low, a certain process had been set in place which would, in time, lead to development. The important point to note is that the actual amount of finance provided, while important, was less significant than the process it was intended to start. The provision of aid was based on a fundamental faith in science, technology and the capacity of development to lead poorer nations — phoenix like — out of the ashes of underdevelopment. Development would “by its own momentum ultimately bring about a solution”. The 1950 London Report of the Consultative Committee encapsulated these modernist assumptions:

... development programmes ... involve the application of modern technology and skills to the under-developed and traditional economies of the countries of South and Southeast Asia ... With the help of administrators, scientists and technicians from overseas, and increasingly from their own peoples, the countries have been equipping themselves to use the recent advances in science and technology which, applied to the tasks of peace, can bring incalculable material benefits to all in South and Southeast Asia.

In practice, the emphasis on science and technology was illustrated by the type of training made available to Colombo Plan students. Approximately 469 students

65 Coombs also claims that he, and many others, were influenced by the writings of Lewis Mumford, Frank Lloyd Wright, Walter Burley Griffin, J.L. and Barbara Hammond, and William Morris. H.C. Coombs, Trial Balance (Melbourne: Macmillan, 1981), pp. 60 and 89.


70 Ibid., p. 46.
undertook courses in public administration and education. However, by far the largest groups consisted of those studying engineering, food technology and science courses, with the 548 students making up around 32 per cent of the total number of students who had studied in Australia by 1956.\textsuperscript{71}

The Colombo Plan aid represented a revolution in the pattern of Australian overseas aid spending, although it was unlikely to remedy the substantial economic problems endemic to many of the recipient nations. Firstly, let us consider the scope of contributions made under the Colombo Plan. One needs to bear in mind that, except for a donation of £45 million to the United Kingdom, bilateral aid was almost non-existent before the establishment of the Colombo Plan.\textsuperscript{72} Although the Australian government had regularly supported multilateral aid operations designed by the United Nations, such as UNRRA, IRO, UNKRA, UNICEF, UNRWA, UNDP, and IBRD, a bilateral aid relationship with a Southeast Asian nation did not exist.\textsuperscript{73} Contributions to United Nations organisations were progressively reduced from 1950, when Colombo Plan aid became a more important aid priority. Between 1950 and the end of the 1955/56 financial year, £15 million had been donated in capital assistance and over £2 million had been provided in technical assistance. The total amount of over £17 million represented approximately 70 per cent of the multi-lateral and bilateral aid budget.\textsuperscript{74} Combined with the funding from other industrialised nations, the amount of assistance, in its variety of forms, was substantial. By 1956, Canada had allocated over $165 million and New Zealand had provided £5 million. The United States, under the Mutual Security program, had allocated just over $1.4 billion to Colombo Plan countries.\textsuperscript{75}

Yet, the plan was never envisaged as a panacea for underdevelopment. Rather, as one journalist for the \textit{Far Eastern Review} wrote in 1951, it would prepare the way for future private investment while simultaneously offering “the people of the underdeveloped countries an outlet for their energy, a channel for desires and dissatisfactions, and the hope of sustained development which they can carry on for themselves once started”.\textsuperscript{76} Whether this occurred cannot be dealt with in this article. But, it is evident that economic and social “take-off” was not intended as a gift, instead it was to be grounded in struggle.

\textsuperscript{71} News and Information Bureau, “Colombo Plan”, \textit{Australia in Facts and Figures} 52 (December 1956), pp. 64-66.
\textsuperscript{72} £25 million was allocated in 1946/47, £10 million in 1948/49 and another £10 million in 1949/50.
\textsuperscript{74} These figures exclude funds allocated to Papua and New Guinea. Department of External Affairs, Information Handbook No. 2: Australia’s Aid to Developing Countries (Canberra: 1964).
In this article I have attempted to trace the historical relationship between regional security and the Colombo Plan. Beyond the defensive components of the ambitious program, including its link to the ANZUS Treaty, and the effort to establish a political boundary intended to protect Australia from the region, it is evident that engagement with recipient countries was intricately bound up with the realisation that Australia was destined to a future as part of the Southeast Asian region. While this was clearly a recognition of Australia’s geographical proximity, it was simultaneously acknowledged that Australia would develop a much closer relationship with the region than in the past. According to one DEA document, it was the White Australia Policy and Australia’s “history of isolation” that had led to a “wealth of misunderstanding … between Australia and Asian countries”, and although there were likely to be irreconcilable differences in addressing a number of international questions, the Colombo Plan had allowed Asians and Australians to “mix together in a way which [had] not been otherwise practicable”. Economic, political and cultural engagement were the keys to regional security. The nebulous Colombo Plan provided the framework for establishing and maintaining that engagement. Indeed, such was the “success” of the Colombo Plan that it became one of the Government’s most stable foreign policy platforms for the next two decades.

77 “Political Objectives of the Colombo Plan”, DEA, 1952, CRS A 1838/283 item 3004/11 Part 1, AA.