The strength of American self-perceived exceptionalism is nowhere more evident than in the persistent belief that, during World War II and the conversion to peace, the United States denied its particular national interests and promoted multilateral economic policies designed to benefit all nations equally. According to the most vigorous recent defender of this view, Alfred E. Eckes, Jr., multilateralism was a prerequisite ‘for peace and human betterment.’ Eckes reasserts the argument advanced by most American economists and commentators in the early Cold War years, which interpreted multilateralism as ‘a courageous, farsighted initiative to reverse interwar economic nationalism and to restore an efficient productive international economy benefiting all countries.’ In a similar vein, Lisle A. Rose commented that an ‘open postwar world of free and unfettered international trade’ cannot be interpreted as ‘an ignoble conception of the ideal postwar economic order.’ Indeed, Rose argues, ‘Washington’s policy objectives can only be termed commonsensical and broad-minded,’ and a reflection of ‘enlightened and generous economic nationalism.’ This view also finds veiled support in John Gaddis’s important study, *The United States and the Origins of the Cold War, 1941-1947*. While prepared to acknowledge that economic motives were behind some limited US initiatives in these years, Gaddis nonetheless stresses that multilateralism ‘stemmed from more than narrow considerations of economic self-interest’ and was ‘an objective clearly in the interests of all nations.’ This orthodox interpretation of multilateralism is reasserted unequivocally by Eckes, who portrays multilateralism as a ‘benign tool of global cooperation’ which was generally applauded by economists from other countries and was welcomed by all states except perhaps the Soviet Union as an essential ingredient in recovery from the ravages of war and depression.

These assertions sharply contradict, and are in part reactions to, the now familiar arguments advanced by so-called revisionists, most notably Gabriel Kolko, Lloyd Gardner, and Walter La Feber. Deriving many insights from the pioneering work of William A. Williams, these historians have interpreted World War II as a critical period of Open Door expansion — a self-serving strategy to help America dominate global trade, resources, and investment. This policy reflected the expansionist needs of liberal, capitalist America, and stimulated suspicion, concern, and defensive action by other states, especially communist Russia. In this way, revisionists assert, US behaviour before the end of World War II substantially caused the tensions and conflicts of the Cold War. Non-discriminatory trade, currency convertibility, and equal access to raw materials, the three keystones of wartime multilateralism, are portrayed by revisionists not as inoffensive or necessary means towards global economic cooperation, but as Open Door instrumentalities for expanded penetration and control of foreign markets, resources, and economic planning. Pursuit of such aims demanded the abolition or breakdown of existing spheres of influence, and trading arrangements, particularly those centered on Great Britain or the Soviet Union, and was inimical to the interests of those countries anxious to promote socialism, retain substantial levels of protection, or pursue an independent nationalist road to postwar recovery. The war provided American planners with an ideal opportunity for imposing this strategy. Desperate to ensure immediate aid from Washington during wartime and reconstruction, weaker states reluctantly accepted multilateral proposals, such as article VII of Lend-Lease and the Bretton Woods agreement, which were quickly translated into global arrangements and institutions dominated by the United States.
The contours of the partisan historiographical controversy which these conflicting views represent are by now widely known. Yet, orthodox and revisionist historians have remained preoccupied with evaluating the sources of American policy in isolation from the reception given this policy by states other than the Soviet Union. They have focused primarily on relations between the superpowers in order to explain the origins of the Cold War. Such approaches have necessarily derived essentially from research on American manuscript sources and have dealt with the internal dynamics, nature, and motivation of US behaviour during the conversion to peace. This narrow approach ignores the attitudes and reactions of the various Allied governments to Washington’s attempts to shape a new world order after the war. By neglecting the responses of these nations and by failing to specify the conditions under which at least some of these small or middle powers ultimately and often reluctantly consented to US initiatives, historians have avoided a critical test of the perceived nature and impact of American policy during this period. Certainly, detailed studies of how other nations interpreted and responded to American efforts to foster a multilateral economic order are essential if new light is to be shed on the issues raised in the debate over Open Door expansion and World War II. It must be recognised that the difficult climate of international relations during the conversion to peace was influenced substantially by how other states viewed American objectives. Other nations did not necessarily share Washington’s enthusiasm for an open postwar economic order. Rather than simply assume that US aspirations coincided with those of its former Allies, apart from the USSR historians should test this assumption by using the manuscript sources of other nations, especially those governed by parties on the left, which were eager to pursue protective nationalist alternatives to multilateralism.

One such state was Australia. It was ruled by a nominally socialist Labor Party from 1941 to 1949 and was also a central factor in the most significant closed economic agreements of the 1930s and 1940s – the British imperial preference system. The following analysis of US relations with this significant and ostensibly close Pacific ally provides a limited but necessary test of the specific ways in which US economic policies, strategies, and motives were perceived and reacted to during the transition to peace. It presents a concrete evaluation of the responses of a lesser state to multilateralism, suggests how American policies were received abroad, indicates the ideological bias of American behaviour, and considers the relationship between US economic aims and its political-military activities. Previous accounts have given little attention to the context of interactions with other countries. Consequently, the direction, nature, and tactics of US economic policies invariably have remained submerged beneath generalisations restricted to US initiatives only and have continued to reflect the constraints imposed by exclusive dependence on American perceptions and sources. Without a wider framework, interpretations of American policy will continue to be shaped almost exclusively by questions which derive implicitly from the existing historiographical fixation with apportioning responsibility to either Moscow or Washington for precipitating the Cold War.

The harsh needs of war initially induced European and Pacific Allies to accept aid from Washington under terms defined largely by the creditor nation. But as the prospects of an Allied victory gradually improved, at least some of these states displayed increasing suspicion and acute concern with the implications of such terms for their national sovereignty and long-term economic plans and prosperity. Members of the British imperial preference arrangements epitomised this alarm, vigorously opposing the aims and tactics adopted by Washington to promote a new liberal international economic order. A memorandum submitted to the United Kingdom’s war cabinet late in 1943, for example, described multilateralism as:
a deliberate attempt to restore the mid-nineteenth century world of capitalist-individualist-internationalism. It aims at eliminating all material control of monetary and economic policy, of production and standards of life, in favour of a bygone economic philosophy which aimed at enabling every individual to buy and sell, to invest and employ, to his maximum immediate profit regardless of all social and national consequences, and on the same terms everywhere as the individuals of other nations—the system appeals in America, as it did here a hundred years ago, to a particular blend of quasi-religious internationalist emotion with a robust economic imperialism.⁷

For lesser members of the British Empire which were also nascent socialist states, especially Australia and New Zealand, this concern was compounded by an ideological suspicion of imperialism and traditional fear of domination by major states. Australia’s minister in Washington in 1944, for example, voiced this alarm in terms which now read like extracts from revisionist arguments. ‘It will be seen that history is repeating itself,’ Frederic Eggleston advised Canberra:

When Great Britain secured complete industrial supremacy she went into free trade and thereby assisted in clamping her economic empire over the world in the Nineteenth Century. America is in the same position as Great Britain was then, and the same urge is showing itself. It cannot be sufficiently realised that in a situation where one power is immensely superior to all others, economically free trade is the short way to economic imperialism.⁸

This negative view of American policy was not restricted to members of the British Empire nor to representatives of socialist or labour factions in Allied countries.⁹ Moreover, it was not based on a wildly distorted assessment of Washington’s aims and tactics and cannot be dismissed as merely a surface indication of uneasy inter-Allied relations towards the end of the war. Distrust of multilateralism permeated every facet of US relations with its Allies as they planned for a new postwar economic order, and it deeply affected international relations during the formative years of the Cold War.

The closed imperial preference system which had controlled about forty percent of all pre-war international trade, was a principal focus of Washington’s multilateralism. Although it depended heavily on US aid after Pearl Harbor, Australia doggedly attempted to avoid permanent new arrangements which might threaten its vital economic links with the British Empire.¹⁰ The success of American-style multilateralism, however, hinged partly on abolishing the preferential trade and tariff block. During negotiations for the Atlantic Charter, mutual aid arrangements, war-time trade agreements, recovery loans, and the postwar settlement of Lend-Lease and other issues, Washington attempted to use its unrivalled power to lever Australia away from the British Empire into a new liberal international economic order geared primarily to the needs of the United States.

Multilateralism was strongly opposed as early as the Atlantic Conference of August 1941. Confronted with Prime Minister Winston Churchill’s objections to a clause pledging the Commonwealth to promote liberal, nondiscriminatory trade practices, President Franklin Roosevelt agreed to accept a compromise which ‘did not imply formal and immediate obligation on the part of the British to abrogate’ existing economic arrangements with the dominions. Secretary of State Cordell Hull was keenly disappointed with this escape clause and intensified his efforts to commit by other means Britain and her dominions to eliminate, or at least substantially reduce, all preferential or discriminatory trading practices.¹¹

Pearl Harbor, and Australia’s urgent appeals for help, permitted Washington to seek concessions from Canberra in return for Lend-Lease assistance. The controversial article VII of the Master Lend-Lease agreement, which subsequently applied to Australia and indeed all Allies receiving aid, provided for agreed action to stimulate world trade; ‘elimination of all forms of discriminatory treatment in international commerce’; ‘reduction of tariffs and other trade barriers’; and postwar discussions to implement these multilateral aims.¹² This imprecise clause was accepted reluctantly, after protracted and
sometimes acrimonious negotiations in 1941-42. Ultimately, it was Japan’s rapid advance south which induced the Commonwealth states to consent. Article VII was, as Dean Acheson later observed, ‘the purest essence’ of multilateralism, and it boded ill for arrangements established under the Ottawa agreements of 1932. The broad implications of this clause were acknowledged by Hull, who commented that it laid ‘the foundation…for all our later postwar planning in the economic field.’

In all future negotiations, however, neither Britain nor Australia conceded that article VII necessarily committed them to modify or abolish preferences after the war. Indeed, before they consented, both countries had been given assurances by Roosevelt and Hull that the United States did not wish ‘to trade the principle of imperial preference as a consideration for Lend-Lease.’ Later, H.V. Evatt, Minister for External Affairs from 1941 to 1949, refused a request by Acheson that Australia, which had signed an exchange of notes governing Lend-Lease but not the master agreement, sign a separate explicit commitment to article VII. Despite persistent differences over the formal undertakings implied by the exchange of notes, American officials confidently anticipated that Commonwealth states could not successfully resist multilateralism. Hull, for example, optimistically interpreted the ambivalent response to article VII as ‘a long step toward the fulfillment, after the war, of economic principles for which I have been fighting for half a century.’

Although confident that article VII would dissolve closed economic arrangements, American officials never relied exclusively, or indeed primarily, on this device. The war, not the New Deal, had largely overcome the catastrophe of depression. By 1942 the American economy was operating at full capacity for the first time since the late 1920s. Acutely conscious of this fact, American officials were anxious to ensure that recovery was not merely a wartime aberration. To help achieve a postwar economic order which would guarantee it expanded access to new markets and resources and thus maintain the boom production levels of wartime, the United States provided Lend-Lease under selective, rigid terms, which inhibited the industrial expansion of competing states and attempted to increase the dependence of other states on the US economy and technology. Requests for industrial and machine tools by Australia, for example, were often rejected because such assistance might have fostered competitive secondary industries abroad. Late in 1943 Acheson instructed Nelson Johnson, US Minister to Canberra, that requests should be scrutinised with ever increasing care to ensure that Australia not use aid to build up industries that could be maintained after the war. Restrictions imposed on Lend-Lease effectively excluded ‘all projects of a permanent nature’ from future eligibility. Such actions further reduced Australia’s potential to make goods which might compete with American exports.

Despite Australia’s limited industrial capacity, Washington officials were alarmed that it might ‘build-up an industrial organization capable of supplying her own requirements in automobiles and aircraft,’ which would ultimately compete with US goods in ‘Eastern markets’. This concern was translated into a policy designed to stifle Australia’s infant industrialisation. Appeals for aid to enable Australia to produce aluminum were rejected. According to Australian Minister of Supply J.A. Beasley, this was a direct result of pressure from US ‘officers who in private life represented American aluminum interests.’ Projects aimed at producing Mustang aircraft, Lincoln bombers, and diesel engines—all seemingly vital to the Allies’ war effort—were subject to ‘long and bitter’ negotiations and were belatedly accepted by Washington only as joint, or modified ventures. Attempts by the Labor government to establish local automobile and aircraft industries were delayed and compromised. Clearly, Washington was reluctant to
countenance expanded competition in international markets after the war, especially if it was an indirect result of wartime aid arrangements.

After 15 November 1943, US policy on Lend-Lease hardened further when it ceased providing as reciprocal aid all capital goods, including materials needed for permanent projects, machine tools, and industrial equipment. Curiously, this decision was made while Hull and Johnson were asking for expanded reverse aid from Australia.

Such ill-timed requests ignored Canberra’s claims that it ‘had given more proportionately, if not actually,’ than it had received as direct Lend-Lease. Against this background, the US decision to restrict Lend-Lease provoked another angry rejection by Australia of Hull’s request for more reverse aid. Intensified Australian hostility to the broad thrust of American foreign economic policy was also reflected by early 1944 in reports that ‘strong feelings... against the United States’ had surfaced in the Cabinet, and in suggestions reaching Johnson that Prime Minister John Curtin and Treasurer Ben Chifley had become ‘quite anti-American.’ Less than eighteen months after Pearl Harbor and the panic-stricken appeals for help, Johnson observed, the Curtin government was exhibiting ‘deep-seated distrust of American policy.’ Aware of frequent American newspaper claims that the United States should dominate all facets of the postwar Pacific and also disturbed by increased congressional and State Department reference to the vast untapped economic opportunities awaiting the United States in the Asian-Pacific region, the Labor government again looked anxiously for help from the Commonwealth. Curtin, for example, quickly suppressed his earlier distaste for Churchill and the empire, urging now that US economic ambitions in the Pacific must be offset by a prominent British presence.

Both countries adjusted their reciprocal aid to their particular postwar economic aims. This reduced the amount and types of support given the war effort against Japan, especially after mid-1943 when bilateral trade agreement talks collapsed after more than two years of sometimes bitter discussions. Immediately after the talks ended, John Minter, a US official in Canberra, observed that the Curtin government had intensified its support for an international full employment agreement, and he warned that Labor apparently believed support for full domestic employment was ‘the only objective of Article VII’ If implemented in the major countries after the war, such an agreement might deflect the pressure for reduced tariffs and permit Australia to expand industrialisation and employment behind protective tariff walls. Given Labor’s theoretical commitment to democratic socialism at home, its entrenched support for protectionism, and the upsurge in economic nationalism within the Curtin cabinet, American officials reluctantly conceded that full employment was the cornerstone of Australia’s postwar plans.

The full employment proposal was, in part at least, a device to counter multilateralism. It reflected an ideological commitment of improving living standards in all countries, but it also provided Labor with a convenient defense against pressure to reduce or abandon protectionism. As Minister Evatt observed, Labor attached ‘primary and indeed supreme importance’ to full employment as a means to enable all states to retain sovereignty over economic planning. Washington, however, viewed a binding full employment agreement very differently. Johnson pointed out, for example, that Evatt’s proposals on employment would oblige the United States to adopt a degree of centralised planning control and governmental responsibility over labour and capital ‘far beyond anything conceived by our people.’ Predictably, opposition to agreements binding states to domestic full employment policies as proposed by Australia at various international conferences during 1944-46 was led by Washington. Initially, Australia refused to make any promise on tariff matters before the United States gave firm support to the full employment ideal. US representatives at the United Nations Conference in San Francisco were convinced that Australian support for a charter clause committing member states to
ensure full local employment was ‘merely an attempt to by-pass the demand for lower tariffs.’

But ideological hostility to this allegedly socialist alternative to multilateralism was also strong. Senator Arthur Vandenburg conceded, for example, that many American officials ‘believed “full employment” synonymous with Communism and collectivism.’ Some officials portrayed Australia’s full employment objectives as ‘a socialist instrument’ designed by ‘dogmatic...Canberra Pinks,’ most notably Evatt’s close advisors, John Burton and H. C. Coombs, and others in the Departments of External Affairs, Treasury, and Postwar Reconstruction. It appears also that prominent US representatives at San Francisco, especially John Foster Dulles and Leo Pasvolsky, believed that Australia was one of ‘a number of nations which seemed to think that the US had been the cause of the war because of its failure to maintain a sound economic structure.’ Revisionist historians such as Robert F. Smith later resurrected this argument. These mutual suspicions over international economic aims and motives were sustained, in part at least, by deep-seated ideological differences.

After trade agreement negotiations failed in 1943, Washington intensified its efforts to gain Australian support for liberalised trade. Hull instructed his legation in Canberra late in 1944 to endeavor ‘to persuade Australia to follow a broadly balanced postwar economic policy which would include a liberal, nondiscriminatory trade policy, devoid of exchange and quantitative import controls, and designed to maximise the exchange of goods and services.’ He also expressed concern with the growth of protectionist sentiment in Australia and the threat which this might pose to a future expansion of US exports: ‘Particularly does the American government desire that Australia give no support to uneconomical industries after the war.’ Yet throughout the war, as New Zealand Prime Minister Peter Fraser observed, the Dominions were reluctant to sacrifice ‘the substance for the shadow’; they were reluctant to dismantle protectionism and preferences in return for the uncertain results of multilateralism. Indeed, as late as mid-1944 dominion leaders asserted that they were ‘free, if they wished, to maintain or indeed extend’ preferences and tariffs.

By 1943 the war had caused a dramatic revival of the American economy, trebling exports, doubling output, and creating a trade surplus almost twice as large as in the boom year of 1920. This vast export capacity was also demonstrated by the massive volume of Lend-Lease material produced and transported after 1939. To sustain these new levels and avert recession, however, Washington was anxious to implement international monetary measures which would permit importing countries to maintain or expand purchases. A policy of increased capital exports was foreshadowed as early as April 1942. But the State Department maintained that loans for postwar reconstruction should only be provided to countries following commercial and general policies which were not ‘an obstacle to the expansion of our foreign trade.’ Reciprocal aid was a crucial factor in the Allied victories in Europe and Asia, but it was always provided under arrangements which endorsed America’s perceived long-term economic interests. ‘Our basic purpose,’ Acheson informed Hull in 1944, ‘is to see to it that Lend-Lease methods cause the least possible disturbance to our normal commercial practice, and that the interests of American exporters are fully protected in all the markets of the world.’

Throughout the war American officials not only spoke explicitly of extending the open door in Asia and the Pacific, but they also linked this aim with the need to dominate and determine all vital aspects of the Allied war effort and peace settlements in this region. Wilsonian notions about the nexus between capitalism and democracy and the long-standing illusions about the vast potential of Asia’s markets both remained strong influences on American policy. Writing from Chungking shortly after Pearl Harbor, Frederic Eggleston
warned Canberra ‘that the US intends to pursue a policy of economic development in the Far East after the war, in competition with all comers.’ Later, from his new vantage-point as Minister in Washington, Eggleston observed that businessmen serving as officials in the Roosevelt administration were ‘busy coining new “freedoms” to cover some attempt to use their superior capitalistic position to secure a monopoly’ in the Far East or the Pacific. He warned that America’s unchallenged global power was being translated into policy of economic expansion. This view was apparently shared widely within Labor circles in Australia. Minister Johnson noted privately that many members of Curtin’s cabinet were hostile to capitalism and foreign ‘capitalistic leaders,’ and thus determined to resist American multilateralism.

As the prospects of an Allied victory improved, US officials redefined the relationship between Lend-Lease arrangements adopted in 1941-42 and expansionary economic aims. ‘The basic postwar objectives of the United States in the field of commercial policy are incorporated in Article VII of the mutual aid agreements,’ the Secretary’s Staff Committee concluded in early 1944. It wanted barriers relaxed and liberal commercial policies established ‘simultaneously in as many countries as possible.’ The Roosevelt and Truman administrations were equally anxious to ensure the ‘greatest possible expansion of international trade on a non-discriminatory basis in accordance with comparative efficiencies of production’; to preserve ‘private enterprise in traditionally private enterprise countries’; and to shift production ‘from the less efficient to the more efficient sources of supply.’

Given America’s unrivalled mass production capacity and efficiency by 1945, its preeminent trading potential, and the massive devastation of Europe’s industrial base, these measures were likely to stimulate a proportionately higher level of growth and prosperity in the United States than in competing economies. Washington’s stated bias for free trade and capitalism abroad implicitly opposed the reconstruction plans being developed by the Labor government; these plans included the nationalisation of banks, diversification of local industries under protectionism, state support for viable heavy industry, and local manufacture of such items as automobiles and aircraft. The cornerstone of Labor’s plan for ‘economic security’ and ‘social justice’ in the uncertain postwar climate was its full employment policy. Its ambitious plans for improved employment, housing, education, child welfare, retirement pensions, and widows’ pensions embraced uncritically the Keynesian notion that variations in private expenditure must be offset by adjustments in the expenditures of government. To avoid a return to the widespread ‘social insecurity’ and threatened ‘anarchy’ of the 1930s, Labor was adamant that the state must exercise strong central authority over planning and spending. These reformists, unashamedly nationalistic aims were criticised as socialist during the national election campaign of 1943, but, along with Labor’s war record, they provided the backbone for its unprecedented landslide victory at the polls on 21 August. Clearly, Labor’s economic priorities and political ideology contrasted dramatically with those expressed by US multilateralism. Not surprisingly, during the conversion to peace, multilateralism was frequently portrayed by Australian officials as a threat to small-power sovereignty and a thinly veiled form of ‘economic imperialism.’ In Parliament, charges of ‘dollar imperialism’ were made by representatives of both the Labor and conservative opposition parties.

Australia’s distrust of US economic aims and tactics also surfaced at the United Nations-sponsored monetary and financial conference at Bretton Woods in July 1944, where the participants agreed in principle to establish the International Bank for Reconstruction and Development and the International Monetary Fund. The conference rejected an Australian proposal for an international agreement binding states to promote full employment. Fearing that the United States would dominate the proposed fund and
bank and concerned that participation would undermine small-power economic sovereignty, Australia initially refused to join other participants in accepting the conference decisions. Significantly, when Australia belatedly signed, it did so on the understanding that this would imply no commitment to implement the decisions. Twenty-eight nations joined the monetary fund and international bank late in 1945. Washington strongly urged Australia to consent, but it refused. Those opposed within the Labor Party protested that ratification ‘would mean the sacrifice of sovereign rights of independent nations on the altar of dollar imperialism.’ They feared it would prejudice the right to maintain high levels of tariff protection and thus undermine high levels of domestic employment. Some cabinet members and government advisers believed Australia might unnecessarily circumscribe its freedom to vary exchange rates and thereby threaten vital earnings derived from exporting primary products.

Opposition to possible American domination was shared by conservative parliamentarians, most of whom accepted the argument that Australia must ultimately ratify. Commenting on the proposed operation of the monetary fund, for example, the leader of the Country Party observed: ‘No alteration can, without the consent of the US, be made (a) in the agreement itself [or] (b) in the quotas, on which all the voting power depends.’ He concluded that ‘The US, by its power of veto, by the administrative provisions, and by its virtual monopoly of monetary gold, has all the power necessary to dominate the fund.’ The Australian Minister in Washington informed Evatt that the United States was ‘keen to inaugurate foreign trade, but the organisations which they set up for the purpose will be exclusive in character and will not allow the people in foreign countries to participate either management or in profits.’

The strength of Australia’s opposition is perhaps best illustrated by the fact that it did not ratify Bretton Woods until March 1947, after a long fight which seriously split the Labor Party. As late as 1947, a substantial minority of government members continued to argue that ‘the Bretton Woods agreement would inevitably deliver Australian internal affairs into the hands of an international financial autocracy’ dominated by the United States. Some prominent members, led by the dogged Minister for Transport and External Territories, Eddie Ward, advocated joint action by Australian, New Zealand, and the Soviet Union to ensure that the Bretton Woods apparatus collapsed.

During the transition to peace, Washington employed an intricate strategy to induce Australian support for the implications of Article VII. Less than a week after Japan had surrendered, President Harry F. Truman announced the end of Lend-Lease. All existing contracts, except where cash would be paid for materials previously ordered, were abruptly cancelled. This decision was foreshadowed during 1944-45 by various administration statements suggesting that the end of Lend-Lease would correspond with the end of the war by the gradual imposition of restrictions on the amount and type of aid during the final phase of the war, and by the withdrawal from Britain of all assistance, except for military use in the Pacific, immediately following the defeat of Germany in May 1945. Nonetheless, Britain and Australia were acutely disturbed. The new British Labor Prime Minister Clement Attlee protested publicly: ‘We hoped that the sudden cessation of this great mutual effort would not be effected without consultation and prior discussion.’

Eggleston advised that his government was also ‘profoundly dissatisfied’ with Truman’s action. Shortly afterwards, Australia retaliated by stipulating that supplies and services to US forces in the Pacific would no longer be furnished as reciprocal aid and that all reverse aid provided since 2 September would retrospectively be excluded from reciprocal arrangements and considered as normal exports to the United States.

The US decision to end Lend-Lease derived from a complex of local political and economic factors, and it should reasonably have been anticipated by its allies. But this action
was widely viewed as an additional attempt to oblige other nations to participate in the postwar economic arrangements foreshadowed in article VII. In 1944 Roosevelt stated he would permit Britain to use Lend-Lease to assist its economic reconversion and recovery immediately after the war. But Truman’s decision to end Lend-Lease in August 1945 negated this assurance. It also implicitly reversed earlier intimations that Lend-Lease and the Lend-Lease settlement would not be used as instruments to break down imperial preferences. This understanding involved the dominions as well as Britain. Eggleston believed Truman’s action was motivated by a desire ‘to force the British to take loans from the Import-Export Bank,’ or ‘to force the British to repeal the discriminations under the Ottawa Agreement…to break-up the sterling bloc.’ American planners now accepted that Article VII did not ensure Britain and the dominions would ‘go along with our program to restore [sic] world-wide multilateralism in finance and trade.’ Hence in preliminary loan discussions with Britain, US officials ‘indicated that it is essential that we discuss both finance and trade simultaneously,’ and stipulated ‘that it will be necessary for us to come to a broad understanding as to postwar trading methods and policy before we can ask Congress for any large-scale financial aid to Britain.’

Significantly, when it was announced that Britain had accepted a loan late in 1945, it was also agreed that Britain and America would commence preliminary negotiations ‘for the purpose of developing concrete arrangements’ to convene an international conference which would develop ‘definitive measures for the relaxation of trade barriers of all kinds.’

Although Britain conceded publicly that the loan was not conditional upon future reductions of imperial preferences, this argument did not convince Australia. It continued to believe that the United States wanted to reduce preferences as the quid pro quo for a generous Lend-Lease and postwar economic settlement. During the loan negotiations Attlee made a strong and personal appeal to Australia’s new Prime Minister, Ben Chifley, requesting consent to an Anglo-American formula for reducing preferences. While prepared to discuss possible tariff revisions, Chifley replied that his government could ‘not indicate in any way that Empire preference had been sold out in advance’ of the loan being granted to Britain. US policy toward small powers during Lend-Lease settlement negotiations indicates that it attempted to use the settlement as a means of extracting broader international support for its multilateral objectives. No bilateral Lend-Lease settlement was concluded until the Chifley cabinet had given firm, if informal, evidence that it was finally prepared to participate in postwar arrangements aimed at promoting multilateralism.

Australia’s attempts to avert or delay a settlement were based ostensibly on the view that a financial settlement was redundant since both countries had made approximately equal contributions. But in reality these tactics reflected distrust of Washington’s motives and a determination to protect Australia’s particular economic interests in the postwar world. Ultimately, after months of negotiations, Australia accepted in mid-1946 a Lend-Lease settlement which virtually wiped out its debt, estimated variously by American authorities at between $490 (US) million and $100 (US) million. This generous arrangement, however, was conditional upon Australia’s accepting a joint undertaking on economic policy, which stated in part:

The two Governments have undertaken to enter into negotiations for the reaching of agreement between themselves and other countries of like mind on mutually advantageous measures directed to the reduction of trade barriers, and the elimination of all forms of discriminatory treatment in international commerce, payments and investments.

Australia did not sign a formal declaration to this effect. But the State Department correctly believed that during settlement negotiations Australia had agreed, if somewhat reluctantly, ‘to
work out fair and liberal civil aviation and commercial policy agreements,’ and to participate in an American-sponsored conference on trade expansion aimed at implementing the liberal trade objectives of article VII.64

In announcing the terms of the Lend-Lease settlement of 7 June 1946, Chifley accepted these informal commitments. He acknowledged that the agreement conformed with provisions of the Mutual Aid Agreement which was designed to increase ‘mutually advantage bilateral trade, expanded worldwide trade, and improve international economic conditions.’ Australia was now prepared also to participate in a series of conferences proposed at Bretton Woods which aimed to determine ‘agreed measures for the expansion of world trade, production and employment, and to establish permanent international machinery to foster these purposes.’ Moreover, Chifley accepted an invitation to participate in an additional conference of major trading nations to ‘consider specific reciprocal trade arrangements for the joint relaxation of trade barriers and the active promotion of wider trade between themselves and with other countries.’ John Minter reported enthusiastically that Chifley’s announcement was ‘the very first attempt on the part of any Australian Government agency to tell the people of Australia that the Government had some obligations under the Master Lend-Lease Agreement other than just the exchange of resources during the war.’65

Despite this new confidence that US tactics had finally prevailed, the Chifley government still refused to give unequivocal support to multilateralism. It refused to reduce tariffs if this action threatened to endanger protected Australian industries; it resisted strong US pressure to abandon plans for a locally produced automobile; and it collaborated with other dominions in a strategy to avoid relaxation of British Empire preferences at the proposed international conferences ‘except on a quid pro-quo basis.’66 As the compromise Lend-Lease settlement had anticipated, however, during 1946-48 Australia bowed to American pressure by abandoning the full employment principle, by accepting a limited trade and tariff agreement, and by ratifying new US-sponsored arrangements projected at Bretton Woods and later extended through the International Trade Organization and the General Agreement on Trade and Tariffs at Geneva.67 Thus, belatedly and reluctantly, Australia was incorporated into the broad multilateral apparatus envisaged in article VII.

Australia’s opposition to US aims and policies was not restricted to the economic arena. Indeed it perceived Washington’s foreign economic policies as central aspects of a broader desire to dominate all critical facets of the postwar world. During the war, representatives of the Labor government complained of America’s ‘contemptuous indifference’ to its allies; stridently criticised Roosevelt’s failure to consult with small states; argued that Australia could never consent to the principal Anglo-American strategy that ‘Hitler must be defeated first’; and complained that this strategy and all other vital Allied policies had been determined without reference to Australia.68 Curtin articulated the frustrations of small allies when he concluded angrily: ‘The simple fact is that we had no voice in the decisions. We were confronted with a fait accompli and we had no alternative but to accept the decisions, much as we disliked them.’69

Australia’s vigorous opposition to US postwar ambitions in the Pacific and Japan reflected a similar concern.70 While prepared to tolerate big power leadership during the conversion to peace, Eternal Affairs Minister Evatt argued that it was ‘an indispensable corollary of such leadership that other nations, which have shared the tremendous burden and sacrifices, should have the correlative right to share in the planning and making of the armistice and peace arrangements, especially where their interest is direct and substantial.’71 Minister Eggleston perhaps best captured Australia’s hostility when he observed: ‘the mood of the USA is that they have won the war and they have not that sort of greatness which recognises the share of others, and especially that of smaller nations.’72 Despite occasional public disclaimers to the contrary, after 1942 Australia’s representatives from the Prime Minister downward exhibited
concern with growing US influence and imperialism in the Far East. Increasingly, they urged an expanded British and Commonwealth role in the Pacific war against Japan as a barrier to American penetration.73 Aware of Washington’s inchoate plans to control unilaterally a string of postwar Pacific bases and disturbed by its refusal to share responsibility for deciding the future of the Far East, Australia’s cynicism intensified. Washington’s convenient strategic area trusteeship proposals, for example, were portrayed by Eggleston as a decent garment to conceal the nakedness of their control.74

Acting with New Zealand late in 1944, Canberra initiated a bold but ultimately unsuccessful effort to offset American domination and to seek recognition as a principal force in all negotiation and arrangements for the Pacific and occupied Japan. In the controversial ANZAC agreement the small states declared that no changes in the control of ownership of any territory should be made without their explicit consent. Negotiated against a background of growing concern with American imperialism and Washington’s apparent determination to monopolise all facets of the Japanese settlement,75 this pact was, as State Department officials quickly acknowledged, ‘aimed all too obviously at the US’.76 Fears of US imperialism, both economic and territorial, continued to be voiced in the final phase of the war by representatives of Australia, as well as other Allied governments.77 Shortly after Japan had capitulated, Australia’s Defense Minister went so far as to compare American behaviour toward his government with Soviet activities in Eastern Europe.78

While implacably opposed to closed spheres of influence by other states, whether a British economic zone or a Soviet security sphere, the United States persistently sought to establish unilateral control over postwar Japan and all significant aspects of the Far Eastern settlement. At the same time the United States strengthened its traditional domination of Latin America, especially in the economic domain. These developments were not a reaction to difficulties with the Soviet Union in Europe. While advocating an open, liberal world, Washington also wanted to define and control the new postwar order in the Pacific. The American allies, both large and small, were acutely aware of this fundamental discrepancy between global ideals and regional behaviour. Commenting on US aims in the Pacific, Eggleston noted candidly that the ‘so-called idealism of the USA is not for home consumption but only to provide a standard by which to judge other people.’79 Even General Douglas MacArthur conceded that Washington refused to share responsibility for the Pacific with other states because unilateral domination would guarantee ‘American prestige and commercial prospects throughout the Far East.’80

Initially, Washington had envisaged and planned for possible Soviet participation in the final assault on Japan. But by mid-April 1945, against a background of intensified departmental warnings of the growing threat posed by Soviet ideology and activities, Secretary of State James Byrnes determined to ‘get the Japanese affair over with before the Russians got in.’81 In seeking to extend its influence throughout the Far East and to foreclose the region to possible Soviet penetration, Washington excluded all interested powers from an effective role in the counter-offensive, peace settlement and occupation of Japan. This policy aroused strong resentment among former Allies. Australia’s hostile view of American foreign economic policy and overall tactics was part of a wider concern about America’s expanding and exclusive ambitions in the Pacific – aims which pointedly contradicted the rhetoric of liberal internationalism emanating from Washington.

As a small state, Australia’s authority and options in the international economic arena were only marginally greater than in military and political affairs. It vigorously resisted full-fledged multilateralism throughout the war, but like other dependant Allies it could not successfully counter US initiatives. Ultimately it participated, albeit reluctantly, in the new international monetary and trade agreements developed under American auspices during 1944-47, and it was induced to accept some changes to imperial preferences.
Concessions extracted from Australia in return for war-time aid drew it gradually into a series of arrangements designed to implement multilateralism in the postwar world. In sum, Australia’s reactions and counter-initiatives from 1941 to 1946 is firm evidence that US multilateralism was interpreted by other nations as a self-serving strategy of open door expansion.

It must be conceded, however, that this limited study does not offer conclusive support for the revisionist’s view that US policy during World War II had as its core objective an expansionist policy designed to open the world irreversibly to American trade and investment. But this study does indicate that other states believed it was a central aspect of American policy. Historians may never be able to quantify accurately the relative weight attached to economic, military, or political goals by American planners. But certainly these facets of American policy were perceived in Australia, at least, as integrated parts of an expanding US presence in, and control of, the Pacific region during 1943-1947. If these initiatives were usually couched in disclaimers of self-interest and derived from a conviction that the world must be reformed by the United States, since it alone had the capacity to complete the task, they were seldom interpreted in this light by other nations. Australian responses ranged from hesitant to hostile, as it attempted to counter, resist, or deflect US initiatives. This small state felt its particular economic interests and regional ambitions stifled by the predominance of American power and influence in the Asia-Pacific area after 1943 and also threatened by Washington’s liberal internationalism. Only gradually after the war, and against the background of an allegedly new Asian threat to its security in the form of Communist China, did Australia accommodate itself to American authority in the Pacific. This change was pursued after 1949 by the conservative Robert Menzies government which, like its American counterparts, eagerly exploited the anti-Communist rhetoric of the Cold War for electoral advantage at home. Much less nationalist and reformist than its predecessor, the Menzies government substituted an uncritical dependence on its so-called ‘great and powerful friends’ for the assertive independence in international affairs which Labor and pursued from 1941 to 1949.

Writing recently on Anglo-American relations and the future of colonial possessions after 1945, W.R. Louis observed that the ‘great expansion of American power during the Second World War was not accompanied by an over-all clarity of policy.’ Despite the claims of revisionists, it is still widely asserted that ‘America entered the post-World War II period without a clear and consistent view of the world or of America’s role in it.’ A corollary to this argument, advanced by Lisle Rose, is that the most striking aspect of US ‘international economic policy during and after the war is not its aggressiveness, but its timidity.’ Such assertions appear difficult to substantiate. Washington viewed dominant penetration of the postwar economic order in the Pacific and the Far East as vital to its long-term open world interests, and it used a complex strategy to promote this aim. It moved deliberately after 1941 to break down and penetrate existing spheres of influence beyond the western hemisphere. Fundamentally, the espoused liberal internationalism was an expression of separate national needs, supported in the Pacific at least by exclusive military authority; it was not a genuine attempt to accommodate shared Allied aspirations by implementing broadly endorsed international goals. It is difficult to escape Lloyd Gardner’s conclusion that economic opportunity in a given region such as Eastern Europe was not alone considered essential to American prosperity, ‘but an open world was – especially after twelve years of Depression and war.’ That this objective was not fully realised in all parts of the world, including Australia, cannot be adduced as evidence that it was not actively pursued by the United States during 1942-1946. Nor can the negative reactions of other states be ignored simply because US initiatives were occasionally
compromised. The exigencies of war, the urgent need of the Allied powers for help, and pre-eminent American economic and military capacity together provided after 1941 a unique opportunity for the adoption of tactics aimed at committing the Allies to the principles of multilateralism.

As a vital member of the closed preference arrangements and a focus of resistance to unilateral American action in the Far East, Australia was an important target of Washington’s plans and tactics. Such initiatives were not a response to tensions deriving from difficulties at Yalta or Soviet intervention in Poland. They predate rifts with the Soviet Union over the Eastern European settlement, since they were being pursued vigorously throughout the Pacific war. Unless it can be demonstrated that US policies towards Australia were essentially an aberration or that Australia’s perception of these policies was unique and without foundation, then clearly the major power attempted to exploit the conditions of war to promote the open door and further its particular long-term economic interests. Furthermore, Washington’s efforts to penetrate the Pacific by employing its unchallenged wartime supremacy and by unilaterally dominating all facets of war and peace in this area were resented and opposed by lesser states. Although clouded in the rhetoric of anti-imperialism and liberal internationalism, still accepted by many scholars as accurate descriptions of US aims, the states actually involved in the war effort usually regarded such assertions with profound cynicism. Even conceding that US behaviour appeared more hegemonic than in fact it was, or that there was a significant gap between acknowledged open door intentions and actual results, Stanley Hoffman is correct to point out that this ‘does not mean that American objectives could not have appeared to the Soviets,’ or other countries, ‘the way they now look to the revisionist.’

In his imposing recent study of inter-Allied relations during the conflict with Japan, Christopher Thorne concluded that America’s military, political, and economic ambitions and strategies were fundamentally integrated. The ‘arrogance of American power in the 1950s and 1960s, involving the determination to enforce a Pax Americana in the Pacific and to establish there and in the Far East an open door for United States commercial enterprise,’ he observed, ‘had been fostered by the manner and extent of the country’s victory over Japan.’ This relationship between US economic aims and its exclusive military and political strategies in the Pacific was recognised and stridently opposed by consecutive Australian Labor governments, especially after 1943. If Australia was disturbed by Washington’s attempts to determine unilaterally all major aspects of Allied Far Eastern policy during the war and peace, it was no less concerned with the implications of American-style multilateralism for dominion sovereignty and prosperity.

In resisting multilateralism, the Labor governments exhibited a strong conviction that American policy was a subtle form of economic imperialism that was in deep conflict with the interests and needs of other states, especially those anxious to pursue a moderate democratic-socialist alternative. Despite protests by critics of revisionism, there is little evidence to suggest that this perception of multilateralism was isolated or unfounded. If the Australian example is any guide, there is little reason to doubt, despite the assertions of Alfred Eckes and others, that US ‘internationalist rhetoric, emphasising equal access to raw materials, nondiscriminatory trade, and currency convertibility, concealed the classic pursuit of national self-interest.’

Clearly the United States attempted to derive maximum long-term advantage from its dominant economic and military position. It would have been an exceptional major power indeed, had it not sought to employ its unprecedented authority for national advantage. The United States was by no means alone in seeking to reap economic advantage from the conditions of war. But it was uniquely placed to pursue its separate economic goals. Unlike the activities of a major state, the behaviour of small or middle powers in
international affairs is essentially reactive; they are seldom able to implement successful independent initiatives. Hence any generalisation about the reactions of the major Allies to US multilateralism, most notably the Soviet Union, remains open to qualification and detailed examination.

But if the Australian case is at all representative, there is no reason to doubt that US economic goals overseas were clearly defined and actively pursued during the war and the peace settlement discussions; that these policies provoked suspicion, concern, and resistance among allies; and that these policies were influenced by an ideological distrust of left-wing governments which were viewed as anxious to resist American influence. US behaviour thus contributed substantially to the suspicions and bitterness which increasingly characterised the wartime alliance, and it helped condition the uncertainties and disputes which quickly hardened into new tensions in the postwar world.

NOTES

5. Gabriel Kolko, The Politics of War: The World and United States Foreign Policy, 1943-1945, New York, 1968; Lloyd C. Gardner, Architects of Illusion: Men and Ideas in American Foreign Policy, 1941-1949, Chicago, 1970; Walter La Feber, America, Russia and the Cold War, 1945-1967, New York, 1967. The debt of these and other revisionists to Williams had been widely recognised, especially their support for Williams’ view that America has persistently pursued a policy of Open Door expansionism aimed at stabilizing the world ‘in a pro-American equilibrium’; see W.A. Williams, The Tragedy of American Diplomacy, rev. ed., New York, 1962, p. 299. In categorising these studies as revisionist, I do not wish to imply that they share identical views on all facets of US foreign policy. They are, however, united by a general agreement on the nature and significance of American Open Door policies and liberal internationalism. Nevertheless, I agree with Ronald W. Pruessen that the very ‘label ‘revisionist’ – perhaps like all labels – is innately unsatisfactory because it lends itself too easily to simplistic and misleading definitions and summaries’; see his The


9. Although the evidence for this assertion remains fragmentary, it is quite extensive, embracing a number of countries and regions. For the Pacific and Far East, see Thorne, op. cit., pp. 279-282, 365, 385-393, 513, 536, 675. For Latin America, see David Green, The Containment of Latin America: A History of the Myths and Realities of the Good Neighbor Policy, Chicago, 1971, pp. 111-118, 187-196.

10. The significance of imperial trade and tariff preferences and the sterling nexus to Australia’s economic stability and growth can scarcely be overstated. During 1938-1939, for example, almost two-thirds of all Australian exports went to Commonwealth countries. More than half of Australia’s exports for this year – £53 million in value – were purchased by the UK. In contrast the value of exports to the United States was less than £3 million sterling less than to such countries as Belgium, Japan, and France.


15. Hull to Winant, 13 February 1942, in US Department of State, Postwar planning in the Pacific file, 841/2/124A, Record Group 59, US National Archives, Washington, DC, hereafter cited as RG, NA. See also, Roosevelt to Churchill, 10 February 1942, Roosevelt-Churchill Correspondence, Map Room Files, Box 2, Roosevelt Papers; UK War Cabinet Minutes, 20th conclusion, 12 February 1942, in UK Minutes or Conclusion of the War Cabinet, Sept. 1939-May 1945, Cab 65/25. Wm(42), PRO.

16. Acheson to Johnson, 8 December 1942, in US Department of State, Australia, 1940-1946 file, 847.24/431, RG59, NA. See also Casey to Curtin, during 1942, A1608, A59/2/1, pt. 2, CAO. In contrast to Australia’s representatives, Acheson considered ‘the Australian government bound by Article VII.’ This position was not maintained after late 1942. See Curtin to UK Dominion’s Secretary, 11 February 1942, A1608, A59/2/1 pt. 3, CAO.
18. This argument, although usually attributed to revisionist scholars, is also supported by Eckes – albeit in a somewhat contradictory manner. Eckes, *Open Door Expansionism*, pp. 911, 923 and *A Search for Solvency*, pp. 39, 124, 275-277, 283. See also Gaddis, op. cit., pp. 20-21.
19. Acheson to Johnson, 15 September 1943, in US Department of State, Australia 1940-1946 file, 847.24/700, RG59, NA.
24. Johnson to Hull, 1 February 1944, in US Department of State, Australia 1940-1946-file, 847.24/775, RG59, NA.
27. See, for example, *San Francisco Examiner* and *Washington Times Herald*, as quoted in Thorne, op. cit., pp. 402-403. On the basis of a wide range of newly located evidence, Thorne argues that ‘assumptions about American predominance, present and future, in Far Eastern affairs were indeed by now [1942-1943] widespread in the United States,’ and, ‘at the same time there was a growing emphasis upon the vital economic role that the Far East could play in the postwar life of the United States’. See also ibid., pp. 160, 170, 421, 553, 729.
28. Layton, memorandum, 3 February 1944, UK Prime Minister’s office files, PREM 3, 159/2, PRO; Johnson to Howard, 3 March 1943, Box 42, Johnson Papers: Johnson memorandum, 17 July 1943, in US Department of State, Australia 1940-1946 file, 847.00/393, RG59, NA.
29. Johnson to Hull, 27 December 1943, which quotes Evatt to Hull on 17 December 1943, in US Department of State, miscellaneous files, 611-4731/468, RG59, NA; Hull to Evatt, 24 March 1944, and Johnson to Evatt, 27 March 1944, both in A989, 43/735/70/2, CAO.
30. Minter, in Johnson to Hull, 11 January 1944, and Minter to Stewart, 6 December 1944, both in Foreign Service Post Records, ‘Canberra 1941-1947’, F150, Box 030-800, RG84, held at US Department of State; Committee on British Commonwealth to Johnson, 2 November 1944, in US Department of State, Australia 1940-1946 file, 847.00/1-545, RG59, NA; Stewart memorandum, 8 February 1944, miscellaneous files, FW 840.50/3482, ibid.
31. Evatt, memorandum, 6 November 1944, ANZ (2), no. 58, Evatt Papers, Flinders University Library, Adelaide, Australia.
32. Johnson, *Australian...Desire for International Agreement on Employment*, 12 February 1945, in US Department of State, miscellaneous files, 800.504/2-1245, RG59, NA.


34. Minutes of 51st and 54th meetings, US delegation to UNO Conference, San Francisco, 23 and 26 May 1945, UNO files, RSC lot 60-D, 224 Box 96, US Cr Min 51 and 54, NA; OSS reports, XL 33087 and OX 24095, 21 December and 8 June 1945, RG266, NA; Johnson, *Australia’s Post-War Economic Policy*, 3 February 1945, in US Department of State, miscellaneous files; 711.47/2-345, RG59, NA.


36. Hull to Johnson 29 December 1944, Foreign Service Post Records, ‘Canberra 1941-1947’, F150, Box 030-800, RG84, held at US Department of State.

37. Fraser, *British Empire PM’s Conference, 8 May 1944*, UK PM’s Office, Records 1941-1944, confidential papers, Premier 4/42/5 Pmm(44), PRO. See also Stewart, memorandum, 8 February 1944, in US Department of State, miscellaneous files, FW840.50/3482, RG59, NA.


39. Memorandum, 8 April 1944, in US Department of State, Notter file, box 19, PWC/231-40, RG59, NA; Secretary’s Staff Committee, 5 March 1945, box 301, SC-556, ibid.


43. Johnson to Howard, 3 March 1943, Box 42, folder 1943, Johnson Papers; Johnson, *Australia’s Postwar Economic Policy*, 3 February 1945, in US Department of State, miscellaneous files, 711.47/2-345, RG59, NA.

44. Secretary’s Staff Committee, Post-War Problems Committee, *Conclusions*, 6 March 1944, in US Department of State, Notter file, Box 297, PWC-52, 5.36 RC59, NA; memorandum, 19 July 1944, Box 19, PWC/231-40, ibid.


46. See, for example, *Australia, Commonwealth Parliamentary Debates*, pp. 190, 934-1006, 1077-1084; Eggelston, memorandum, 26 December 1944, MS 423/10/739-43, Eggelston Papers; Eggelston to Evatt, 11 November 1944, A1066, A45/2/3/4, pt.1, CAO.

47. Walker, op. cit., p. 375; Hull to Johnson, 20 July 1944, and Johnson, memorandum, 26 July 1944, in US Department of State, miscellaneous files, 800.515/7-2044, RG59, NA.


49. Eggelston to Evatt, 11 November 1944, A1066, A45/2/3/4, pt. 1, CAO. Given the statement by America’s chief negotiator, Harry Dexter White, that the US must maintain sufficient votes to guarantee that ‘quotas cannot be changed in a manner detrimental to our interests and that no amendment to the Fund proposal can be enacted without our approval’, Australia’s skepticism appears to have been well founded; see Eckes, *A Search for Solvency*, p. 129.


53. Eggleston, memorandum, 24 August 1945, A1066, A45/2/3/4, CAO; Eggleston to Acheson, 1 October 1945, 847.24/10-145, NA.

54. Roosevelt to Churchill, 11 February 1945, Map Room file, box-miscellaneous, Roosevelt Papers.

55. Eggleston, memorandum, 7 September 1945, MS 423/10/729.43, Eggleston Papers. Orthodox historians have argued that Lend-Lease was not ended abruptly, and that its termination was not related to America’s multilateral strategy. Eggleston’s observation suggests clearly that America’s behaviour was interpreted very negatively by other states in 1945.


59. Dunk to Eggleston, 4 December 1945, MS 423/10/198, Eggleston Papers.

60. Memorandum, 9 May 1946, in US Department of State, Australia 1940-1946 file, 847.24/5146-12-3146, RG59, NA; Acheson to US Consul, Sydney, 17 May 1946, in 847.24/5-1746, ibid.

61. Johnson to Hull, 1 February 1944, in 847. 24/775, ibid.; Dunk to Eggleston, 4 December 1945, MS 423/10/198, Eggleston Papers; Dunk to Clayton, 2 November 1945, Evatt Papers.

62. Minter, memorandum, 28 December 1945, in US Department of State, Australia 1940-1946 file, 847.24/12-2845, RG59, NA; Acheson to US Consul, Sydney, 26 March 1946, in 847.24/3-2646, ibid; Acheson, memorandum, 8 May 1946, in 711.45/5-846, ibid. The final settlement obliged Australia to pay only $27 million (US); see *Agreement on Lend-Lease Reciprocal Aid*, 7 June 1946, in 847.24/6-746, ibid.

63. Memorandum, 9 May 1946, in 847.24/5-146-12-3145, ibid.

64. Acheson, memorandum of conversation with Chifley, 9 May 1946, in 847.24/5-946, and Acheson to US Consul Sydney, 17 May 1946, in 847.24/6-1746, both in ibid. *OSS Reports*, 12 April 1946, XL 49644, Records of OSS, RG226, NA; Thorne, op. cit., pp. 385, 513, argues that London did not ratify the Bretton Woods proposals until its precarious reserves position and US pressure forced it to do so after the war.

65. Minter, memorandum, 14 June 1946, in US Department of State, Australia 1940-1946 file, 847.24/6-1446, RG59, NA.

66. Allison, memorandum, 14 June 1946, in 841.014/6-1446, ibid. See also McCarthy to Evatt, November 1945, USA file, Evatt Papers; Johnson, memorandum, 17 November 1945, in US Department of State, miscellaneous files, 560 AL/11-1745, RG59, NA; Eggleston memoranda, 7 September 1945, and 26 December 1944, MS 423/10/739-43 and 423/10/658-60.47, Eggleston Papers; Minter, memorandum, 17 November 1945, in US Department of State, miscellaneous files, 560AL/11-1745, RG59, NA; Zapf, memorandum, no date, Foreign Service Post Records, lot 56, F150, Box 030-800, RG84, held at US Department of State; and Chifley, 28 June 1946, in Australia, *Commonwealth Parliamentary Debates*, 187, 2027.
The agreements were only an initial step towards multilateralism. ‘The aggregate tariff reductions agreed upon were small’, an Australian observer noted ‘but nonetheless greater than ever achieved previously at one sweep’. See R.F. Holder, ‘Australian Opinion and the GATT’, Australian Outlook, V, 1951, pp. 22-36; ‘International Trade Discussion’, ibid., II, 1948, pp. 42-49.

Dixon to John Latham, Chief Justice of Australia, 31 October and 20 June 1942, MS 1009, series A, Latham Papers, Australian National Library, Canberra; Calwell, 10 December 1942, Australia, Commonwealth Parliamentary Debates, pp. 172, 178-184; Curtin to Roosevelt, 31 March 1943, Map Room file, Box 12(2A), Roosevelt Papers; Evatt, 16 February 1943, A989, 43/970/5/2/3, CAO.


Evatt, in The Sydney Morning Herald, 30 July 1945.

The British view was very similar; see Thorne, op. cit., p.536.

Australian Department of External Affairs, memorandum, 15 April 1943, A989/43/735/1021, and telegram 24 August 1943, A989/43/735/321, CAO; Johnson, memorandum2 September 1944, in US Department of State, Japan 1945-1946 file, 740.0011 PW/9-2440, RG59, NA; and Johnson to Hull, 1 May 1944, Australia 1940-1946 file, 847.00/4-224, ibid.

Eggleston, Washington notes, in late 1945, MS 423/10/1253, Eggleston Papers.

Johnson, 2 September 1944, in US Department of State, Japan 1945-1946 file, 740.0011 PW/9-2440, RG59, NA; Johnson to Hull, 1 May 1944, Australia 1940-1946 file, 847.00/4-224, ibid.; memorandum, 2 November 1944, 847.00/1-1545, ibid.

Hickerson, memorandum, 22 April 1944, in 847.00/4-224, ibid.


Eggleston, Washington notes, in late 1945, MS 423/10/1253, Eggleston Papers.


ibid., p. 252.

The questions of the motives behind, and the internal dynamics of, American economic policies lie essentially outside the scope of this paper although they have been a central preoccupation in the debate between orthodox and revisionist historians who have relied overwhelmingly on American archival sources.

This point is supported, for example, by Gaddis, op. cit., p. 354.
86. R.W. Tucker, The Radical Left and American Foreign Policy, Baltimore, 1971, p. 27.
87. Rose, op. cit., p. 65.
89. Compare Gaddis, op. cit., p. 23, which portrays the strained economic relations of the late war years as essentially a result of mutual recrimination over the fate of Eastern Europe, and suggests that Soviet opposition to multilateralism was ‘an effect rather than a cause of the Cold War’.
90. This is not to imply, however, that American capitalism has uniquely sought to promote a world order receptive to its particular interests and institutions. Nor is it to suggest that all capitalist societies necessarily pursue such a course in foreign policy; see Robert L. Heilbroner, ‘Phase II of the Capitalist System’, New York Times Magazine, 28 November 1971, and Robert Zevin, ‘An Interpretation of American Imperialism’, Journal of Economic History, XXXII, 1972, pp. 334-353.
92. Thorne, op. cit., p. 695.