

17
 ARTICLE APPEARED
 ON PAGE 168

FOREIGN POLICY
 WINTER 1982-83

DATELINE AUSTRALIA: AMERICA'S FOREIGN WATERGATE?

by James A. Nathan

"Who lost Australia?" may soon be a significant debate in American politics. All over the democratic world opposition parties are gaining power. Should this happen in Australia, the alliance with America might be called into question and Washington could lose intelligence facilities indispensable for any future arms control regime.

Today, from press and Parliament, Australia is awash with accusations about illegitimate American intelligence activity. Much attention and anger is focused on the Central Intelligence Agency. There is an almost hysterical set of indictments leveled against U.S. intelligence. The CIA is charged with becoming involved in Australian politics and foreign relations, even manipulating the Australian banking system and, most astonishingly, organizing a narcotics trade from Australian soil.

Intelligent American observers' initial disbelief needs reassessing. For in Australia a plausible case is being developed that CIA officials may have also done in Australia what they managed to achieve in Iran, Guatemala, and Chile: destroy an elected government—in the case of Australia, the Labor party government from 1972 to 1975.

The fall of Prime Minister Gough Whitlam and the appointment of current Prime Minister Malcolm Fraser met with profound relief among U.S. officials. Whitlam, perhaps the best orator in contemporary Australian history, aroused deep hostility within the U.S. intelligence community. It viewed his party and politics as, at best, benighted accomplices to Soviet undertakings. The CIA feared that secrets shared with Australia were being routinely compromised, that CIA activities and agents in Australia would soon be revealed, and that the U.S. government's critical and

JAMES A. NATHAN is a professor of political science at the University of Pittsburgh. He has recently returned from

irreplaceable elect
 Australia, vital fo
 activities, could be

During the Whit
 United States were
 trust. The CIA was
 as an associate, an
 would be involved
 nations. Relations i
 a more conservati
 tralian capital. Ca
 tigation into the l
 based. American-c
 chant Bank has re
 the controversies
 tralian suspicions
 preposterous in 19
 river of evidence. T
 warrant to a water-
 noids have enemies.

Geography and geology have conspired in directing Australia's destiny. Australia has bountiful mineral endowments and a small population-to-area ratio with a total population of 15 million. It is one of the most strategically valuable pieces of real estate on the planet. Australia sits at the southeast corner of the Indian Ocean about 2,400 miles southeast of Indonesia. Sixty-nine per cent of Japan's oil requirements, 70-80 per cent of Western Europe's, and 15 per cent of America's passes through the area between Australia and southern Africa. U.S. B-52s flying from Guam to Diego Garcia refuel in northern Australia at a base in Darwin. Australia hosts 10 American military installations. Because of their unique location, most cannot be replicated at any cost. The new U.S. Defense Guidance characterizes Australia as a critical area.

Australia has traditionally been friendly toward the United States. Tens of thousands of U.S. sailors each year are delighted to find that the computerized date-a-sailor services offered at every Australian port are overburdened with amicable Australian applicants. But things are changing. No longer do prime ministers claim, as John Gorton did in 1969, "Wherever the United States is resisting aggression . . . we will go a-waltzing Matilda with you." Evidence of a new atmosphere was the roasting Vice

CONTINUED